

Implementation Statement

Introduction

This Implementation Statement covers the period 6 April 2023 to 5 April 2024 and has been prepared by the Trustees of the Guest Motors Limited Pension Scheme (the “Scheme”) to set out:

- How the Trustee’s policies on stewardship and engagement have been followed.
- The voting behaviour of the Trustees, or that undertaken on their behalf.

Statement of Investment Principles (“SIP”)

The Trustees’ policies on stewardship and engagement are included in the Scheme’s SIP, which is available on request.

Funds held by the Scheme

The Trustees’ investments are held in the following funds;

Manager	Fund
Legal & General Investment Management (“LGIM”)	UK Equity Index Fund
	North America Equity Index Fund
	Europe (ex UK) Equity Index Fund
	Japan Equity Index Fund
	Asia Pacific (ex Japan) Developed Equity Index Fund
	Active Corporate Bond - Over 10 Year - Fund
	AAA-AA Fixed Interest Over 15 Year Targeted Duration Fund
	Over 15 Year Index-Linked Gilts Index Fund
	Diversified Fund

Reviews of fund managers

The Trustees did not formally review the provision of fund management services during the period.

Stewardship

LGIM have provided details of their ESG and Stewardship policies which can also found on their website. This includes whether or not they are signatories to the UK Stewardship code and UN Principles for Responsible Investment (UN PRI). The UN PRI are a set of global best practices that provide a framework for integrating ESG issues into financial analysis, investment decision-making and ownership practices.

Voting behaviour

LGIM has provided details of their voting policies which can be found on their website and has been summarised below.

The Trustees’ policy is to delegate the exercise of voting rights to their managers and to disclose information on the voting decisions made by their managers. The Trustees will review the voting

behaviour of the managers regularly to check that they are comfortable with the decisions taken by the managers and their approach generally.

How voting and engagement policies have been followed

The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers. The Trustees have taken into consideration the Financial Reporting Council's UK Stewardship Code. However, the Trustees cannot usually directly influence the managers' policies on the exercise of investment rights where the Trustees hold assets in pooled funds. This is due to the nature of these investments. The Trustees receive reporting on the voting and engagement policies of the fund managers and consider these as part of manager appointment and review processes.

The Trustees believe that Environmental, Social and Governance ("ESG") factors are financially material – that is, they have the potential to impact the value of the investments from time to time.

The Trustees consider it to be part of their investment managers' roles to assess and monitor how the companies in which they are investing are managing developments in ESG related issues, and in particular climate risk, across the relevant parts of the capital structure for each of the companies in which the managers invest on behalf of the Scheme.

The Trustees have received information from the Investment managers on their voting behaviours, stewardship and engagement activities during the period of this Implementation Statement. Information provided is summarised below.

The Trustees were satisfied that the managers' policies were reasonable and no further remedial action was required during the period. Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the investment managers are in alignment with the Scheme's stewardship policies.

Statement of compliance with Regulations

Over the period, the Trustees are pleased to report that they have in their opinion adhered to the policies set out in their SIP and have complied with the Regulations.

The table on the following pages sets out a summary of the key voting activity over the year. Further information is available on request.

Fund	Proxy voter used?	Votes cast			Most significant votes Description	Significant votes examples
		Votes in total	Votes against management	Abstentions		
Diversified Fund	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. For more details, please refer to the Voting Policies section of this document..	93090 resolutions	23.13% of votes cast	0.29% of eligible votes	<p>As regulation on vote reporting has recently evolved with the introduction of the concept of 'significant vote' by the EU Shareholder Rights Directive II, LGIM wants to ensure we continue to help our clients in fulfilling their reporting obligations. We also believe public transparency of our vote activity is critical for our clients and interested parties to hold us to account.</p> <p>For many years, LGIM has regularly produced case studies and/ or summaries of LGIM's vote positions to clients for what we deemed were 'material votes'. We are evolving our approach in line with the new regulation and are committed to provide our clients access to 'significant vote' information.</p> <p>In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:</p> <ul style="list-style-type: none"> • High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny; • Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote; • Sanction vote as a result of a direct 	<p>Prologis, Inc. – Resolution 1j - Elect Director Jeffrey L. Skelton</p> <p>Rational for vote: Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board. Average board tenure: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Independence: A vote against is applied as LGIM expects the Chair of the Committee to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background. Diversity: A vote against is applied as the company has an all-male Executive Committee.</p> <p>Outcome of vote:</p> <p>Implications: LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.</p> <p>Criteria: Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.</p>

					<p>or collaborative engagement;</p> <ul style="list-style-type: none">• Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship’s 5-year ESG priority engagement themes. <p>We provide information on significant votes in the format of detailed case studies in our quarterly ESG impact report and annual active ownership publications.</p> <p>The vote information is updated on a daily basis and with a lag of one day after a shareholder meeting is held. We also provide the rationale for all votes cast against management, including votes of support to shareholder resolutions.</p> <p>If you have any additional questions on specific votes, please note that LGIM publicly discloses its vote instructions on our website at: VDS Dashboard (issgovernance.com)</p>	
UK Equity Fund	As above	10462 resolutions	5.59%	0.03% of eligible votes	As above	<p>Glencore - Resolution 19: Shareholder resolution “Resolution in Respect of the Next Climate Action Transition Plan”</p> <p>Rationale: In 2021, Glencore made a public commitment to align its targets and ambition with the goals of the Paris Agreement. However, it remains unclear how the company’s planned thermal coal production aligns with global demand for thermal coal under a 1.5°C scenario. Therefore, LGIM has co-filed this shareholder proposal (alongside Ethos Foundation) at Glencore’s 2023 AGM, calling for disclosure on how the company’s thermal coal production plans and capital allocation decisions are aligned with the Paris objectives. This proposal was filed as an organic escalation following our multi-year discussions with the company since 2016 on its approach to the energy transition.</p> <p>Outcome of vote: Fail</p>

						<p>Implications: LGIM will continue to engage with the company and monitor progress.</p> <p>Significance: Pre-declaration and Engagement: LGIM considers this vote to be significant as LGIM co-filed this shareholder resolution as an escalation of our engagement activity, targeting some of the world's largest companies on their strategic management of climate change.</p>
Japan Equity	As above	6103 resolutions	11.99%	0.00% of eligible votes	As above	<p>Mitsubishi UFJ Financial Group, Inc. - Resolution 3 - To amend the articles of incorporation to publish a transition plan to align lending and investment portfolios with the Paris Agreement</p> <p>Rationale: We continue to consider that decarbonisation of the banking sector and its clients is key to ensuring that the goals of the Paris Agreement are met. A group of climate-focused NGOs has been active in this area in the Asian market for a number of years, resulting in the first climate-related proposal of its type at Mizuho ahead of its 2020 AGM. LGIM since has supported previous resolutions at each of these Japanese banks at their AGMs since 2020, and we have found that these proposals and the ensuing shareholder dialogue has helped drive improved disclosures and tighter policies at the companies. Therefore, LGIM supports this proposal to invigorate and encourage further strengthening of policies in line with science-based temperature-aligned pathways towards a net-zero-by-2050 world. We believe that the drafting of the resolution text is sufficiently general as not to be overly prescriptive on management given the binding nature of amending the articles of incorporation.</p> <p>Outcome of vote:</p> <p>Implications: LGIM will continue to engage with the company and monitor progress.</p> <p>Significance: Pre-declaration and Thematic – Climate: LGIM considers this vote to be significant as we pre-declared our intention to support. We continue to</p>

						consider that decarbonisation of the banking sector and its clients is key to ensuring that the goals of the Paris Agreement are met.
North America Equity	As above	8731 resolutions	34.56%	0.00% of eligible votes	As above	<p>Apple Inc. – Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy</p> <p>Rationale: Shareholder Resolution - Environmental and Social: A vote AGAINST this proposal is warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and nondiscrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.</p> <p>Outcome of vote: Fail</p> <p>Implications: LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.</p> <p>Significance: Thematic - Diversity: LGIM views diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.</p>
Europe (ex-UK) Equity	As above	9556 resolutions	18.97%	0.41% of eligible votes	As above	<p>Banco Santander SA – Approve Remuneration Policy</p> <p>Rationale: Remuneration - Performance conditions: A vote against has been applied because awards are permitted to vest for below median relative performance which therefore fails the pay for performance hurdle. We also highlight that the 5% salary raises for 2024 and future year increases to be given to the Executive Directors, including the Chair, will likely exacerbate existing concerns with the significant pay packages.</p> <p>Outcome of vote: N/A</p> <p>Implications: LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and</p>

						market-level progress.
						<p>Significance: Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO.</p>
Asia (ex Japan) Developed Equity	As above	3279 resolutions	25.07%	0.00% of eligible votes	As above	<p>National Australia Bank Limited – Resolution 5b - Approve Transition Plan Assessments</p> <p>Rationale: Shareholder Resolution - Climate change: A vote in favour is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change. While we acknowledge the Company's disclosures on sector policies and emissions reduction targets in this regard, we believe that additional reporting on how this is assessed in practice and any timelines associated with this in light of the Company's existing commitments is considered beneficial to shareholders.</p> <p>Outcome of vote: Withdrawn</p> <p>Implications: LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.</p> <p>Significance: High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.</p>