

# Implementation Statement

## Aggreko Pension Scheme

### Purpose of this statement

This implementation statement has been produced by the Trustee of the **Aggreko Pension Scheme ("the Scheme")** to set out the following information over the year to **31 December 2024**:

- how the Trustee's policies on exercising rights (including voting rights) and engagement activities have been followed over the year and
- the voting activity undertaken by the Scheme's investment managers on behalf of the Trustee over the year, including information regarding the most significant votes.

This statement does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Scheme's assets that are held as AVCs.

### Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at March 2025 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in March 2025 to reflect the purchase of bulk annuity policies with an insurer (Aviva). The SIP has been made available online here:

<https://schemedocs.com/download/aggreko-statement-investment-principles.pdf>

The Trustee decided not to set stewardship priorities for the Scheme following the completion of the buy-in insurance transaction with Aviva. The Scheme has assets invested in respect of remaining uninsured liabilities, these are entirely held in the Scheme bank account with a small residual holding invested in the LGIM Sterling Liquidity Fund. Therefore, the Scheme's assets are now held as a buy-in policy and cash, and the Trustees have limited ability to influence the voting and engagement activities undertaken by the insurer.

### How voting and engagement policies have been followed

Of the Scheme's managers, the Voting and Engagement policies and activities are most relevant for the mandates where equities are held indirectly through the Scheme's diversified growth portfolio. Based on the information provided by the Scheme's investment managers, the Trustee believes that its policies on voting and engagement have been met over the year to 31 December 2024 in the following ways:

- The Scheme invested entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers.
- The Trustee met with the investment managers at Trustee meetings as required and may challenge decisions made including engagement activity.
- An investment performance report, produced by the Scheme's investment consultant, is reviewed by the Trustee on a semi-annual basis. The report includes manager ratings from the investment consultant.

- Annually the Trustee receives and reviews voting information and engagement policies from both the asset managers and their investment advisors, which they review to ensure alignment with our own policies. This includes ensuring alignment with the Scheme's stewardship policy.
- The Trustee will also ensure it remains comfortable the managers' engagement policies are in line with their own.

Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the fund managers are in alignment with the Scheme's stewardship policies.

**Prepared by the Trustee of the Aggreko Pension Scheme  
April 2025**

## Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Scheme's Growth Portfolio on behalf of the Trustee over the year to **31 December 2024**. Throughout the year, the Scheme conducted a series of investment strategy changes in preparation for the purchase of bulk annuity policies. This included the full disinvestment from the LGIM Diversified Fund on 9 October 2024. Since the Scheme held the fund for the majority of the year to 31 December 2024, the corresponding voting rights for the period to 31 December 2024 have been considered below.

The **cash, corporate bonds and LDI** with **LGIM** have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate so have not been included below.

Manager	LGIM
<b>Fund name</b>	Diversified Fund
<b>Structure</b>	Pooled
<b>No. of eligible meetings</b>	10,851
<b>No. of eligible votes</b>	108,048
<b>% of resolutions voted</b>	99.8%
<b>% of resolutions abstained<sup>1</sup></b>	0.9%
<b>% of resolutions voted with management<sup>1</sup></b>	76.7%
<b>% of resolutions voted against management<sup>1</sup></b>	22.4%
<b>Proxy voting advisor employed</b>	LGIM's Investment Stewardship team uses Institutional Shareholder Services (ISS)'s 'Proxy Exchange' electronic voting platform to electronically vote on clients' shares. All voting decisions are made by LGIM, and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with our position on ESG, LGIM have put in place a custom voting policy with specific voting instructions.
<b>% of resolutions voted against proxy voter recommendation</b>	13.8%

<sup>1</sup> As a percentage of the total number of resolutions voted on.

Note: segregated mandates allow the Trustees to engage with managers and influence their voting behaviour. Pooled fund structures result in limited scope for the Trustees to influence managers' voting behaviour.

## Significant votes

Given the bulk annuity purchase completed in February 2025, the Trustee has not set stewardship priorities / themes for the Scheme. So, for this Implementation Statement, the Trustee has asked the investment managers to determine what they believe to be a “significant vote”. The Trustee has not communicated voting preferences to their investment managers over the period.

**LGIM** have provided 2,468 votes which they believe to be significant. In the absence of agreed stewardship priorities / themes, the Trustee has selected 5 of these votes. To represent the most significant votes, the votes of the largest holdings are shown below which cover a range of themes.

A summary of the significant votes provided is set out below.

### LGIM, Diversified Fund

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
<b>Company name</b>	Apple Inc.	Prologis Inc.	Microsoft Corporation	Shell Plc	Toyota Motor Corp.
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	0.39%	0.37%	0.34%	0.33%	0.31%
<b>Summary of the resolution</b>	Report on Risks of Omitting Viewpoint and Ideological Diversity from Equal Employment Opportunity (EEO) Policy	Elect Director Hamid R. Moghadam	Report on AI Data Sourcing Accountability	Approve the Shell Energy Transition Strategy	Elect Director Toyoda, Akio
<b>How the manager voted</b>	Against	Against	For	Against	Against
<b>Rationale for the voting decision</b>	Environmental and Social: LGIM believe a vote against this proposal is warranted, as the company appears to be providing shareholders with	Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk	Governance: LGIM believe a vote for this resolution is warranted as the company is facing increased legal and reputational risks related to	Climate change: A vote against is applied. LGIM acknowledge the substantive progress the company has made in respect of climate	Independence: A vote against is applied due to the lack of independent directors on the board. LGIM believe independent directors bring

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
	<p>sufficient disclosure around its diversity and inclusion efforts and non-discrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.</p>	<p>management and oversight concerns.</p>	<p>copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language models</p>	<p>related disclosure over recent years, and LGIM view positively the commitments made to reduce emissions from operated assets and oil products, the strong position taken on tackling methane emissions, as well as the pledge of not pursuing frontier exploration activities beyond 2025. Nevertheless, in light of the revisions made to the Net Carbon Intensity (NCI) targets, coupled with the ambition to grow its gas and Liquefied Natural Gas (LNG) business this decade, LGIM expect the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050. In essence, LGIM seek more clarity regarding the expected lifespan of the assets Shell is looking to further develop, the level of flexibility in revising production levels against a range of scenarios and tangible actions taken across the value chain to deliver customer decarbonisation.</p>	<p>an external perspective to the board. Bringing relevant and suitably diverse mix of skills and perspectives is critical to the quality of the board and the strategic direction of the company. LGIM would like to see all companies have a third of the board comprising truly independent outside directors.</p> <p>Diversity: A vote against is applied due to the lack of meaningful diversity on the board.</p> <p>Climate Impact Pledge: A vote against is warranted as LGIM believe there is still a disconnect in Toyota's stated climate ambitions and its current multi-pathway strategy. LGIM encourage Toyota to further develop disclosures that more clearly articulate how it intends to support a global transition to zero emission vehicles and net zero emissions.</p>
<b>Outcome of the vote</b>	Fail	Pass	Fail	Pass	Pass
<b>Implications of the outcome</b>	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.				

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
<b>Criteria on which the vote is considered "significant"</b>	<p>Thematic - Diversity: LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their clients' behalf.</p>	<p>Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO.</p>	<p>High Profile meeting: This shareholder resolution is considered significant by LGIM due to the relatively high level of support received.</p>	<p>Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. LGIM expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.</p>	<p>Thematic - Diversity: LGIM views gender diversity as a financially material issue for their clients, with implications for the assets managed on their behalf. Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, their flagship engagement programme targeting companies in climate-critical sectors.</p>

## Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustee. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme's LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager	LGIM	
Fund name	Active Corporate Bond Fund– All Stocks	Diversified Fund
Number of entities engaged on behalf of the holdings in this fund in the year	56	2,697
Number of engagements undertaken at a firm level in the year	4,060	

## Examples of engagement activity undertaken over the year to 31 December 2024

### LGIM (firm level engagement)

**Entity engaged with:** Qantas Airways

**Topic:** Governance and Climate Change

#### Rationale for engagement:

LGIM's engagement with Qantas began in 2020. The Australian airline faced several controversies over its treatment of customers and staff during the COVID-19 pandemic, leading to legal actions and orders for redress. These controversies highlighted governance issues, which have been a staple of LGIM's engagement with the company, alongside climate change. In 2024, LGIM addressed specific governance issues including:

- Over-boarding (time commitment of directors)
- Succession
- Remuneration

#### Actions taken:

LGIM met with Qantas four times during 2024, including discussions with the new Chair. Both the Board Chair and the Chair of the Remuneration Committee have been replaced, and the board has undergone a degree of refreshment, reducing the average tenure to three years. LGIM's discussions helped them understand the stability of the board, the timeframes for correcting over-boarding, and the steps taken by the remuneration committee to hold directors and executives accountable. This was reflected in LGIM's voting decisions at the company's AGM at the end of October 2024.

#### Outcomes and next steps:

LGIM's voting decisions at the company's AGM in October reflected their engagement. They voted for the re-election of the Chair at Qantas, despite concerns about over-boarding, understanding that he cannot abruptly end his tenure at other companies. LGIM noted that they voted against his re-election at other companies where he serves on the board. They also voted for the re-election of a Non-Executive Director who was on the board during the COVID controversies, considering the significant board refreshment and the need for stability. Additionally, they supported the remuneration report, acknowledging the actions taken by the new remuneration committee chair, including a notable clawback of over AU\$9 million from the former CEO.

LGIM think the significant changes to the board and new steps taken at Qantas are encouraging. LGIM will continue to monitor various areas and maintain a positive view of the changes. Besides governance, they will also continue their engagements on climate change with the company under their Climate Impact Pledge.