

Implementation Statement

W Lucy Pension Scheme

Purpose of this statement

This implementation statement has been produced by the Trustees of the W Lucy Pension Scheme (**“the Scheme”**) to set out the following information over the year to 5 April 2025:



how the Trustees’ 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 Trustees 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.

The voting behaviour is not given over the Scheme year to 5 April 2025 because investment managers only report on this data quarterly. The Trustees have therefore given the information over the year to 31 March 2025.



Conclusions

In reviewing the activities of the past year, the Trustees believe that the policies set out in the Statement of Investment Principles (“SIP”) have been effectively implemented.

Based on the information received, the Trustees believe that the investment managers have acted in accordance with the Scheme’s policies on exercising rights (including voting rights) and engagement activities. The Trustees are supportive of the key voting actions taken by the applicable investment managers over the period to encourage positive governance changes in the companies in which the investment managers hold shares.

Stewardship policy

The Trustees' Statement of Investment Principles ("SIP") in force at 5 April 2025 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in May 2024 and has been made available online here:

<https://www.lucygroup.com/corporate-social-responsibility/statement-of-investment-principles/>

As at 5 April 2025, around 29% (£18.2m) of Scheme assets were invested in funds where a proportion of the underlying holdings had voting rights attached.

The Trustees discussed setting stewardship priorities at the 7 May 2024 Trustee meeting and ultimately decided not to set any stewardship priorities for the Scheme because it solely invests through pooled investment vehicles, where the Scheme's assets only represent a small proportion of the total capital invested in the funds. The Trustees understand that they are constrained by the policies of the managers.

However, the Trustees take stewardship priorities, climate risk, and ESG factors into account at manager selection. The Trustees also review the stewardship and engagement activities of the investment managers periodically.

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme's investment managers, the Trustees believe that their policies on voting and engagement have been met in the following ways:

- 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. As at 5 April 2025, the Scheme's investment managers were Insight Investment Management (Global) Limited ("Insight"), Legal & General Investment Management ("L&G") and Ruffer LLP ("Ruffer").
- Investment rights (including voting rights) have been exercised by the managers in line with the managers' general policies on corporate governance. The Trustees also expect the managers to have engaged with the companies in which they invest in relation to ESG matters.
- As part of ongoing monitoring of the Scheme's investment managers, the Trustees use sustainability ratings information available within the pensions industry, or provided by their Investment Consultant, to assess how the Scheme's investment managers take account of ESG issues
- At the 7 May 2024 Trustee meeting, the Trustees were presented with the Scheme's Sustainability Monitoring Report in which the Trustees monitored the Scheme's investment managers' ESG credentials.
- Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the Scheme's fund managers are in alignment with the Scheme's voting and engagement policies.

Prepared by the Trustees of the W Lucy Pension Scheme

July 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 Trustees over the year to 31 March 2025. The Scheme's gilts and bond holdings with Insight have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate.

Manager	L&G							Ruffer	
Fund name	UK Equity Index	Europe (ex UK) Equity Index	North America Equity Index	Japan Equity Index	Asia Pacific (ex Japan) Equity Index	World Emerging Markets Equity Fund	World Equity Index (MSCI)	Global Equity 50:50 Fund	Absolute Return Fund
Structure	Pooled								
No. of eligible meetings	717	504	629	492	638	4,366	1,529	2,981	68
No. of eligible votes	10,134	8,539	8,278	5,970	4,871	34,789	21,392	37,792	1,134
% of resolutions voted	100.0%	100.0%	98.9%	100.0%	100.0%	99.9%	99.5%	99.8%	100.0%
% of resolutions voted with management¹	93.8%	81.5%	63.5%	89.9%	78.0%	80.4%	76.2%	81.8%	96.9%
% of resolutions voted against management¹	6.2%	18.1%	35.9%	10.1%	21.8%	17.1%	23.2%	18.0%	3.0%
% of resolutions abstained¹	0.0%	0.4%	0.6%	0.0%	0.1%	2.5%	0.5%	0.3%	0.1%
% of resolutions voted against proxy voter recommendation	5.3%	8.8%	30.6%	9.1%	11.6%	6.3%	17.9%	13.0%	4.3%

Source: Information provided by investment managers.

¹ As a percentage of the total number of resolutions voted on. Totals may not add up to 100% as numbers are subject to rounding.



Proxy voting

The below summarises how the investment managers utilise their proxy voting services.

L&G

L&G's Investment Stewardship team uses Institutional Shareholder Services' ("ISS") electronic voting platform to electronically vote on behalf of clients' shares. All voting decisions are made by L&G and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, L&G have put in place a custom voting policy with specific voting instructions. L&G review their custom voting policy with ISS annually and take into account feedback from their investors.

Ruffer

Ruffer's proxy voting advisor is ISS. Ruffer have developed their own internal voting guidelines, however they take into account issues raised by ISS to assist in the assessment of resolutions and the identification of contentious issues. Although Ruffer are cognisant of proxy advisers' voting recommendations, they do not delegate or outsource their stewardship activities when deciding how to vote on behalf of their clients' shares.



Significant votes

At this time, as detailed above, the Trustees have not set stewardship priorities for the Scheme. For this Implementation Statement, the Trustees have asked the investment managers to determine what they believe to be a "significant vote". The Trustees have not communicated voting preferences to their investment managers over the period, as they have not developed a specific voting policy.

Each manager has provided a selection of votes per fund which they believe to be significant. In the absence of agreed stewardship priorities, the Trustees have provided a selection of votes from each manager, covering a range of themes to represent what they consider the most significant votes cast on behalf of the Scheme.

A summary of the significant votes provided is set out on the following pages.

L&G Equity Portfolio

	Vote 1	Vote 2	Vote 3
Company name	Shell Plc	Microsoft Corporation	Toyota Motor Corporation
Relevant Fund(s)	UK Equity Index Fund; Global Equity Fixed Weights (50:50) Index Fund	North America Equity Index Fund; World Equity Index (MSCI) Fund	Japan Equity Index Fund
Summary of the resolution	Approve the Shell Energy Transition Strategy	Report on AI Data Sourcing Accountability	Elect Director Toyoda, Akio
How the manager voted	Against	For	Against
Rationale for the voting decision	<p>A vote against is applied as despite recognising Shell's improvements in climate disclosure, emissions reduction, and methane management, L&G remains concerned about revisions to Net Carbon Intensity targets and plans to expand gas and liquid natural gas operations. L&G seeks clearer evidence that these strategies align with a net-zero by 2050 pathway, including more detail on asset lifespans, production flexibility, value chain decarbonisation, lobbying transparency, low-carbon capex post-2025, and responsible divestment practices.</p>	<p>A vote for this resolution is warranted as the company is facing increased legal and reputational risks related to 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>A vote against is applied due to several governance concerns: insufficient independent directors on the board, lack of meaningful board diversity, and inadequate disclosure regarding the former CEO's advisory role. L&G believe Mr Toyoda should be considered ultimately accountable for a spate of certification irregularities within the Toyota Motor group and must be held accountable until appropriate remediation measures are taken.</p>
Criteria on which the vote is considered "significant"	<p>L&G is publicly supportive of so called "Say on Climate" votes. They expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5°C scenario. Given the high-profile nature of such votes, L&G deems them to be significant, particularly when L&G votes against the transition plan.</p>	<p>This shareholder resolution is considered significant due to the relatively high level of support received.</p>	<p>L&G views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf. L&G also 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>
Outcome of the vote	Pass	Fail	Information not provided
Implications of the outcome	L&G will continue to engage with their investee companies, publicly advocate their position on these issues and monitor company and market-level progress.		

If the vote was against management, did the manager communicate their intent to the company ahead of the vote?

L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is L&G's policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.

L&G Equity Portfolio (continued)

	Vote 4	Vote 5	Vote 6
Company name	Unilever Plc	Tencent Holdings Limited	Amazon.com, Inc.
Relevant Fund(s)	UK Equity Index Fund	World Emerging Markets Equity Index Fund	North America Equity Index Fund
Summary of the resolution	Approve Climate Transition Action Plan	Elect Charles St Leger Searle as Director	Report on Customer Due Diligence
How the manager voted	For	Against	For
Rationale for the voting decision	<p>A vote for is applied as L&G understand it to meet L&G's minimum expectations. This includes the disclosure of scope 1, 2 and material scope 3 greenhouse gas ("GHG") emissions and short, medium and long-term GHG emissions reduction targets consistent with a 1.5°C Paris goal. Despite the Science Based Targets Initiative ("SBTi") recently removing their approval of the company's long-term scope 3 target, L&G note that the company has recently submitted near term 1.5° C aligned scope 3 targets to the SBTi for validation and therefore at this stage believe the company's ambition level to be adequate.</p>	<p>A vote against is applied as (1) L&G expects the Committee to be comprised of independent directors, and (2) the company is deemed to not meet minimum standards with regard to climate risk management.</p>	<p>A vote in favour is applied as enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation.</p> <p>While the company has disclosed that they internally review these for some products and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic.</p>
Criteria on which the vote is considered "significant"	<p>L&G is publicly supportive of so called "Say on Climate" votes. They expect transition plans put forward by companies to be both ambitious and credibly</p>	<p>L&G considers this vote to be significant as it is applied under the Climate Impact Pledge, their flagship engagement programme</p>	<p>This shareholder resolution is considered significant as one of the largest companies and employers not only within its sector but in the world. L&G believe that Amazon's</p>

	aligned to a 1.5°C scenario. Given the high-profile nature of such votes, L&G deem such votes to be significant, particularly when L&G votes against the transition plan.	targeting companies in climate-critical sectors.	approach to human capital management issues has the potential to drive improvements across both its industry and supply chain.
Outcome of the vote	Pass	Pass	<i>Information not provided</i>
Implications of the outcome	L&G will continue to engage with their investee companies, publicly advocate their position on these issues and monitor company and market-level progress.		
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is L&G's policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		

Ruffer Absolute Return Fund

	Vote 1	Vote 2	Vote 3
Company name	Amazon	Bank of America	Deere & Co
Relevant Fund(s)	0.57%	0.15%	0.28%
Summary of the resolution	Human labour rights	Energy transition	Workforce diversity and inclusion
How the manager voted	For	Against	Against
Rationale for the voting decision	<p>Ruffer voted in favour of a shareholders resolution requesting the Board of Directors to commission an independent third-party report. The report assessed Amazon's customer due diligence process to determine whether customers' use of its products and services with surveillance, computer vision, or cloud storage capabilities contributes to human rights violations. Ruffer's support for the resolution is based on the belief that such a report may highlight some concerning issues that may protect Amazon from future reputational damage.</p>	<p>Among the several shareholder proposals on the slate at the 2024 AGM, Ruffer voted against ISS recommendation and in line with management for the request of a report on clean energy supply financing ratio. This was because Ruffer believes the Bank of America is committed to its Net Zero targets and provides much of the necessary data to support this. While Ruffer support enhanced disclosures more broadly, the proponent's required ratio is already available via a third-party (Bloomberg). Hence, in support of greater uniformity within the responsible investing space, Ruffer feels a vote against this proposal was the best option rather than the company itself calculating this ratio with possibly varying methodology.</p>	<p>Ruffer chose to vote against a shareholder resolution requesting a report on the statistical differences in hiring across race and gender at Deere & Co. They find Deere's disclosure related to its workforce (which includes three calendar years of comprehensive metrics), coupled with its array of policies related to its respect for human rights (including Code of Business Conduct, Supplier Code of Conduct, Dealer Code of Conduct, and John Deere's Support of Human Rights in Our Business Practices), signal there is little to be gained from additional reporting. Comparing Deere's diversity in race and ethnicity relative to the US Census suggest there are marginal differences which may reflect the global footprint of its business. Further, in the company's hiring and development, Deere aims to attract and hire the best talent to innovate and solve our customers' biggest challenges.</p>
Criteria on which the vote is considered "significant"	<p>Ruffer defines a significant vote as: any vote against management or against an ISS recommendation, any vote in breach of criteria included in Ruffer's internal voting guidelines, any shareholder resolution, any climate related resolution, any management-proposed climate-related resolution or dissident shareholder slate.</p>		<p>Ruffer believes this vote will be of particular interest to their clients. They analyse and support companies in conducting business transactions that are in the best interest of shareholders.</p>
Outcome of the vote	Failed	Failed	Failed
Implications of the outcome	Ruffer will continue to monitor the companies and may seek to engage if no progress is seen.		
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	No	Information not provided



Engagement

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year to 31 March 2025.

Engagement activities are limited for the Scheme's gilt and index-linked gilt funds due to the nature of the underlying holdings, so engagement information for these funds has not been shown.

L&G								
Fund name	UK Equity Index	Europe (ex UK) Equity Index	North America Equity Index	Japan Equity Index	Asia Pacific (ex. Japan) Equity Index	World Emerging Markets Equity Fund	World Equity Index (MSCI)	Global Equity 50:50 Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	362	335	566	186	351	771	1,268	1,788
Number of entities engaged on behalf of the holdings in this fund in the year	205	210	345	123	234	586	735	1,111
Number of engagements undertaken at a firm level in the year					4,459			
Ruffer			Insight					
Fund name	Absolute Return Fund	Maturing Buy and Maintain Bond Fund 2021-2025	Maturing Buy and Maintain Bond Fund 2026-2030	UK Corporate All Maturities Fund	High Grade ABS Fund			
Number of engagements undertaken on behalf of the holdings in this fund in the year	38	33	125	126	60			
Number of entities engaged on behalf of the holdings in this fund in the year	29	21	78	75	55			
Number of engagements undertaken at a firm level in the year	48			939				



Examples of engagement activity undertaken over the year to 31 March 2025

Insight

Climate Change

Insight recognises climate change as a significant risk to long-term investment performance. As a signatory to the Net Zero Asset Managers initiative since April 2021, Insight has committed to achieving net zero emissions by 2050. The firm is actively engaging with the highest emitters in its portfolio, using its proprietary Net Zero Model to prioritise companies for engagement, with the aim that at least 50% of financed emissions are aligned with net zero pathways or subject to engagement by 2023, rising to 70% by 2025.

Insight's approach is aligned with UN Sustainable Development Goals 7 (Affordable and Clean Energy) and 13 (Climate Action). The firm participates in collaborative initiatives such as the IIGCC's Net Zero Bondholder Stewardship Working Group and Climate Action 100+, preferring engagement over divestment to support the low-carbon transition.

In 2022, Insight engaged with over 35% of its financed emissions on climate issues and targeted seven companies through the CDP Non-Disclosure Campaign. Notable engagements include PEMEX, where Insight influenced the establishment of a sustainability committee and the announcement of a 2023–2050 Sustainability Plan, and Heathrow Airport, which became the first airport to have its 2030 carbon reduction targets approved by the Science Based Targets Initiative under the 1.5°C standard.

L&G

Diversity

The campaign to enhance ethnic diversity at board level was launched in 2020, initially targeting the largest 100 UK companies (FTSE 100) and the largest 500 US companies (S&P 500), with the clear expectation that these companies should have at least one ethnically diverse board member by 2021.

Recognising the financial materiality of diversity and its link to value creation, the campaign adopted a firm stance from 2022 onwards, voting against the re-election of the Chair or the Chair of the nomination committee at companies failing to meet these expectations. In 2023, the campaign was extended to include the FTSE 250 and Russell 1000 companies, reflecting the UK's Parker Review recommendations and allowing these smaller companies until 2024 to comply.

In the fourth quarter of 2024, 24 FTSE 250 and 27 Russell 1000 companies were identified as not meeting the diversity expectations and were informed that they could face votes against the Chair's re-election at their 2025 AGMs. The FTSE 250 companies largely engaged positively, with some providing explanations that warranted additional time to meet the requirements, resulting in 13 companies currently subject to planned voting action. In contrast, no responses were received from the Russell 1000 companies, highlighting differing political and regulatory contexts in the US.

This structured engagement and escalation process underscores the commitment to driving ethnic diversity at board level through tangible investor actions ahead of the 2025 AGM season.

Ruffer

Climate Change

Ruffer considers engagement a central component of its responsible investment approach, viewing climate risk as a material financial risk. The firm actively engages with high-emitting companies – including fossil fuel producers, utilities, and energy-intensive manufacturers – to encourage alignment with a low-carbon economy. Ruffer’s engagement strategy is grounded in a risk-based perspective, focusing on the financial implications of the energy transition and the need for greater transparency and concrete emissions reduction targets.

Engagement typically occurs at senior management and board level and may involve collaboration with other investors through initiatives such as Climate Action 100+, TCFD, and CDP Non-disclosure.

Ruffer also encourages companies to submit energy transition plans aligned with the Paris Agreement. The firm believes these efforts support long-term sustainability for both portfolio companies and the wider market, and has established internal voting guidelines to reinforce its engagement activities.

Insight, L&G and Ruffer conduct all engagements at a firm level, so engagements are not specific to a single fund.