

## Implementation Statement

### Rubbolite Retirement and Death Benefit Scheme

#### Purpose of this statement

This implementation statement has been produced by the Trustees of the Rubbolite Retirement and Death Benefit Scheme ("**the Scheme**") to set out the following information over the year to 5 April 2024:

- how the Trustees' policies on exercising rights (including voting rights) and engagement activities have been followed over the year.
- 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

The voting behaviour is not given over the Scheme year end to 5 April 2024 because investment managers only report on this data quarterly, we have therefore given the information over the year to 31 March 2024.

#### How voting and engagement 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:

- At the year end the Scheme held all of its assets with Legal and General Investment Management ("LGIM") in pooled funds. The Trustees have delegated the responsibility for carrying out voting and engagement activities to the Scheme's fund managers.
- The Trustees undertook an initial review of the stewardship and engagement activities of the current manager, LGIM, when appointing them and were satisfied that their policies were reasonable.
- The Trustees have not explicitly reviewed the stewardship and engagement activities of their current investment managers during the year to 5 April 2024.
- Annually the Trustees receive and review voting information and engagement policies from the asset managers, which we review to ensure alignment with our own policies. The Trustees believe that the voting and engagement activities undertaken by the asset managers on their behalf have been in the members' best interests.
- Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the fund manager is in alignment with the Scheme's stewardship policies.

#### Stewardship policy

The Trustees' Statement of Investment Principles (SIP) describes the Trustees' stewardship policy on the exercise of rights (including voting rights) and engagement activities. The Trustees finalised the SIP post year-end, and it can be found in the link below

<https://www.truck-lite.eu.com/media/wysiwyg/tleu/pdf/rubbolite-sip.pdf>

The Trustees agreed in September 2023 to align their stewardship priorities with those of their investment manager, LGIM. They will engage with LGIM in order to understand how they have voted and engaged relative to these priorities. This has been formally noted in the latest Statement of Investment Principles. LGIM's priorities include engaging with companies on themes such as climate, governance, nature, people, health and digitisation.

**Prepared by the Trustees of the Rubbolite Retirement and Death Benefit Scheme  
June 2024**

## 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 2024. The Buy & Maintain Credit, Sterling Liquidity and LDI Matching Core Funds with LGIM, which form the Protection Portfolio, have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate. The LPI Income Property Fund also has no voting rights attached to it and so is not included in the table below.

Manager		LGIM
Fund name	Future World Global Equity Index Fund (both GBP hedged and unhedged)	Dynamic Diversified Fund
Structure	Pooled	
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.	
No. of eligible meetings	5,134	9,651
No. of eligible votes	52,212	98,900
% of resolutions voted	99.9%	99.8%
% of resolutions abstained	0.3%	0.2%
% of resolutions voted with management <sup>1</sup>	80.3%	76.7%
% of resolutions voted against management <sup>1</sup>	19.5%	23.1%
Proxy voting advisor employed	ISS's 'ProxyExchange' electronic voting platform	
% of resolutions voted against proxy voter recommendation	11.1%	14.1%

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

## Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustees over the year to be set out. The guidance does not currently define what constitutes a “significant” vote, so for this Implementation Statement the Trustees have asked the investment managers to determine what they believe to be a “significant vote”. LGIM have provided a selection of votes which they believe to be significant, and in the interest of concise reporting the tables below show three of these votes for each fund.

Given that the Scheme has aligned its stewardship priorities with LGIM, the examples below align with one or more of LGIMs engagement themes (i.e. climate, governance, people etc.) as well as being the underlying holding being a relatively large proportion of the overall fund size.

The Trustees have not communicated voting preferences to their investment managers over the period, as the Trustees are yet to develop a specific voting policy.

### LGIM, Future World Global Equity Index Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Microsoft Corporation	Apple Inc.	JPMorgan Chase & Co.
<b>Date of vote</b>	7 December 2023	28 February 2024	16 May 2023
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	5.5%	4.5%	0.9%
<b>Summary of the resolution</b>	Elect Director Satya Nadella	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy	Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets
<b>How the manager voted</b>	Against	Against	For (against management recommendation)
<b>Rationale for the voting decision</b>	<p>A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.</p> <p>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 non-discrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.</p> <p>LGIM generally support resolutions that seek additional disclosures on how companies aim to manage their financing activities in line with their published targets. LGIM believe detailed information on how a company intends to achieve the 2030 targets they have set and published to the market (the ‘how’ rather than the ‘what’, including activities and timelines) can further focus the board’s attention on the steps and timeframe involved and provides assurance to stakeholders. The onus remains on the board to determine the activities and policies required to fulfil their own ambitions,</p>		

	Vote 1	Vote 2	Vote 3
			rather than investors imposing restrictions on the company.
<b>Outcome of the vote</b>	Pass	Fail	Fail
<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.		
<b>Criteria on which the vote is considered "significant"</b>	<p>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>Engagement Theme : People/Governance</p>	<p>LGIM views diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.</p> <p>Engagement theme : People</p>	<p>LGIM considers this vote to be significant as they pre-declared their intention to support. They 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.</p> <p>Engagement Theme : Climate</p>

## LGIM, Dynamic Diversified Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Prologis, Inc	Shell Plc	American Water Works Company, Inc
<b>Date of vote</b>	4 May 2023	23 May 2023	10 May 2023
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	0.3%	0.3%	0.2%
<b>Summary of the resolution</b>	Elect Director Jeffrey L. Skelton	Approve the Shell Energy Transition Progress	Oversee and Report a Racial Equity Audit
<b>How the manager voted</b>	Against (against management recommendation)	Against (against management recommendation)	For (against management recommendation)
<b>Rationale for the voting decision</b>	<p>A vote against is applied as LGIM expects a company to have at least one-third women on the board. In addition, LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.</p>	<p>LGIM acknowledge the substantial progress made by the company in meeting its 2021 climate commitments and welcome the company's leadership in pursuing low carbon products. However, LGIM remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5C trajectory.</p>	<p>A vote in favour is applied as LGIM supports proposals related to diversity and inclusion policies as they consider these issues to be a material risk to companies.</p> <p>Engagement theme : People, Governance</p>

	Vote 1	Vote 2	Vote 3
Outcome of the vote	Pass	Pass	Fail
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM continues to undertake extensive engagement with Shell on its climate transition plans.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
Criteria on which the vote is considered "significant"	<p>LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.</p> <p>Engagement theme : People, Governance</p>	<p>LGIM 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 1.5C scenario. Given the high-profile of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.</p> <p>Engagement theme : Climate, Governance</p>	<p>LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.</p> <p>Engagement theme : People, Governance</p>

## Fund level 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 for the relevant funds.

Engagement activities are limited for the Scheme's LDI, property and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown. Similarly, FACET are engaging on each of their underlying holdings in order to either liquidate the holding or to recover as much as possible.

Manager	LGIM	LGIM	LGIM
Fund name	Future World Global Equity Index Fund (both GBP hedged and unhedged)	Dynamic Diversified Fund	Buy & Maintain Credit Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	795	1,607	177
Number of entities engaged on behalf of the holdings in this fund in the year	530	1,297	83
Number of engagements undertaken at a firm level in the year		2,144	

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

### LGIM

#### Volkswagen – Engagement Theme : People and Governance

LGIM engaged with Volkswagen following MSCI assigning a red controversy flag to the firm due to allegations of forced labour in their plant in Xinjiang, China. As a consequence, LGIM increased their dialogue with the company and have engaged on human rights with the company's senior management including investor relations, the CFO, and the head of treasury. The engagement with Volkswagen has been well-received and Volkswagen obtained an independent audit of the Xingjiang plant in December 2023.

The completion of the audit resulted in the removal of MSCI's red controversy flag. LGIM will continue to engage with Volkswagen on the subject of human rights and other governance topics, including the long-term future of the plant in Xinjiang and retain an open dialogue with the company and its management.