

# Devro Limited (UK) Pension Plan Implementation Statement for the year ended 31 March 2025

## Purpose

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This Implementation Statement provides information on how, and the extent to which, the Trustees of the Devro Limited (UK) Pension Plan (“the Plan”) have followed their policy in relation to the exercising of rights (including voting rights) attached to the Plan’s investments, and engagement activities during the year ended 31 March 2025 (“the reporting year”). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year. This statement does not account for any additional voluntary contribution (“AVC”) investment activity undertaken over the reporting year.

The Trustees’ investment policies are documented in the Statement of Investment Principles (“SIP”). This was updated during the reporting year, in May 2024, to reflect a change to the Trustees’ target hedge. The SIP was updated again following the end of the reporting year, in May 2025, to reflect further changes to the Plan’s investment strategy. The policies in relation to Environmental, Social and Governance (“ESG”), voting and stewardship of assets were not updated as part of these SIP updates.

## The Trustees’ policy on ESG and stewardship of assets

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The Trustees believe that there can be financially material risks relating to ESG issues. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Plan’s investment managers. The Trustees require the Plan’s investment managers to take ESG and climate change risks into consideration within their decision-making, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

The Trustees have delegated responsibility for the exercise of rights (including voting rights) attached to Plan’s investments to the investment managers and encourage them to engage with investee companies and vote whenever it is practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments.

In order to ensure sufficient oversight of the engagement and voting practices of their managers, the Trustees will periodically meet with their investment managers to discuss engagement which has taken place. The Trustees will also expect their investment adviser to engage with the managers from time to time as needed and report back to the Trustees on the stewardship credentials of their managers. The Trustees will then discuss the findings with the investment adviser, in the context of their own preferences, where relevant. This will include considering whether the manager is a signatory to the UK Stewardship Code. The Trustees recognise the UK Stewardship Code as an indication of a manager’s compliance with best practice stewardship standards. As at the year-end, all of the Plan’s investment managers, as well as the Trustees’ investment adviser, were signatories to the UK Stewardship Code.

## Manager selection exercises

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One of the main ways in which the Trustees’ policy on ESG and stewardship of assets is expressed is via manager selection exercises. When appointing a new investment manager, the Trustees seek advice from their investment adviser on the extent to which potential investment managers are incorporating views on ESG and climate change risks into their investment management process, and the extent to which the investment managers are demonstrating strong active ownership. During the reporting year there were no such exercises.

## Ongoing governance

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The Trustees, with the assistance of XPS, monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustees' requirements as set out in the SIP. Further, the Trustees have set XPS the objective of helping the Trustees to implement an investment strategy which adds value through the integration of ESG (including climate change) and stewardship considerations in their investment manager appointments.

Over the reporting year the Trustees received assurance from their investment managers that the managers were effectively undertaking stewardship activities on their behalf.

During the year the Trustees met with some of their investment managers to discuss the performance of their investments, and ESG was an agenda item for each of these discussions. The managers reiterated their approach towards engagement and provided evidence of their engagement activity within the relevant funds. The responses received were deemed by the Trustees to be at a satisfactory level.

The Trustees of the Plan are responsible for making investment decisions and have an Investment Committee to consider investment issues and make recommendations to the Trustee board. The Investment Committee attended regular meetings with the Trustees' investment advisers throughout the year. These meetings included performance monitoring of the Plan's assets, along with periodic updates on views about the selected investment managers, including the adviser's ESG research rating, which is reviewed on an annual basis. The SIP sets out the Trustees' policies for managing the Plan's assets, and outlines the investment strategy and stewardship policy which was in place over the reporting period.

Beyond the governance work currently undertaken, the Trustees believe that their approach to, and policy on, ESG matters will evolve over time based on factors including developments within the industry. In particular, whilst the Trustees have not, to date, introduced specific stewardship priorities, they will monitor the results of those votes deemed by the managers to be most significant in order to determine whether specific priorities should be introduced and communicated to the managers.

## Adherence to the Statement of Investment Principles

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During the reporting year the Trustees are satisfied that they followed their policies on the exercise of rights (including voting rights) and engagement activities to an acceptable degree.

## Voting activity

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The main asset class where the investment managers will have voting rights is equities. During the reporting year, the Plan held specific allocations to publicly listed equities through funds managed by Baillie Gifford and Legal and General Investment Management (LGIM). The Trustees disinvested in full from the Baillie Gifford fund in March 2025, shortly before the end of the reporting year. A summary of the voting behaviour and most significant votes cast by each of the investment managers is shown below. The data provided covers the full 12 month period for both managers, as Baillie Gifford did not provide data covering the specific period before the Plan's full disinvestment.

As the Plan invests in pooled equity funds, the Trustees acknowledge that they cannot directly influence the policies and practices of the companies in which the pooled funds invest. They have therefore delegated responsibility for the exercise of rights (including voting rights) attached to the Plan's investments to the investment managers. They have not set an expression of wish for the manager to consider when voting on matters and have therefore not set out any priorities for what determines a significant vote. The investment managers have provided a list of significant votes and the Trustees have selected a subset of these votes, taking into account factors such as the size of the holding in the company in question.

The information below is the investment managers' activity in relation to voting.

**Disclaimer: Neither XPS nor the Trustees have vetted the information belows. Please note that all information provided on voting activity has been written by the respective investment managers, and this is reflected in the use of "we/us" throughout. Any views expressed are not necessarily those of the Trustees.**

**Baillie Gifford Global Alpha Growth Fund**

**Voting Information**

The manager voted on 95.95% of resolutions out of 1260 eligible votes.

The manager voted against management on 6.12% of the resolutions which they voted.

**Investment Manager Client Consultation Policy on Voting**

All voting decisions are made by our ESG team in conjunction with investment managers. We do not regularly engage with clients prior to submitting votes, however if a segregated client has a specific view on a vote then we will engage with them on this. If a vote is particularly contentious, we may reach out to clients prior to voting to advise them of this or request them to recall any stock on loan.

**Investment Manager Process to determine how to Vote**

Thoughtful voting of our clients' holdings is an integral part of our commitment to stewardship. We believe that voting should be investment led, because how we vote is an important part of the long-term investment process, which is why our strong preference is to be given this responsibility by our clients. The ability to vote our clients' shares also strengthens our position when engaging with investee companies. Our ESG team oversees our voting analysis and execution in conjunction with our investment managers. Unlike many of our peers, we do not outsource any part of the responsibility for voting to third-party suppliers. We utilise research from proxy advisers for information only. Baillie Gifford analyses all meetings in-house in line with our ESG Principles and Guidelines and we endeavour to vote every one of our clients' holdings in all markets.

**How does this manager determine what constitutes a 'Significant' Vote?**

- Baillie Gifford's voting decision had a material impact on the outcome of the meeting.
- Management resolutions that received 20 per cent or more opposition.
- Misaligned remuneration.
- Contentious equity issuance.
- Shareholder resolutions that received 20 per cent or more support from shareholders.
- Where there has been a significant reported audit failing.
- Mergers and acquisitions.
- Where we have opposed the financial statements/annual report.
- Where we have opposed the ratification or election of directors.
- Where we identified material environmental, social or governance (ESG) factors that resulted in Baillie Gifford opposing management.

**Does the manager utilise a Proxy Voting System? If so, please detail.**

Whilst we are cognisant of proxy advisers' voting recommendations (ISS and Glass Lewis), we do not delegate or outsource any of our stewardship activities or follow or rely upon their recommendations when deciding how to vote on our clients' shares. All client voting decisions are made in-house. We vote in line with our in-house policy and not with the proxy voting providers' policies. We also have specialist proxy advisors in the Chinese and Indian markets to provide us with more nuanced market specific information.

### Top 5 Significant Votes during the Period

| Company                        | Date of Vote      | Size of fund holdings | Voting subject              | How did the Investment Manager Vote? | Outcome     |
|--------------------------------|-------------------|-----------------------|-----------------------------|--------------------------------------|-------------|
| <b>THE WALT DISNEY COMPANY</b> | <b>20/03/2025</b> | <b>0.68%</b>          | <b>Appoint/Pay Auditors</b> | <b>Against</b>                       | <b>Pass</b> |

**Why the vote was deemed significant:**

This resolution is significant because we opposed the election of auditors.

**Where voted against the company, was this communicated:**

No.

**Rationale:**

We opposed the ratification of the auditor because of the length of tenure. We believe it is best practice for the auditor to be rotated regularly as this works to ensure independent oversight of the company's audit process and internal financial controls.

**Implication:**

The company's auditor has been in post for 87 years and has disclosed no plans to retender the contract. We generally believe that regular rotation helps to ensure independent oversight of the company's audit process and internal financial controls. Following the annual general meeting we explained this decision to the company.

| Company               | Date of Vote      | Size of fund holdings | Voting subject              | How did the Investment Manager Vote? | Outcome     |
|-----------------------|-------------------|-----------------------|-----------------------------|--------------------------------------|-------------|
| <b>AUTOZONE, INC.</b> | <b>18/12/2024</b> | <b>1.2%</b>           | <b>Appoint/Pay Auditors</b> | <b>Against</b>                       | <b>Pass</b> |

**Why the vote was deemed significant:**

This resolution is significant because we opposed the election of auditors.

**Where voted against the company, was this communicated:**

No.

**Rationale:**

We opposed the ratification of the auditor because of the length of tenure. We believe it is best practice for the auditor to be rotated regularly as this works to ensure independent oversight of the company's audit process and internal financial controls.

**Implication:**

We continued to oppose the ratification of the auditor because Ernst & Young has served as the auditor for 36 consecutive years. As in previous years, we followed up with the company to explain our opinion that regular rotation helps to ensure independent oversight of the company's audit process and internal financial controls.

| Company               | Date of Vote      | Size of fund holdings | Voting subject                             | How did the Investment Manager Vote? | Outcome     |
|-----------------------|-------------------|-----------------------|--|--------------------------------------|-------------|
| <b>AUTOZONE, INC.</b> | <b>18/12/2024</b> | <b>1.2%</b>           | <b>Shareholder Resolution - Governance</b> | <b>Against</b>                       | <b>Fail</b> |

**Why the vote was deemed significant:**

This resolution is significant because it was submitted by shareholders and received greater than 20% support.

**Where voted against the company, was this communicated:**

No.

**Rationale:**

We opposed the shareholder resolution to reduce the ownership threshold to call a special meeting of shareholders to 10 per cent. We note that management has proposed reducing the current threshold to 25 per cent and believe in the context of this particular company this strikes a balance between enhancing shareholder rights and the protection of long-term shareholder interests.

**Implication:**

At the shareholder meeting both a management resolution and a shareholder resolution were proposed. Both requested the company reduce the ownership threshold to call a special meeting. The management resolution sought to reduce the threshold from 50 to 25 per cent, whereas the shareholder resolution sought to reduce the threshold to 10 per cent. We decided on this occasion to oppose the shareholder resolution and support the management resolution. We are cognisant that the company permits proxy access which provides an avenue for shareholder recourse, and further we do not have concerns with the company's management which would necessitate the strengthening of accountability provisions. While the shareholder resolution received 44 per cent support, it failed, with the management resolution passing with 90 per cent support.

| Company                      | Date of Vote      | Size of fund holdings | Voting subject                         | How did the Investment Manager Vote? | Outcome     |
|------------------------------|-------------------|-----------------------|--|--------------------------------------|-------------|
| <b>MICROSOFT CORPORATION</b> | <b>10/12/2024</b> | <b>4.21%</b>          | <b>Shareholder Resolution - Social</b> | <b>Against</b>                       | <b>Fail</b> |

**Why the vote was deemed significant:**

This resolution is significant because it was submitted by shareholders and received greater than 20% support.

**Where voted against the company, was this communicated:**

N/A

**Rationale:**

We opposed a shareholder resolution requesting a report on the implications of siting data centres in countries with human rights concerns. We believe the company has a robust framework in place and ranks highly on its governance practices and there is clear evidence of a commitment to protect human rights.

**Implication:**

This was the second consecutive year this resolution was filed receiving 33 and 32 per cent support at the 2023 and 2024 annual general meetings respectively. We do not have concerns with the company's approach on this topic and continued to oppose the request.

| Company                      | Date of Vote      | Size of fund holdings | Voting subject              | How did the Investment Manager Vote? | Outcome     |
|------------------------------|-------------------|-----------------------|-----------------------------|--------------------------------------|-------------|
| <b>MICROSOFT CORPORATION</b> | <b>10/12/2024</b> | <b>4.21%</b>          | <b>Appoint/Pay Auditors</b> | <b>Against</b>                       | <b>Pass</b> |

**Why the vote was deemed significant:**

This resolution is significant because we opposed the election of auditors.

**Where voted against the company, was this communicated:**

Yes.

**Rationale:**

We opposed the ratification of the auditor because of the length of tenure. We believe it is best practice for the auditor to be rotated regularly as this works to ensure independent oversight of the company's audit process and internal financial controls.

**Implication:**

We opposed the ratification of the auditor because Deloitte has served as the auditor for 41 consecutive years. Following the 2023 annual general meeting we engaged with the company to understand their relationship with their external auditor. The company outlined the policies they have in place to support an independent and quality audit, however noted that they have never retendered their auditor and have no plans to do so. We explained that we think periodic rotation of the company's auditor can provide fresh look benefits which have a positive effect on audit quality.

**LGIM Future World Global Equity Index Fund**

**Voting Information**

The manager voted on 99.8% of resolutions out of 55,096 eligible votes.

The manager voted against management on 17.89% of the resolutions which they voted.

**Investment Manager Client Consultation Policy on Voting**

LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as we continue to develop our voting and engagement policies and define strategic priorities in the years ahead. We also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

**Investment Manager Process to determine how to Vote**

All decisions are made by LGIM's Investment Stewardship team and in accordance with our relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures our stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

**How does this manager determine what constitutes a 'Significant' Vote?**

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.

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. 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:

- 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 LGIM note a significant increase in requests from clients on a particular vote.
- Sanction vote as a result of a direct or collaborative engagement.
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship’s 5-year ESG priority engagement themes.

LGIM provide information on significant votes in the format of detailed case studies in its quarterly ESG impact report and annual active ownership publications. The vote information is updated on a daily basis and with a lag of one day after a shareholder meeting is held. LGIM also provide the rationale for all votes cast against management, including votes of support to shareholder resolutions. LGIM publicly discloses its vote instructions on LGIM’s website.

**Does the manager utilise a Proxy Voting System? If so, please detail.**

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. Our use of ISS recommendations is purely to augment our own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that we receive from ISS for UK companies when making specific voting 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. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice.

We retain the ability in all markets to override any vote decisions, which are based on our custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows us to apply a qualitative overlay to our voting judgement. We have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action.

**Top 5 Significant Votes during the Period**

| Company | Date of Vote | Size of fund holdings | Voting subject | How did the Investment Manager Vote? | Outcome |
|---------|--------------|-----------------------|----------------|--------------------------------------|---------|
|         |              |                       |                |                                      |         |

|                              |                   |              |  |            |             |
|------------------------------|-------------------|--------------|--|------------|-------------|
| <b>MICROSOFT CORPORATION</b> | <b>10/12/2024</b> | <b>4.87%</b> | <b>Resolution 9: Report on AI Data Sourcing Accountability</b> | <b>For</b> | <b>Fail</b> |
|------------------------------|-------------------|--------------|--|------------|-------------|

**Why the vote was deemed significant:**

High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.

**Where voted against the company, was this communicated:**

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

**Rationale:**

Shareholder Resolution - Governance: 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

**Implication:**

LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.

| Company              | Date of Vote      | Size of fund holdings | Voting subject  | How did the Investment Manager Vote? | Outcome     |
|----------------------|-------------------|-----------------------|---|--------------------------------------|-------------|
| <b>ALPHABET INC.</b> | <b>07/06/2024</b> | <b>1.08%</b>          | <b>Resolution 1d: Elect Director John L. Hennessy</b> | <b>Against</b>                       | <b>Pass</b> |

**Why the vote was deemed significant:**

Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf. Thematic - One Share One Vote: LGIM considers this vote to be significant as LGIM supports the principle of one share one vote.

**Where voted against the company, was this communicated:**

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

**Rationale:**

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. Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board. 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. Independence: A vote against is applied as LGIM expects the Chair of the Board to have served on the board for no more than 15 years and the board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Shareholder rights: A vote against is applied because LGIM supports the equitable structure of one-share-one-vote. We expect companies to move to a one-share-one-vote structure or provide shareholders a regular vote on the continuation of an unequal capital structure.

**Implication:**

LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.

| Company                      | Date of Vote      | Size of fund holdings | Voting subject                                      | How did the Investment Manager Vote? | Outcome     |
|------------------------------|-------------------|-----------------------|---|--------------------------------------|-------------|
| <b>ELI LILLY AND COMPANY</b> | <b>06/05/2024</b> | <b>1.01%</b>          | <b>Resolution 1c: Elect Director Jamere Jackson</b> | <b>Against</b>                       | <b>Pass</b> |

**Why the vote was deemed significant:**

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.

**Where voted against the company, was this communicated:**

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

**Rationale:**

Classified Board: A vote against is applied as LGIM supports a declassified board as directors should stand for re-election on an annual basis. Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.

**Implication:**

LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.

| Company              | Date of Vote      | Size of fund holdings | Voting subject                                     | How did the Investment Manager Vote? | Outcome     |
|----------------------|-------------------|-----------------------|--|--------------------------------------|-------------|
| <b>BROADCOM INC.</b> | <b>22/04/2024</b> | <b>0.97%</b>          | <b>Resolution 1g: Elect Director Henry Samueli</b> | <b>Against</b>                       | <b>Pass</b> |

**Why the vote was deemed significant:**

Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting companies in climate-critical sectors. More information on LGIM's Climate Impact Pledge can be found here: <https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/>

**Where voted against the company, was this communicated:**

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

**Rationale:**

Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management.

**Implication:**

LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.

| Company              | Date of Vote | Size of fund holdings | Voting subject                                     | How did the Investment Manager Vote? | Outcome     |
|----------------------|--------------|-----------------------|--|--------------------------------------|-------------|
| JPMORGAN CHASE & CO. | 21/05/2024   | 0.95%                 | <b>Resolution 1c: Elect Director Todd A. Combs</b> | <b>Against</b>                       | <b>Pass</b> |

**Why the vote was deemed significant:**

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.

**Where voted against the company, was this communicated:**

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

**Rationale:**

Joint Chair/CEO: A vote against is applied as LGIM expects companies to respond to a meaningful level of shareholder support requesting the company to implement an independent Board Chair.

**Implication:**

LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.