

EC Harris Group Pension Scheme

Implementation Statement, covering the Scheme Year from 6 April 2024 to 5 April 2025 (the “Scheme Year”)

The Trustees of the EC Harris Group Pension Scheme (the “Scheme”) are required to produce a yearly statement to set out how, and the extent to which, the Trustees have followed the voting and engagement policies in their Statement of Investment Principles (“SIP”) during the Scheme Year. This is provided in Section 1 and 2 below.

The Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, trustees (including the most significant votes cast by trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 3 below.

In preparing the Statement, the Trustees have had regard to the [guidance](#) on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions (“DWP’s guidance”) in June 2022.

1. Introduction

No changes were made to the voting and engagement policies in the SIP during the Scheme Year. The last time these policies were formally reviewed was as part of the last SIP review in October 2024.

The Trustees have, in their opinion, followed the Scheme’s voting and engagement policies during the Scheme Year, by continuing to delegate to their investment managers the exercise of rights and engagement activities in relation to investments, as well as seeking to appoint managers that have strong stewardship policies and processes.

2. Voting and engagement

The Trustees have delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. However, the Trustees take ownership of the Scheme’s stewardship by monitoring and engaging with managers. As part of its advice on the selection and ongoing review of the investment managers, the Scheme’s investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers’ approaches to voting and engagement.

Following the introduction of DWP’s guidance, the Trustees agreed to set stewardship priorities to focus monitoring and engagement with their investment managers on specific ESG factors. At the Q1 2023 meeting, the Trustees discussed and agreed that climate change would be the Scheme’s stewardship priority. This priority was selected as the Trustees believe that it reflects a key market-wide risk and is an area where good stewardship and engagement can improve long-term financial outcomes for the Scheme’s members. The Trustees communicated this priority to their managers and at the same time communicated the Trustees’ more general expectations in relation to ESG factors, voting and engagement. The Trustees reviewed their stewardship priority in March 2025 and agreed that it still remained appropriate.

In Q1 2025 the Trustees reviewed LCP’s responsible investment (“RI”) scores for the Scheme’s existing managers and funds. These scores cover the manager’s approach to ESG factors, voting practices and engagement. The qualitative scores for each fund were based on LCP’s ongoing manager research programme, and it is these that directly affect LCP’s manager and fund recommendations. The managers scores were based on LCP’s 2024 Responsible Investment Survey. Overall, the Scheme’s portfolios scored well in the assessment, with mostly ‘Green’ and ‘Amber’ ratings equating to above average and average scores.

LCP also presented its stewardship dashboard to the Trustees. This highlighting the key areas of voting of the Scheme’s managers, in particular in relation to climate change the Trustees’ stewardship priority, and how the

voting activity compared to other investment managers. Following the RI Survey review and Stewardship Dashboard, the Trustees agreed to meet with a number of managers at future meetings to directly engage on their RI practices and any areas for improvement.

The Trustees monitor the RI scores of the Scheme's investment managers on a quarterly basis as part of their regular investment monitoring.

The Trustees are conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustees aim to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

3. Description of voting behaviour during the Scheme Year

All of the Trustees' holdings in listed equities are within pooled funds and the Trustees have delegated to their investment managers the exercise of voting rights. Therefore, the Trustees are not able to direct how votes are exercised and the Trustees themselves have not used proxy voting services over the Scheme Year.

In this section the Trustees have sought to include voting data in line with the Pensions and Lifetime Savings Association ("PLSA") guidance, on the Scheme's funds that held equities as follows:

- Pyrford Global Total Return Fund; and
- Ruffer Absolute Return Fund.

We have also included commentary on the following funds, provided by the Scheme's asset managers who don't hold listed equities, but invest in assets that may have had voting opportunities during the period:

- Alcentra European Direct Lending Fund III; and
- Arcmont Direct Lending Fund III.

We have not included the Columbia Threadneedle UK Equity-Linked Gilt Fund and Columbia Threadneedle Overseas Equity-Linked UK Gilts Fund since their equity components consist of synthetic exposure gained through futures contracts, rather than physical equity holdings (therefore they do not hold voting rights on the equities), the Trustees also disinvested from these funds towards the beginning of the Scheme year.

3.1 Description of the voting processes

For assets with voting rights, the Trustees rely on the voting policies which the managers have in place. The Trustees will monitor the voting policies of the Scheme's investment managers as part of the annual Implementation Statement. The Trustees also undertook reviews of the managers responsible investment practices, which included their voting activities, as set out in Section 2. Overall the Trustees are satisfied that the investment managers' voting behaviour over the Scheme Year was aligned with the Scheme's stewardship priority.

The following wording was provided by Pyrford and Ruffer to describe their respective voting processes:

Pyrford

Pyrford's voting policy reflects the issues that it considers important in making investments. Pyrford seeks to invest in well financed companies with a strong management team and sound strategy which are capable of delivering attractive earnings and dividend growth over the long term. This practice will involve the active consideration of all relevant and material factors pertaining to ESG issues. Pyrford's policy is to consider every resolution individually and to vote on each issue. The sole criterion for reaching these voting decisions is being in the best interests of the client. This is part of Pyrford's broader fiduciary responsibility to its clients.

Pyrford does not consult with clients prior to voting, however, are always happy to hear its clients' views on upcoming votes.

Pyrford has appointed ISS Proxy Voting Services to monitor meetings data and to produce a voting schedule based upon individual client proxy voting guidelines, or Pyrford's guidelines where a client does not provide their

own. While it considers ISS to be providing a 'proxy adviser' service, Pyrford's portfolio managers have the final authority to decide on how votes are cast in line with the relevant guidelines.

Pyrford believes that all proxy votes are important and aim to vote on all ballots received on behalf of its clients. All votes are reviewed by Pyrford's ESG Forum on a quarterly basis.

Pyrford does not have specific climate-related voting guidelines in its policy, though there are a number of guidelines framed to steer companies towards improving the sustainability of their operations.

Ruffer

Research analysts are responsible for reviewing the relevant company issues case by case and exercising their judgement based on their in-depth knowledge of the company, and are supported by the Ruffer RI team. Ruffer looks to discuss with companies any relevant or material issue that may impact Ruffer's investment. From time to time, Ruffer asks for additional information or an explanation to inform Ruffer's voting decisions.

For non-contentious votes, with no disagreement between Ruffer's voting intention and management and ISS recommendations, approval is required by any two non-connected Directors from the investment and client and distribution teams.

We define significant votes as:

- any vote against management or ISS recommendation
- any vote misaligned with criteria included in Ruffer's internal voting guidelines
- any shareholder resolution
- any management-proposed climate-related resolution
- dissident shareholder slate (US only)

Before a significant vote is cast, a quorum is convened with senior investment staff and a representative of the RI team so that the analyst can provide a rationale for their decision. Senior client-facing staff also provide input if necessary. Sign-off is required by a member of the core fund management team and a member of the RI team. If an agreement cannot be reached, we may escalate the decision according to our internal governance framework.

3.2 Summary of voting behaviour

A summary of voting behaviour over the Scheme Year is provided in the table below. Voting data is for the year ending 31 March 2025, the value of Scheme assets is as at 5 April 2025.

	Pyrford	Ruffer
Fund name	Pyrford Global Total Return Fund	Ruffer Absolute Return Fund
Total size of fund at 31/03/2025	c.£700m	c.£2.6bn
Value of Scheme assets at end of the Scheme Year (£ / % of Scheme assets)	c.£3.2m (c.5.0%)	c.£3.8m (c.5.9%)
Number of equity holdings at 31/03/2025	64	167
Number of meetings eligible to vote	62	68
Number of resolutions eligible to vote	958	1,134
% of resolutions voted	89.5	100.0
Of the resolutions on which voted, % voted with management	96.2	96.9
Of the resolutions on which voted, % voted against management	3.8	3.0
Of the resolutions on which voted, % abstained from voting	0.0	0.1
Of the meetings in which the manager voted, % with at least one vote against management	40.7	26.5

Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	2.0	4.3
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3.3 Most significant votes

Commentary on the most significant votes over the Scheme Year, from the Scheme's asset managers who hold listed equities, is set out below. The Trustees have largely interpreted "significant votes" to mean:

- votes in relation to the Trustees' chosen stewardship priority (climate change);
- votes where the holding that the vote relates to makes up a significant portion of the fund's portfolio; or
- votes against management.

Given the large number of votes which are cast by managers during every Annual General Meeting season, the timescales over which voting takes place as well as the resource requirements necessary to allow this, the Trustees did not identify significant voting ahead of the reporting period. Instead, the Trustees have retrospectively created a shortlist of most significant votes. By informing their managers of the stewardship priorities and through regular interactions with the managers, the Trustees believe that the managers will understand how the Trustees expect them to vote on issues for the companies they invest in on their behalf.

Pyrford

- **Woodside Energy, April 2024**

Summary of resolution: Approving the company's Climate Transition Action Plan and its 2023 Progress Report

Approx size of the holding at the date of the vote: 0.45%.

Why this vote is considered to be most significant: Vote was against management and in relation to the Scheme's Stewardship priority.

Fund manager vote: Against proposal (against management).

Rationale: Woodside presented its "Climate Transition Plan and 2023 Progress Report" to shareholders in April 2024. The resolution was advisory only and is non-binding on the directors or the company, however, it was designed as a means of engaging with shareholders and giving them the opportunity to signal their view on the company's climate strategy. Pyrford are broadly supportive of Woodside's efforts in reducing its emissions. The company has aspirational targets to be Net Zero for Scope 1 and 2 emissions by 2050 and has committed to make investments of \$5bn in new energy products and lower carbon services. Pyrford also recognise the challenges in an oil and gas company reducing its Scope 3 emissions. However, given the urgency of the requirement, Pyrford felt it was appropriate to vote against the report at this meeting. In doing so Pyrford aim to signal its expectation that work continues in hardening the current "aspirations" to firm targets by accelerating work on developing new technologies and reducing their cost.

Was the vote communicated to the company ahead of the vote: No.

Outcome of the vote and next steps: Resolution did not pass. Pyrford will discuss progress with developing the plan in future meetings with the company.

Ruffer

- **Bank of America, April 2024**

Summary of resolution: Shareholder proposal requesting a report on clean energy supply financing ratio.

Approx size of the holding at the date of the vote: 0.15%.

Why this vote is considered to be most significant: Vote was in relation to the Trustees' chosen stewardship priority (climate change).

Fund manager vote: Against proposal (with management).

Rationale: Ruffer believes Bank of America is committed to its Net Zero targets and provides much of the necessary data to support this. While Ruffer supports 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 company itself calculating this ratio with a possibly varying methodology.

Was the vote communicated to the company ahead of the vote: No (vote was with management).

Outcome of the vote and next steps: Resolution did not pass. Ruffer will continue to monitor the company.

- **Amazon, May 2024**

Summary of resolution: Shareholder proposal requesting disclosure of all material scope 3 GHG emissions.

Approx size of the holding at the date of the vote: 0.57%.

Why this vote is considered to be most significant: Vote was in relation to the Trustees' chosen stewardship priority (climate change), was against management and a significant holding.

Fund manager vote: For proposal (against management).

Rationale: Amazon currently only discloses scope 3 emissions for its own brand products while peers, such as Walmart and Target, disclose scope 3 emissions for all product sales. Ruffer supported the request for better disclosure around scope 3 emissions and believe this is the first step towards setting meaningful targets to reduce carbon emissions.

Was the vote communicated to the company ahead of the vote: No.

Outcome of the vote and next steps: Resolution did not pass. Ruffer will continue to monitor the company and may seek to engage if no progress is seen.

- **ExxonMobil, May 2024**

Summary of resolution: DEI shareholder resolution requesting a report on median gender/racial pay gaps.

Approx size of the holding at the date of the vote: 0.15%.

Why this vote is considered to be most significant: Vote was against management.

Fund manager vote: For proposal (against management).

Rationale: Ruffer believes publishing the unadjusted pay gap statistic could increase accountability for diversity, inclusion and equity and may provide shareholders with useful information about how effectively management is assessing and mitigating risks related to its employees. Median and adjusted gender/ethnicity/disability pay gap reporting is best practice and is a regulatory requirement in the UK. Therefore, Ruffer voted in favour of this proposal.

Was the vote communicated to the company ahead of the vote: No.

Outcome of the vote and next steps: Resolution did not pass. Ruffer will continue to monitor the company and may seek to engage if no progress is seen.

3.4 Votes in relation to assets other than listed equity

The following comments were provided by the Scheme's asset managers who don't hold listed equities, but invest in assets that may have had voting opportunities during the Scheme Year:

Alcentra – European Direct Lending Fund III

In relation to the Direct Lending Platform, as lenders, Alcentra typically does not participate in voting, but where it does have a representative on the board it would exercise our influence through such roles. In the limited

occasions where Alcentra has equity holdings, it engages with the management team directly as well as via the board.

Loan and bond investments generally do not confer creditors voting rights unlike for equity holders. Where Alcentra has minority equity interests in deals it frequently isn't asked to vote as the corporate documents are set-up so that the sponsor can pass any shareholder resolutions needed without its participation in any event. Alcentra's rights are also usually limited to certain minority protections. Where Alcentra owns companies it exercises control by including language in the deal documentation requiring the board to seek investor consent for matters that it wants to approve as the manager. This is usually done via the Alcentra investor representative on the board (where relevant) rather than having a formal shareholder vote. Where voting rights exist, Alcentra will utilise these to demonstrate its support for initiatives that benefit its end investors in accordance with a firm-wide commitment to furthering the development of ESG and honouring its position as signatories to bodies such as UN PRI and TCFD.

Arcmont – Direct Lending Fund III

Given that Arcmont is a private debt asset manager, there is limited scope to participate in voting activities. Due to this, Arcmont does not have a formal voting policy or track voting activities. Note that Arcmont may be able to vote in limited instances where:

- investments take on an equity element and they are assigned voting board seats; or
- in the rare circumstances that Arcmont becomes a majority shareholder of the business. However, at the levels of co-investment that Arcmont participates in, and in the current market conditions, Arcmont is typically only granted votes on economic protections and structural changes to the equity, e.g. if a new class of shares is to be issued and Arcmont is diluted.