

Zotefoams Pension Scheme Implementation Statement Year Ending 5 April 2025

Glossary

ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
L&G	Legal & General Investment Management
Scheme	Zotefoams Pension Scheme
Scheme Year	6 April 2024 to 5 April 2025
SIP	Statement of Investment Principles
UNPRI	United Nations Principles for Responsible Investment

Introduction

This Implementation Statement reports on the extent to which, over the Scheme Year, the Trustees have followed their policy relating to the exercise of rights (including voting rights) attaching to the Scheme's investments. In addition, the Implementation Statement summarises the voting behaviour of the Scheme's investment managers and includes details of the most significant votes cast and the use of the services of proxy voting advisers.

In preparing this statement, the Trustees have considered guidance from the Department for Work & Pensions which was updated on 17 June 2022, as well as the expectations set out in the General Code of Practice.

Investment manager voting relates to equity investments and, although some of the funds which included exposure to equity markets were held by the Scheme during the Scheme year, by 5 April 2025, these funds had been removed from the Scheme's investment strategy. Consequently, the Trustees could not take any action for the managers of these funds, even if a review of the voting records of previously held funds identified any concern. For this reason, the Trustees have concluded that a review of voting behaviour for the managers of these funds would not be beneficial for the purpose of this Implementation Statement.

Relevant investments

The Scheme's assets are invested in pooled funds and some of those funds include an allocation to equities. Where equities are held, the investment manager has the entitlement to vote.

The Trustees' policy relating to the exercise of rights

Summary of the policy

The Trustees' policy in relation to the exercise of rights (including voting rights) attaching to the investments is set out in the SIP. The SIP was updated during the Scheme year to reflect changes made to the Scheme's investment strategy, but wording relating to the exercise of rights was not revised. A summary of this wording is as follows:

- The Trustees believe that good stewardship can help create, and preserve, value for companies and markets as a whole.
- The Trustees invest in pooled investment vehicles and therefore accept that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by an investment managers' own policies on such matters.
- When selecting a fund, the Trustees consider amongst other things, the investment manager's policy in relation to the exercise of the rights (including voting rights) attaching to the investments held within the fund.
- When considering the ongoing suitability of an investment manager, the Trustees (in conjunction with their Investment Adviser) will take account of any particular characteristics of that manager's engagement policy that are deemed to be financially material.
- The Trustees will normally select investment managers who are signatories to the UN Principles for Responsible Investment (UNPRI).
- If it is identified that a fund's investment manager is not engaging with companies the Trustees may look to replace that fund. However, in the first instance, the Trustees would normally expect their Investment Adviser to raise the Trustees' concerns with the investment manager.

Has the policy been followed during the Scheme Year?

The Trustees' opinion is that their policy relating to the exercise of rights (including voting rights) attaching to the investments has been followed during the Scheme Year. In reaching this conclusion, the following points were taken into consideration:

- There has been no change to the Trustees' belief regarding the importance of good stewardship.
- The Scheme's invested assets remained invested in pooled funds over the period.
- The Trustees did not select any new funds during the period.
- During the Scheme Year, the Trustees considered the voting records of the investment managers over the period ending 31 March 2024.
- Since the end of the Scheme Year, an updated analysis of the voting records of the investment managers based on the period ending 31 March 2025* has been undertaken as part of the work required to prepare this Implementation Statement. A summary of the key findings from that analysis is provided below.
- The investment managers used by the Scheme are signatories to the UNPRI.

**Note the voting analysis was over the year ending 31 March 2025 because this was the most recent data available at the time of preparing this statement. The Trustees are satisfied that the analysis provides a fair representation of the investment managers voting approach over the Scheme Year.*

The investment managers' voting record

A summary of the investment managers' voting record is shown in the table below.

Investment Manager	Number of votes	Split of votes:		
		For	Against / withheld	Did not vote/ abstained
BlackRock	160,000	88%	12%	0%
L&G	120,000	76%	23%	1%

Notes

These voting statistics are based on each manager's full voting record over the 12 months to 31 December 2024* (for BlackRock) and 31 March 2025 (for L&G) rather than votes related solely to the funds held by the Scheme.

*Due to BlackRock's semi-annual disclosure of summary voting data, this information is lagged by a quarter.

Use of proxy voting advisers

Investment Manager	Who is their proxy voting adviser?	How is the proxy voting adviser used?
BlackRock	Several advisers	Proxy adviser is used for research and administration. May also use research from other sources such as Glass Lewis and IVIS (part of the Investment Association). However, voting decisions are ultimately retained in-house.
L&G	Several advisers	Uses ISS for research and voting administration. May also use research from Glass Lewis and IVIS (part of the Investment Association). However, voting decisions ultimately remain in-house.

The investment managers voting behaviour

The Trustees have reviewed the voting behaviour of the investment managers by considering the following:

- broad statistics of their voting record such as the percentage of votes cast for and against the recommendations of boards of directors (i.e. "with management" or "against management");
- the votes they cast in the year to 31 March 2025 on the most contested proposals in nine categories across the UK, the US and Europe;

- the investment managers policies and statements on the subjects of stewardship, corporate governance and voting.

The Trustees have also compared the voting behaviour of the investment managers with their peers over the same period.

Further details of the approach adopted by the Trustees for assessing voting behaviour are provided in the Appendix.

The Trustees' key observations are set out below.

Voting in significant votes

Based on information provided by the Trustees' Investment Adviser, the Trustees have identified significant votes in nine separate categories. The Trustees consider votes to be more significant if they are closely contested. i.e. close to a 50:50 split for and against. A closely contested vote indicates that shareholders considered the matter to be significant enough that it should not be simply "waved through". In addition, in such a situation, the vote of an individual investment manager is likely to be more important in the context of the overall result.

The five most significant votes in each of the nine categories based on shares held by the Scheme's investment managers are listed in the Appendix. In addition, the Trustees considered each investment manager's overall voting record in significant votes (i.e. votes across all stocks not just the stocks held within the funds used by the Scheme).

Analysis of voting behaviour

The Net Zero Asset Managers initiative ("NZAM") brings together asset managers committed to the goal of achieving net-zero greenhouse gas emissions by 2050 as per the Paris Climate Agreement. In January 2025, following announcements of some managers exiting the agreement, NZAM announced a review of their overarching policies, which is ongoing.

The Trustees have considered their investment manager's approach to NZAM as part of this analysis.

BlackRock

The Trustees recognise that analysis of BlackRock's latest voting data has once again identified the manager to be generally unsupportive of shareholder proposals aimed at addressing ESG issues, alongside showing a tendency to hold directors less to account on a range of issues.

This is further reflected by the manager's decision to withdraw from NZAM.

L&G

The Trustees note that L&G's voting record continues to compare very favourably with its peers. As in previous years, analysis of L&G's voting record identifies clear evidence that the manager is willing to vote against company directors on a broad range of issues. It is unsurprising that the manager has committed to remaining a member of NZAM, irrespective of the review's outcome.

While L&G has come under some criticism from the campaign group Make My Money Matter, the Trustees are satisfied that L&G is among the most proactive on tackling climate-related proposals. Indeed, the manager has opposed several climate-related proposals based on an assessment that proposals put forward by a company's management did not go far enough and has supported shareholder proposals designed to tackle a range of ESG issues.

Conclusion

Based on the analysis undertaken, the Trustees have no material concerns regarding the voting records of BlackRock and L&G.

The Trustees will keep the voting actions of the investment managers under review, noting that BlackRock's voting records could still be improved.

Signed: Clifford Hurst Date: 7 October 2025

For and on behalf of the Trustees of the Zotefoams Pension Scheme

Significant votes

The table below records how the Scheme's investment managers voted in the most significant votes identified by the Trustees.

Company	ISIN	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	BlackRock	L&G
Audit & Reporting							
AKER BP ASA	NO0010345853	30/04/2024	Allow the Board to Determine the Auditor's Remuneration	79	21	For	Not held
SWISS LIFE HOLDING	CH0014852781	15/05/2024	Appoint the Auditors	80	19	For	Against
TOTALENERGIES SE	FR0000120271	24/05/2024	Appoint EY as the Auditors of Sustainability Reporting	75	19	For	For
SALESFORCE.COM INC	US79466L3024	27/06/2024	Appoint the Auditors	81	18	For	Against
COMPAGNIE FINANCIERE RICHEMONT SA	CH0012731458	11/09/2024	Appoint the Auditors	79	18	For	Against
Shareholder Capital & Rights							
FERREXPO PLC	GB00B1XH2C03	23/05/2024	Issue Shares with Pre-emption Rights	30	70	For	For
WIZZ AIR HOLDINGS PLC	JE00BN574F90	25/09/2024	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment	75	25	For	Not held
BOUYGUES SA	FR0000120503	25/04/2024	Authorise Share Repurchase	78	22	Against	Against
ORANGE S.A	FR0000133308	22/05/2024	Approve Issue of Shares for Employee Saving Plan	19	78	Against	Against
AKER BP ASA	NO0010345853	30/04/2024	Issue Shares for Cash	79	21	Against	Not held
Pay & Remuneration							
AXON ENTERPRISE INC	US05464C1018	10/05/2024	Advisory Vote on Executive Compensation	50	49	Against	Against
ALCON AG	CH0432492467	08/05/2024	Approve the Remuneration Report	49	49	Against	Against
PALO ALTO NETWORKS	US6974351057	10/12/2024	Advisory Vote on Executive Compensation	50	49	For	Against
WARNER BROS DISCOVERY INC	US25468Y1073	03/06/2024	Advisory Vote on Executive Compensation	53	46	For	Against
PAYCOM SOFTWARE INC.	US70432V1026	29/04/2024	Advisory Vote on Executive Compensation	54	46	Against	Not held
Constitution of Company, Board & Advisers							
BUILDERS FIRSTSOURCE	US12008R1077	04/06/2024	Elect Cleveland A. Christophe - Non-Executive Director	56	44	Against	Not held
UBER TECHNOLOGIES INC	US90353T1007	06/05/2024	Elect David I. Trujillo - Non-Executive Director	56	44	For	Against
ALEXANDRIA R E EQUITIES INC	US0152711091	14/05/2024	Elect James P. Cain - Non-Executive Director	57	43	For	Against
CBOE GLOBAL MARKETS INC	US12503M1080	16/05/2024	Right to Call Special Meeting	60	39	For	Not held
THE COCA-COLA COMPANY	US1912161007	01/05/2024	Elect Thomas S. Gayner - Non-Executive Director	61	39	For	Against
Merger, Acquisition, Sales & Finance							
JPMORGAN GLOBAL CORE REAL ASSETS LIMITED	GG00B/JKW831	03/09/2024	Approve the Continuation of the Company	34	66	For	Not held
SYMRISE AG	DE0005VM9999	15/05/2024	Authority to issue bonds with warrants and/or convertible bonds; create a conditional capital and related amendments to the articles of association	86	14	For	For
APAX GLOBAL ALPHA LIMITED	GG00BWWYV85	01/05/2024	Approve the Winding up of the Company	11	89	Not held	Against
REINMETALL AG	DE0007030009	14/05/2024	Issue warrants/convertible bonds	92	8	For	For
REDEIA CORPORATION	ES0173093115	03/06/2024	Issue Bonds	93	6	For	For
Climate Related Resolutions							
REPSOL SA	ES0173516115	09/05/2024	Advisory Vote on the Company's Energy Transition Strategy	70	21	For	Against
TOTALENERGIES SE	FR0000120271	24/05/2024	Opinion on the Sustainability & Climate - Progress Report 2024	94	4	For	Against
AMUNDI SA	FR0004125920	24/05/2024	Consultation on the progress report regarding the implementation of the Company's Climate Strategy	93	3	For	Not held
UNILEVER PLC	GB00B10RZP78	01/05/2024	Say on Climate	91	2	For	For
HOLCIM LTD	CH0012214059	08/05/2024	Approve Climate Report	95	2	For	For
Other Company Resolutions							
BOUYGUES SA	FR0000120503	25/04/2024	Approve the Board to Issue Equity Warrants Free of Charge During the Period of a Public Offer for the Company's Shares	73	27	Against	Against
BAE SYSTEMS PLC	GB0002634946	09/05/2024	Approve Political Donations	87	13	Not held	For
BRITISH LAND COMPANY PLC	GB0001367019	09/07/2024	Meeting Notification-related Proposal	89	11	Not held	For
DERWENT LONDON PLC	GB0002652740	10/05/2024	Meeting Notification-related Proposal	89	11	Not held	For
SEGRO PLC	GB0008141045	18/04/2024	Notice of General Meetings	89	10	For	For
Governance & Other Shareholder Resolutions							
ABBVIE INC	BRABBVBD001	03/05/2024	Simple Majority Voting	49	51	Against	For
HUMANA INC.	US4488591028	18/04/2024	Introduce Majority Voting for Director Elections	51	49	Against	Not held
DEXCOM INC	US2521311074	22/05/2024	Transparency in Lobbying	51	48	Against	For
WARNER BROS DISCOVERY INC	US25468Y1073	03/06/2024	Right to Call Special Meetings	52	48	Against	For
CIGNA CORPORATION	US1255091092	24/04/2024	Right to Call Special Meetings	48	51	Against	For
Environmental & Socially Focussed Shareholder Resolutions							
AMERICAN TOWER CORPORATION	US0299122012	22/05/2024	Disclosure of Racial and Gender Pay Gaps	49	51	Against	For
NETFLIX INC	US64110L1061	06/06/2024	Report on Netflix's Use of Artificial Intelligence	43	56	Against	For
QUEST DIAGNOSTICS INCORPORATED	US74834L1008	16/05/2024	Climate Change Targets	42	57	Against	For
GENERAL MILLS INC	US3703341046	24/09/2024	Report on the use of plastic	39	58	Against	For
THE BOEING COMPANY	US0970231058	17/05/2024	Report on Diversity, including pay	38	60	Against	For

Note

Where an investment manager's voting record has not been provided for each fund, reliance is placed on periodic stock holding information to identify votes relevant to the fund. This means it is possible that some of the votes listed above may relate to companies that were not held within a pooled fund at the date of the vote. Equally, it is possible that there are votes not included above which relate to companies that were held within a fund at the date of the vote.

Methodology for determining significant votes

The methodology used to identify significant votes for this statement uses an objective measure of significance: the extent to which a vote was contested - with the most Significant Votes being those which were most closely contested.

The Trustees believe that this is a good measure of significance because, firstly, a vote is likely to be contentious if it is finely balanced, and secondly, in voting on the Trustees' behalf in a finely balanced vote, an investment manager's action will have more bearing on the outcome.

If the analysis were to rely solely on identifying closely contested votes, there is a chance many votes would be on similar topics which would not help to assess an investment manager's entire voting record. Therefore, the assessment incorporates a thematic approach; splitting votes into nine separate categories and then identifying the most closely contested votes in each of those categories.

A consequence of this approach is that the number of Significant Votes is large. This is helpful for assessing a manager's voting record in detail but it presents a challenge when summarising the Significant Votes in this statement. Therefore, for practical purposes, the table on the previous page only includes summary information on each of the Significant Votes.

The Trustees have not provided the following information which DWP's guidance suggests could be included in an Implementation Statement:

- Approximate size of the Scheme's holding in the company as at the date of the vote.
- If the vote was against management, whether this intention was communicated by the investment manager to the company ahead of the vote.
- An explanation of the rationale for the voting decision, particularly where: there was a vote against the board; there were votes against shareholder proposals; a vote was withheld; or the vote was not in line with voting policy.
- Next steps, including whether the investment manager intends to escalate stewardship efforts.

The Trustees are satisfied that the approach used ensures that the analysis covers a broad range of themes and that this increases the likelihood of identifying concerns about a manager's voting behaviour. The Trustees have concluded that this approach provides a more informative assessment of an investment manager's overall voting approach than would be achieved by analysing a smaller number of votes in greater detail.

Investment manager voting policies

For more information concerning an investment manager's voting policies and rationale, please visit the below links.

[BlackRock](https://www.blackrock.com/corporate/literature/publication/voting-choice-voting-policy-comparison.pdf) - <https://www.blackrock.com/corporate/literature/publication/voting-choice-voting-policy-comparison.pdf>

[L&G](https://am.landg.com/en-uk/institutional/responsible-investing/investment-stewardship/) – <https://am.landg.com/en-uk/institutional/responsible-investing/investment-stewardship/>