



ANSA Logistics Pension Plan ('Plan')

31 December 2023
Implementation Statement

May 2024

1. Introduction

The Trustee is required to make publicly available online a statement (“the Implementation Statement”) covering the ANSA Logistics Pension Plan (the ‘Plan’) in relation to the Plan’s Statement of Investment Principles (the “SIP”).

This SIP came into force from 2 March 2023.

A copy of the current SIP signed and dated 2 March 2023 can be found here [Ansa Logistics Pension Plan | Esken](#)

This Implementation Statement covers the period from 1 January 2023 to 31 December 2023 (the “Scheme Year”). It sets out:

- How the Trustee’s policies on stewardship have been followed over the Scheme Year; and
- The voting by or on behalf of the Trustee during the Scheme Year, including the most significant votes cast and any use of a proxy voter during the Scheme Year.

In preparation for the buy-in transaction that took place in late 2023, the Plan strategically sold down its allocation to growth assets throughout the year. By doing so, the plan aimed to align its investment portfolio with the requirements of the buy-in transaction and mitigate potential market volatility. The implementation statement covers the Plan’s holdings and activities for the entire duration of the year, rather than just focusing on the scheme year-end date of 31 December 2023.

The latest guidance (“the **Guidance**”) from the Department for Work and Pensions (“**DWP**”) aims to encourage the Trustee of the Plan to properly exercise their stewardship policy including both voting and engagement which is documented in the Plan’s SIP. With the help of the Plan’s Fiduciary Manager, to whom the Trustee delegated the implementation of its Stewardship policy, this Implementation Statement has been prepared to provide the details on how the Trustee has complied with the DWP’s statutory guidance.

The Trustee uses the Fiduciary Management service of **Schroders IS Limited** as their Investment Manager and Adviser (referred to as the “**Fiduciary Manager**” in the Implementation Statement). The Fiduciary Manager can appoint other investment managers (referred to as “**Underlying Investment Managers**”) to manage part of the Plan’s assets, and investments with these managers are generally made via pooled funds, where the Plan’s investments are pooled with those of other investors.

A copy of this Implementation Statement is available on the following website: [Ansa Logistics Pension Plan | Esken](#)

2. How the Trustee's policies on stewardship have been followed over the Scheme Year

The Trustee's Fiduciary Manager is a signatory to the *UK Stewardship Code* which sets high standards for those investing money on behalf of UK pensioners and savers. The Trustee expects the Fiduciary Manager's stewardship activities will result in better management of ESG and climate related risks and opportunities, which is expected to improve the long-term financial outcomes of the Plan. The Fiduciary Manager aligns its stewardship activities with Schrodgers' Engagement Blueprint, which identifies six themes: Climate Change, Natural Capital & Biodiversity, Human Rights, Corporate Governance, Human Capital Management, and Diversity & Inclusion. From these, the Fiduciary Manager has chosen **Climate Change, Natural Capital & Biodiversity**, and **Human Rights** as its focus for the stewardship actions it performs on behalf of the Trustee. The Trustee, while delegating stewardship activities to the Fiduciary Manager, has its own focus on Climate Change, Corporate Governance, and Diversity & Inclusion. The Trustee will monitor and, where necessary, engage with the Fiduciary Manager to ensure alignment with these priorities.

The UK Stewardship Code describes stewardship as *"the responsible allocation, management and oversight of capital to create long-term value ... leading to sustainable benefits for the economy, the environment and society."* Thus, the Fiduciary Manager's stewardship activities on behalf of the Trustee encompass a variety of tools, including portfolio ESG integration, manager research and selection, portfolio ESG metric monitoring and voting and engagement.

The Trustee takes responsibility for regularly reviewing the approach and stewardship policies of the Fiduciary Manager to ensure they are aligned with the Trustee's priorities and objectives. A copy of the Plan's SIP has been provided to the Fiduciary Manager, who is expected to follow the Trustee's investment (including stewardship) policies when providing Fiduciary Management services.

As part of ongoing monitoring of how the Fiduciary Manager (FM) has exercised the Trustee's stewardship policy, the Trustee reviewed quarterly FM ESG updates during the Scheme Year. The quarterly ESG updates allow the Trustee to monitor the ESG characteristics of the Plan's portfolio and thereby assess the Fiduciary Manager's allocation, management and oversight of the Plan's capital.

The Trustee is satisfied that the expectations outlined in the SIP have been met, with the Fiduciary Manager taking the Trustee's stewardship policy and priorities into account as part of its stewardship activities and manager selection. Examples of how this has been evidenced over 2023, include:

- ❖ Exclusions of Global Norms Violators as part of the security selection process. This ensures a closer alignment of the Plan's investments with the Trustee's stewardship priorities, as violators are generally viewed as causing significant harm to People or Planet.
- ❖ Incorporation of SustainEx™ scoring into the core equity allocation process, in both the initial screening process and as a constraint at a total portfolio level. SustainEx™ is Schrodgers' proprietary tool to translate social and environmental impacts into financial costs.
- ❖ Conducting manager research to identify value-adding, climate-aware equity funds to potentially allocate some of the Plan's capital to, subject to further due diligence.
- ❖ Annual assessment of Underlying Investment Managers' ESG ratings against a comprehensive internal ESG assessment framework. Lower-rated managers are categorised as either Red-Engagement or Red-

Exclusion, requiring further engagement to improve their rating, or exclusion on the grounds of poor ESG credentials.

- ❖ Regular investment and operational due diligence on the Underlying Investment Managers to monitor voting and engagement policies concerning the Plan's investments.
- ❖ ESG integration throughout the portfolio, with Underlying Investment Manager and counterparty engagement carried out in Growth and LDI portfolios. Some examples of the engagements which occurred over 2023 are detailed in a separate Engagement Report, available upon request.
- ❖ Introduction of new 'impact' metrics into quarterly reporting, such as Implied Temperature Rise (measuring the contribution of the Plan's investments to global warming) and SustainEx™ scoring, to facilitate better Trustee oversight of the impacts of the Plan's capital on the environment and society.

Considering the voting statistics and behaviour set out in this Implementation Statement, along with the engagement activity (detailed in a separate Engagement Report, available upon request) that took place on the Trustee's behalf during the Scheme Year within the growth asset portfolio, and the liability hedging portfolio, the Trustee is pleased to report that the Fiduciary Manager and the Underlying Investment Managers have demonstrated high levels of voting and engagement in line with its stewardship policy.

Specifically, the Trustee noted that:

- Where the holdings did not have voting rights attached, the Underlying Investment Managers showed they carried out a good level of engagement activity with the underlying companies over the Scheme Year.
- Challenge to management was demonstrated through votes by the Underlying Investment Managers against management.
- The Fiduciary Manager has carried out a high level of engagement activities with the Underlying Investment Managers, focussing on laggards and material allocations.
- The Fiduciary Manager has also carried out a high level of engagement with different governing bodies for the Liability Hedging mandate to ensure that the Plan's liability hedging programme remained robust.

Given the activities carried out during the Scheme Year and by preparing this Implementation Statement, the Trustee believes that it has acted in accordance with the DWP Guidance over the Scheme Year.

3. Voting During the Scheme Year

The Trustee has delegated responsibility for voting on its behalf to the Fiduciary Manager and Underlying Investment Managers. Most voting rights associated with the Plan's investments pertain to the underlying securities within the pooled funds managed by the Underlying Investment Managers. In a general meeting of a company issuing these securities, the Underlying Investment Managers exercise their voting rights according to their own policies, which the Fiduciary Manager may have influenced.

Voting by the Fiduciary Manager

Over the year to 31 December 2023, regarding clients' pooled fund investments, the Fiduciary Manager voted on 141 resolutions across 26 meetings. The Fiduciary Manager voted against management on 1 resolution (0.7% of total resolutions) and abstained on 48¹ resolutions (34.0% of the total resolutions). The voting topics covered a range of areas, including executive board composition, investment management processes, fund documentation, auditor tenure and fund costs.

Voting by the Underlying Investment Managers

Most Significant Votes

The following criteria must be met for a vote to be considered "significant":

1. Must relate to the **BNY Mellon (Schroder Solutions) Global Equity Fund**;
2. Must be defined as significant by the Underlying Investment Manager; and
3. Must relate to the Trustee's three stewardship priority themes.

The **BNY Mellon (Schroder Solution) Global Equity Fund** constitutes more than 25% (during the period when the Plan held growth assets before de-risking in preparation for the buy-in transaction) of the Plan's Growth Asset portfolio and thus constitutes the majority of the Plan's investments in equity assets – with equity being the main asset class that holds voting rights. Additionally, within the Plan's Growth Asset portfolio, this is the only fund for which the Fiduciary Manager has responsibility over security selection. For these reasons, the voting activity associated with the securities in this fund holds particularly significant for the Plan. From 1 January 2024, the proxy voting for this fund moved to Schroders' central ESG team which will ensure the voting policy going forward is guided by Schroders' **Engagement Blueprint** and therefore aligns with the Trustee's stewardship priorities.

Of the votes that satisfy these criteria, the Trustee has selected one vote relating to each of the priority themes that it deems most material to the long-term value of the investments. These votes are hereby defined as "most significant votes", and as per DWP guidance, the Trustee has communicated this definition of "most significant votes" to the Fiduciary Manager. All of the most significant votes over this Scheme Year have been reported below.

CLIMATE CHANGE - *At the annual PACCAR Inc meeting on 25 April 2023, BNY Mellon voted in favour of the shareholder proposal for the Board of Directors to annually issue a report describing how the company's lobbying activities align with the goal of the Paris Agreement. This vote was considered "most significant" as it focuses on climate-related topics and the manager believes PACCAR is not transparent in disclosing their activities in this area. This vote failed, and Mellon will continue to engage with PACCAR and encourage them to disclose more information on lobbying generally, and specifically related to climate.*

¹ The Fiduciary Manager abstained from voting on these resolutions due to the presence of share blocking. If the Manager were to vote on a position, they would then be blocked from selling positions in the security from the voting deadline date until one day post meeting and, in the absence of an instruction from Investors, it is Schroders' policy to retain liquidity of the investment.

DIVERSITY AND INCLUSION - On 25 April 2023, BNY Mellon voted for a shareholder proposal for Wells Fargo and Company to report on Prevention of Workplace Harassment and Discrimination. Mellon's rationale for voting for this proposal was Wells Fargo has had recent controversies in this space, which is causing reputational damage to both Wells Fargo and the banking industry, potential for monetary damage. This vote is considered "most significant" by the Trustee, as it focuses on the diversity & inclusion stewardship priority and the manager considers it to be significant since as it focuses on human capital management concerns and risks. The vote passed, and Mellon intend to continue to monitor the board's response to the passed proposal and engage with the company when the report is issued.

CORPORATE GOVERNANCE - On 26 January 2023, BNY Mellon voted for a shareholder proposal to Require Independent Board Chair. Mellon's rationale for voting for this proposal was a separate CEO/Chair position ensures greater accountability. This vote is considered "most significant" by the Trustee, as it focuses on the corporate governance stewardship priority and the manager considers it to be significant since as it focuses on greater board accountability. The vote failed, and Mellon intend to continue to vote for proposals at Walgreens asking for separate CEO/ Chair positions.

Summary Voting Statistics

The Fiduciary Manager uses c.30 Underlying Managers; however, only the Plan's equity and some alternative (hedge fund) holdings invest in assets with voting rights attached. Below are the voting statistics over the 12 months to 31 December 2023 for the most material, active funds held on behalf of the Trustee that had voting rights during the period.

Equity Funds	BNYM Global Equity Fund	Over the 12 months to 30 June 2023
		Ninety One Global Strategy Fund
Total meetings eligible to vote	896	25
Total resolutions eligible to vote	11,334	328
Of resolutions eligible to vote, % of resolutions voted on	96%	100%
Of voted resolutions, % vote with management	89%	96%
Of voted resolutions, % vote against management	7%	4%
Of voted resolutions, % abstained	1%	0%
Of voted resolutions, % vote contrary to the recommendation of proxy adviser (if applicable)	0%	Data not provided

Note:

- BNYM and NinetyOne use Institutional Shareholder Services, "ISS", for proxy voting services. BNYM also utilises Glass Lewis for research. The voting statistics provided may slightly differ depending on the exact composition the Plan holds.
- BNYM have included votes withheld in votes abstained (in order to be in line with the PLSA template which other managers have used), although there are differences between votes withheld and votes abstained.
- Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of "Abstain" is also considered a vote against management.
- NinetyOne was removed from the Plan's portfolio in June 2023 hence the 12 months voting statistics are shown as at 30 June 2023.

<i>Alternative Funds</i>	Lumyna Marshall Wace - Systematic Alpha Fund
Total meetings eligible to vote	<i>Data not provided</i>
Total resolutions eligible to vote	5875
Of resolutions eligible to vote, % of resolutions voted on	100%
Of voted resolutions, % vote with management	81%
Of voted resolutions, % vote against management	12%
Of voted resolutions, % abstained	8%
Of voted resolutions, % vote contrary to the recommendation of proxy adviser (if applicable)	8%

Note:

- The voting statistics provided may slightly differ depending on the exact composition the Plan holds.
- Lumyna Marshall Wace use Glass Lewis for proxy voting services.
- Lumyna Marshall Wace have included votes withheld in votes abstained (in order to be in line with the PLSA template which other managers have used), although there are differences between votes withheld and votes abstained.
- Figures have been rounded but may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of “Abstain” is also considered a vote against management.

The Trustee is satisfied that the voting and engagement activities undertaken by both the Fiduciary Manager and the Underlying Investment Managers align with the stewardship priorities the Trustee has determined during the Scheme Year, hence the Trustee believe it has satisfactorily implemented the Stewardship Policy stated in the Plan’s SIP.

Appendix 1 – ESG, Voting and Engagement Policies

Links to the voting and responsible investment policies for both the Fiduciary Manager and Underlying Investment Managers of the Plan's actively managed holdings can be found here:

Investment Manager & Underlying Investment Manager	Voting & Engagement Policy
Schroders Solutions	schroders-esg-policy.pdf https://www.schroders.com/en/sysglobalassets/about-us/schroders-engagement-blueprint-2022-1.pdf
Bank of New York Mellon	https://www.mellon.com/content/dam/mellondotcom/pdf/disclosures/proxy-voting-guidelines-mellon.pdf
Ninety One	https://ninetyone.com/-/media/documents/stewardship/91-stewardship-policy-and-proxy-voting-guidelines-en.pdf
Neuberger Berman	https://www.nb.com/en/global/esg/engagement