

DEUTSCH RETIREMENT BENEFITS PLAN

IMPLEMENTATION STATEMENT

YEAR TO 31 DECEMBER 2024

1 INTRODUCTION

The Trustees of the Deutsch Retirement Benefits Plan (“the Plan”) are responsible for investing the assets of the Plan, having taken professional advice first. The principles that we have agreed will govern our investment are set out in our Statement of Investment Principles (“SIP”).

The purpose of this Implementation Statement is to:

- explain how the Trustees have followed their policies on the exercise of rights and engagement activities set out in the SIP during the year and
- describe the voting activity carried out in relation to the Trustees’ investment in company shares over the year.

2 HOW THE TRUSTEES HAVE IMPLEMENTED THEIR STEWARDSHIP AND ENGAGEMENT POLICIES DURING THE YEAR

Because they invest the Plan’s assets in pooled funds, the Trustees have no voting rights in relation to the underlying assets purchased by the fund managers; it is the fund managers who hold the voting rights. Those fund managers used by the Plan that have voting rights – currently Legal & General Investment Management (“LGIM”) and Newton Investment Management (who manage the BNY Mellon Real Return Fund) – have supplied a record of their voting behaviour over the year and this is summarised in section 3 of this statement below.

As the Trustees invest in pooled funds, they are not the legal owner of the individual stocks and shares held by those funds. Therefore, they are not in a position to engage with the boards of the investee companies. Having considered their fund managers’ policies on engagement, the Trustees are happy for them to so engage on such basis as they deem appropriate to improve risk-adjusted returns.

3 2024 VOTING RECORD

Some of the funds the Plan invests in own shares in companies. As shareholders, the fund managers have the right to vote on motions proposed by company management and/or shareholders and the Trustees do not have any say in how the fund managers vote. The funds that hold shares are:

- the Legal & General Diversified Multi Factor Equity Fund,
- the Legal & General Diversified Fund and
- the BNY Mellon Real Return Fund.

DEUTSCH RETIREMENT BENEFITS PLAN

LGIM and Newton have supplied us with details of how they have exercised their voting rights over the year. They both use a proxy voting service to cast their votes but will not necessarily vote in accordance with the proxy's recommendations.

Investment Manager Name	LGIM	LGIM	Newton (BNY Mellon)
Fund Name	Diversified Multi Factor Equity Fund	Diversified Fund	Real Return Fund
How many meetings were you eligible to vote at over the year?	1,492	10,851	72
How many resolutions were you eligible to vote on over the year?	17,980	108,048	1,035
What % of resolutions did you vote on for which you were eligible?	99.73%	99.75%	99.2%
Of the resolutions on which you voted, what % did you vote against management?	18.38%	22.41%	5.6%
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser?	13.60%	13.76%	4.9%

LGIM provided details of more than two thousand votes to the Trustees. The vast majority of these votes related to three general policies, which are set out below, along with some examples of the companies where LGIM voted in relation to these matters. In some cases, these policies were expressed through voting against the appointment or reappointment of members to the Company Board.

Climate, Nature and Sustainability

- I. LGIM have continued to use their votes to hold directors to account for their management of climate, nature and sustainability risk, applying voting sanctions where they deem necessary.

Some examples of votes relating to these themes can be seen on the following page.

DEUTSCH RETIREMENT BENEFITS PLAN

Company	Resolution	Vote	Explanation
BHP Group	Approve Climate Transition Action Plan	For (with management recommendation)	LGIM believe that the critical minerals that mining companies provide are essential to the energy transition. LGIM believe BHP has made significant strides in carrying out its core role in the transition in a sustainable manner, and BHP has demonstrated this through the substantial alignment of its Climate Transition Action with LGIM's framework for assessing mining company transition plans.
Glencore	Approve 2024-2026 Climate Transition Action Plan	Against (against management recommendation)	LGIM remain unclear how the company's planned thermal coal production aligns with global demand for thermal coal under a 1.5°C scenario.
Howden Joinery	Re-elect Peter Ventress as Director	Against (against management recommendation)	LGIM voted against as the company is deemed not to meet minimum standards with regard to LGIM's deforestation policy. (This was coupled with the Company failing to meet LGIM's minimum standard on board diversity; LGIM expects the boards of the largest UK companies to include a minimum of one ethnically diverse director.)
Shell	Approve the Shell Energy Transition Strategy	Against (against management recommendation)	In light of the revisions made to Shell's Net Carbon Intensity (NCI) targets, coupled with the ambition to grow its gas and LNG business this decade, LGIM expected the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050. In essence, LGIM sought more clarity regarding the expected lifespan of the assets Shell is looking to further develop, amongst other things. LGIM did, however, note some positives, such as the commitment made to reduce emissions from operated assets and oil products.
Unilever	Approve Climate Transition Action Plan	For (with management recommendation)	The plan met LGIM's minimum expectations. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short, medium and long-term GHG emissions reduction targets consistent with a 1.5°C Paris goal.

DEUTSCH RETIREMENT BENEFITS PLAN

CEO and Chair separation

- II. LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. LGIM believe these two roles are substantially different, requiring distinct skills and experiences. Since 2015 they have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 they have been voting against all combined board chair/CEO roles. Furthermore, they have published a guide for boards on the separation of the roles of chair and CEO and they have reinforced their position on leadership structures across their stewardship activities – e.g. via individual corporate engagements and director conferences.

There were many companies where LGIM voted against management under this policy, including **Adobe, Johnson & Johnson, Meta (Facebook), PepsiCo, Pfizer and TotalEnergies**.

Diversity of Board

- III. LGIM view diversity of the Board as a financially material issue for their clients, with implications for the assets they manage on clients' behalf. For over ten years they have been using their position to engage with companies on the issue of having greater gender balance. In 2022 this aim was expanded to consider also board-level ethnic diversity.

Companies where LGIM voted against resolutions under this policy include **Alphabet, Ferrari, Meta, Netflix and Toyota**.

In addition to the above, LGIM have developed Digitisation and Health stewardship themes, respectively establishing minimum standards for how companies should manage digitisation-related risks and seeking to influence the safeguarding of global health to limit negative consequences for the global economy.

In respect of the BNY Mellon Real Return Fund, significant votes included:

- Newton voted to support the CEO pay package at **AstraZeneca**, stating that their decision was based upon the CEO's proven track record of creating significant value for shareholders and turning around a company once considered beyond recovery.
- At **Shell**, Newton voted against a shareholder proposal to align Shell's medium-term emissions reduction targets covering the Greenhouse Gas (GHG) emissions of the use of its energy products (Scope 3 emissions) with the goal of the Paris Climate Agreement. While Newton found some merits to the proponent's asks and legitimate concerns, they believed aligning Scope 3 targets at Shell to a 1.5-degree scenario would mean a significant loss of customers to competitors.
- Newton supported a shareholder proposal at **Amazon** to have a third-party audit on working conditions.
- Newton supported three shareholder proposals at **Goldman Sachs** for reports on lobbying payments, pay equity and their clean energy supply financial ratio (clean energy financing to fossil fuel financing ratio to assess financing the clean energy transition).

Further details of the managers' engagement policies may be found at:

- <http://www.lgim.com/uk/en/responsible-investing/active-ownership/>
- <https://www.newtonim.com/uk-institutional/responsible-investment/#voting>.