

Thermofil Polymers Pension Scheme

Implementation Statement

This is the Implementation Statement prepared by the Trustee of the Thermofil Polymers Pension Scheme ("the Trustee" and "the Scheme", respectively) and sets out:

- How the Trustee's policies on exercising rights (including voting rights) and engagement have been followed over the year to 5 April 2025; and
- The voting behaviour of the Trustee, or that undertaken on the Trustee's behalf, over the year.

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

Stewardship policy

The Statement of Investment Principles (SIP), in force at April 2025, describes the Trustee's policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in August 2023 and has been made available online here:

<https://www.sumikaeurope.com/locations/sumika-uk/>

The Trustee periodically reviews engagement activities undertaken by their investment managers to ensure that the policies outlined above are being met and may explore these issues with their investment managers as part of their ongoing monitoring. The Trustee expects managers to engage with key stakeholders where appropriate. The Trustee is currently comfortable with all the investment managers.

At this time, the Trustee has not set stewardship priorities / themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks.

How voting and engagement policies have been followed

- The Trustee invests entirely in pooled funds, and therefore delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers.
- The Trustee expects that the investment manager will use their influence as major institutional investors to exercise the Trustee's rights and duties as shareholders, including where appropriate engaging with underlying investee companies to promote good corporate governance and accountability and to understand how those companies take account of ESG issues in their businesses.
- Each year the Trustee receives and reviews voting information and engagement information (via production of this Statement) from the asset managers, which they review to ensure alignment with their own policies.
- The Trustee has reviewed the stewardship and engagement activities of the current managers during the year and were satisfied that their actions were reasonable in the context of the Trustee's own policies and no remedial action was required during the period.

**Prepared by the Trustee of the Thermofil Polymers Pension Scheme
September 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 Trustee over the year to **31 March 2025**. The non-equity funds with L&G have no voting rights attached.

Manager		L&G				
Fund name	UK Equity Index Fund	North America Equity Index Fund	Europe (ex UK) Equity Index Fund	Japan Equity Index Fund	Asia Pacific (ex-Japan) Developed Equity Index Fund	World Emerging Markets Equity Index Fund
Structure	Pooled					
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.					
No. of company meetings the manager was eligible to vote at over the year	717	629	504	493	459	4,366
No. of resolutions the manager was eligible to vote on over the year	10,134	8,278	8,539	5,970	3,442	34,789
% of resolutions the manager voted on	100.0%	98.9%	100.0%	100.0%	100.0%	99.9%
% of resolutions the manager abstained from*	0.0%	0.6%	0.4%	0.0%	0.2%	2.5%
% of resolutions voted with management*	93.8%	63.5%	81.5%	89.9%	74.5%	80.4%
% of resolutions voted against management*	6.2%	35.9%	18.1%	10.1%	25.3%	17.1%
Proxy voting advisor employed	L&G's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G, and they do not outsource any part of the strategic decisions.					

Manager

L&G

% of resolutions voted against proxy voter recommendation

5.3%

30.6%

8.8%

9.1%

13.2%

6.3%

Source: Legal & General Asset Management

*As a percentage of the total number of resolutions voted on.

Some voting percentages quoted above may not sum to 100%. Managers assure us that this is due to classifications of votes and abstentions both internally and across different jurisdictions.

There are no voting rights attached to the other assets held by the Scheme and therefore no voting is information shown for these assets.

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 Trustee over the year to be set out. The guidance does not currently define what constitutes a “significant” vote. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme’s stewardship priorities / themes. At this time, the Trustee has not set stewardship priorities / themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks. For this Implementation Statement, the Trustee has asked the investment managers to determine what they believe to be a “significant vote”. The Trustee has not communicated voting preferences to their investment managers over the period, as the Trustee is yet to develop a specific voting policy. In future, the Trustee will consider the most significant votes in conjunction with any agreed stewardship priorities / themes.

L&G have provided a selection of 100+ votes for each fund, which they believe to be significant. In the absence of agreed stewardship priorities / themes, for the most significant votes, the Trustee have classified these as the votes of the largest holdings of the wider 100+ votes provided by L&G. Where votes have been duplicated across funds, we have taken the next largest to gain a wider range of votes. All significant votes are shown in Appendix 1.

Fund level engagement

The data provided below is for the period 31 March 2024 to 31 March 2025. L&G performs engagements on behalf of its funds and has engaged with companies over the year to influence them in relation to ESG factors. The table below provides a summary of the engagement activities undertaken by the manager during the year for the relevant funds. Engagement activities are limited for the Scheme's gilt and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Specific examples of manager engagement are provided in **Appendix 2**.

Manager	L&G
Fund name	UK Equity Index Fund North America Equity Index Fund (incl. GBP hedged) Europe ex UK Equity Index Fund (incl. GBP hedged) Japan Equity Index Fund (incl. GBP hedged) Asia Pacific Equity Index Fund (incl. GBP hedged) World Emerging Markets Equity Index Fund Buy & Maintain Credit Fund
Does the manager perform engagement on behalf of the holdings of the fund(s)	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes
Number of engagements undertaken on behalf of the holdings in the fund(s) in the year	UK: 362 North America: 566 Europe ex UK: 335 Japan: 186 Asia Pacific: 239 World Emerging Markets: 771 B&M Credit Fund: 331
Number of engagements undertaken at a firm level in the year	4,459
Number of companies the manager engaged with at a firm level during the year	4,210

Source: Legal & General Asset Management

Appendix 1 – significant votes

L&G, UK Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Shell Plc	London Stock Exchange Group plc	Rentokil Initial Plc
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	7.7%	1.8%	0.4%
Summary of the resolution	Approve the Shell energy transition strategy	Approve remuneration policy	Re-elect Richard Solomons as Director
How the manager voted	Against	For	Against
Where the fund manager voted against management, did they 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 their 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.		
Rationale for the voting decision	L&G voted against this resolution in light of the revisions made to the Net Carbon Intensity ("NCI") targets, coupled with the ambition to grow its gas and liquefied natural gas ("LNG") business this decade, L&G expect the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050.	L&G voted for this resolution as an exception to L&G's policy. This follows productive consultation with the company that resulted in improvements to the proposals initially discussed. L&G's support of the remuneration policy and the adoption of the Executive Income Protection ("EIP") is in recognition of Mr Schwimmer's leadership in driving the company's performance, as well as acknowledging the competitive talent market in which the company operates.	L&G voted against this resolution because of a lack of progress on gender diversity on the board. L&G expects UK companies to have at least 40% female representation on the board.
Outcome of the vote	Pass	Pass	Pass
Implications of the outcome	L&G 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"	Thematic - Climate: L&G is publicly supportive of so called "Say on Climate" votes. They	High Profile meeting: This resolution is considered significant as L&G overrode	Thematic - Diversity: L&G views gender diversity as a financially material issue for their clients, with

	Vote 1	Vote 2	Vote 3
	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 deem such votes to be significant, particularly when L&G votes against the transition plan.	their custom vote policy on the basis of the engagement that they had with the company.	implications for the assets they manage on their behalf.

L&G, North America Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Microsoft Corporation	Amazon.com, Inc.	Alphabet Inc.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	5.6%	3.2%	2.0%
Summary of the resolution	Report on artificial intelligence ("AI") data sourcing accountability	Report on customer due diligence	Elect Director John L. Hennessy
How the manager voted	For	For	Against
Where the fund manager voted against management, did they 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 their 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.		
Rationale for the voting decision	L&G believe 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 and shareholders would benefit from greater attention to risks related to how the	L&G voted in favour of the resolution as they believe enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation. L&G believe there remains a need for increased, especially publicly available, transparency on this topic.	L&G voted against this resolution as they expect a board to be regularly refreshed (including for the Chair of the Committee to have served on the board for no more than 15 years) in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. L&G also expect a company to have at least one-

	Vote 1	Vote 2	Vote 3
	company uses third-party information to train its large language models.		third women on the board. Finally, L&G 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.
Outcome of the vote	Fail	Fail	Pass
Implications of the outcome	L&G 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"	This shareholder resolution is considered significant due to the relatively high level of support received.	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 approach to human capital management issues has the potential to drive improvements across both its industry and supply chain.	L&G views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf. Additionally, L&G considers this vote to be significant as they support the principle of one share one vote.

L&G, Europe (ex UK) Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Nestle SA	TotalEnergies SE	Ferrari NV
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	3.1%	1.8%	0.6%
Summary of the resolution	Report on non-financial matters regarding sales of healthier and less healthy foods	Re-elect Patrick Pouyanne as Director	Re-elect Sergio Duca as Non-Executive Director
How the manager voted	For	Against	Against
Where the fund manager voted against management, did they 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 their 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.		

	Vote 1	Vote 2	Vote 3
Rationale for the voting decision	L&G is one of the co-filers of this resolution and call for more effective targets to increase the availability of healthier food choices for consumers. L&G note that poor diets may lead to increased healthcare costs and decreased productivity, both of which L&G believe will have negative impacts on the economy. As the largest food company in the world L&G believe Nestle sets an example for the rest of the industry in terms of driving positive change and raising market standards.	L&G expects the roles of Board Chair and CEO to be separate and not to be recombined once separated. These two roles are substantially different, and a division of responsibilities ensures there is a proper balance of authority and responsibility on the board.	L&G voted against this resolution as they expect a company to have a diverse board, with at least one-third of board members being women. L&G expect companies to increase female participation both on the board and in leadership positions over time.
Outcome of the vote	Fail	Pass	Pass
Implications of the outcome	L&G 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"	This shareholder resolution is considered significant due to nutrition being an important topic for investors because it has a significant impact on the health and well-being of individuals, communities and societies. Nutrition is one of L&G's global stewardship sub-themes, under the umbrella of Health.	L&G 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.	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, Japan Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Toyota Motor Corp.	Keyence Corp	Nippon Steel Corp
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	5.8%	2.0%	0.4%

	Vote 1	Vote 2	Vote 3
Summary of the resolution	Elect Director Toyoda, Akio	Elect Director Nakata, Yu	Amend articles to introduce an executive compensation system linked to greenhouse gas emission reduction targets and disclose how compensation policy contributes to achievement of the target
How the manager voted	Against	Against	For
Where the fund manager voted against management, did they 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 their 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.		
Rationale for the voting decision	L&G voted against this resolution due to the lack of meaningful diversity and independent directors on the board. L&G would like to see all companies have a third of the board comprising truly independent outside directors. Additionally, L&G believe there is still a disconnect in Toyota's stated climate ambitions and its current multi-pathway strategy. L&G encourage Toyota to further develop disclosures that more clearly articulate how it intends to support a global transition to zero emission vehicles and net zero emissions. L&G also believe Mr Toyoda must be held accountable until appropriate remediation measures are taken.	L&G voted against this resolution due to the lack of meaningful diversity on the board. Additionally, a vote against has been applied as the Company has not provided disclosure surrounding the use of former CEO as Advisor to the Board.	A vote for is applied as L&G expect companies within sectors that can have a significant effect on climate change to link part of their pay to delivering on their climate mitigation goals. This is because they believe that linking GHG reduction targets to executive pay can act as a motivational incentive for the company to execute on its decarbonisation strategy.
Outcome of the vote	Pass	Pass	Fail
Implications of the outcome	L&G 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"	L&G considers this vote to be significant as L&G views gender diversity as a financially material issue for their clients. Additionally, L&G considers this vote to be significant as	L&G views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.	This shareholder resolution is considered significant as L&G is clear in their expectations of Climate Transition Plans that companies should disclose credible, 1.5°C aligned short-, medium-

Vote 1	Vote 2	Vote 3
it is applied under the Climate Impact Pledge, their flagship engagement programme targeting companies in climate-critical sectors.		and long-term emission reduction targets covering scope 1, 2 and material scope 3 emissions. The current disclosures published by Nippon Steel do not provide L&G with confidence that these expectations are met.

L&G, Asia Pacific (ex-Japan) Developed Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	BHP Group Limited	Westpac Banking Corporation	Woodside Energy Group Ltd.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	5.1%	2.6%	1.3%
Summary of the resolution	Approve Climate Transition Action Plan ("CTAP")	Elect Margaret Seale as Director	Elect Richard Goyder as Director
How the manager voted	For	For	Against
Where the fund manager voted against management, did they 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 their 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.		
Rationale for the voting decision	L&G believe BHP has made significant strides in carrying out its core role in the transition in a sustainable manner, and has demonstrated this through the substantial alignment of its CTAP with L&G's framework for assessing mining company transition plans. Going forwards, L&G will assess the disclosure of progress on BHPs plans for the development of a more targeted methane measurement, management and mitigation strategy, as well as the plans it is executing to support the decarbonisation of steelmaking. L&G will also continue to engage with BHP to ensure resilience whilst navigating the dynamic market for metallurgical coal.	L&G voted in favour of this resolution despite the proportion of women on the Board having fallen below one-third of board members as at the 2024 annual general meeting ("AGM"). However, given the Company exceeded its goal of 40% female directors by the 2024 year-end, with some recent board changes at the AGM throwing it out of kilter. L&G expect companies to increase female participation both on the board and in leadership positions over time and will monitor Westpac's performance in this regard.	L&G voted against this resolution as the company is deemed to not meet minimum standards with regard to climate risk management. Additionally, despite the significant proportion of shareholder votes against the company's climate report at the 2022 AGM, L&G note that no material changes have been incorporated in the most recent climate transition plan, which L&G view as insufficiently robust, both in terms of disclosure and climate-related targets.
Outcome of the vote	Pass	Pass	Pass
Implications of the outcome	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		

	Vote 1	Vote 2	Vote 3
Criteria on which the vote is considered "significant"	This shareholder resolution is considered significant due to the relatively high level of support received.	L&G views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.	This shareholder resolution is considered significant due to L&G's vote against the re-election of Richard Goyder is applied in line with their Climate Impact Pledge engagement escalation and their flagship engagement programme targeting companies in climate-critical sectors. This shareholder resolution is considered significant due to the relatively high level of support received.

L&G, World Emerging Markets Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Tencent Holdings Limited	Alibaba Group Holding Limited	Meituan
Approximate size of fund's holding as at the date of the vote (as a % of portfolio)	3.9%	2.3%	1.0%
Summary of the resolution	Elect Charles St Leger Searle as Director	Elect Director Irene Yun-Lien Lee	Elect Wang Xing as Director
How the manager voted	Against	Against	Against
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 L&G's investee companies in the three weeks prior to an AGM as L&G's engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	<p>L&G voted against this resolution because they expect the Committee to be comprised of independent directors.</p> <p>L&G voted against this resolution the company is deemed to not meet minimum standards with regard to climate risk management.</p>	<p>L&G voted against this resolution as L&G supports a declassified board as directors should stand for re-election on an annual basis. Additionally, L&G expects a company to have at least one-third women on the board and also have concerns regarding the time commitment required to manage all board positions and how this may impact their ability</p>	<p>L&G voted against this resolution as L&G expects the roles of Board Chair and CEO to be separate. These two roles are substantially different and a division of responsibilities ensures there is a proper balance of authority and responsibility on the board. Additionally, a vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management. L&G</p>

	Vote 1	Vote 2	Vote 3
		to remain informed and effectively contribute to board discussions.	believe that a vote against the election of Wang Xing and Mu Rongjun is warranted given that their failure to ensure the company's compliance with relevant laws and regulations raise serious concerns on their ability to fulfil their fiduciary duties in the company.
Outcome of the vote	Pass	Pass	Pass
Implications of the outcome	L&G 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"	L&G 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.	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 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.

Appendix 2 – examples of engagement activity undertaken during the year to 31 March 2025

Legal & General Asset Management

Nippon Steel: Carbon Emissions

L&G engaged with Nippon Steel, the largest steel maker in Japan, regarding their disclosures of climate-related and decarbonisation-related policy positions.

Given the highly carbon intensive nature of the steelmaking industry, Nippon Steel's role as one of the largest global steelmakers and the significant role Nippon Steel has in influencing Japanese policy, L&G have engaged repeatedly with Nippon Steel to encourage further climate policy disclosures. Despite previous engagements, L&G remained unsatisfied with the disclosures provided so far and as such filed a shareholder resolution that would require Nippon Steel to "Disclose annually, climate-related and decarbonisation-related policy positions and lobbying activities globally".

Although the shareholder resolution did not pass, it achieved nearly 28% support, one of the highest levels of support recorded for a climate-related shareholder resolution in Japan, demonstrating to the company that investors expect greater transparency on climate-related engagement activity.

Housing Associations: Energy Efficiency

All UK housing associations (HAs) are required to ensure that their housing stock meets a minimum Energy Performance Certificate (EPC) rating of C by 2030. This regulatory milestone presents a significant challenge, placing considerable pressure on the already constrained budgets of many associations. These cost burdens are already being reflected in declining credit quality, with the average credit rating across the sector having dropped from AA/A+ six years ago to A/A- today.

L&G is increasingly concerned that the visibility into management preparedness and strategic decision-making is limited—often constrained to what management teams choose to disclose. In a landscape where leadership quality and board-level oversight are becoming increasingly material to long-term financial health, L&G believes it is imperative to dig deeper.

In response, L&G launched a three-stage engagement initiative aimed at gaining a clearer view of the risks and opportunities associated with EPC compliance. The objectives were threefold: to assess the readiness of each housing association, to encourage improvement among underperformers, and to enhance the robustness of L&G's relative value assessments.

Commencing in late 2022, L&G issued engagement questionnaires to 36 housing associations within its coverage universe. The questionnaires sought information on the age distribution of housing stock, current EPC ratings across portfolios, and the budgets allocated for EPC-related upgrades.

This data was analysed to identify potential risks to balance sheet strength and cashflow quality, and to highlight those associations facing the steepest challenges.

L&G then engaged in follow-up discussions with 25 of the associations that responded in Stage 1. These conversations focused on publicly disclosed EPC upgrade timelines, strategies for non-compliant stock, and funding plans. L&G also reached out again to non-respondents from the first phase, sharing emerging themes and encouraging participation to align with best practices in the sector.

This stage provided critical insights into the level of importance each management team places on EPC compliance and the leadership strategies being deployed to meet regulatory demands.

In the final phase, L&G consolidated the information gathered and integrated it with relevant financial data to assess the relative positioning of each association within the sector. These findings were then incorporated into L&G's relative value framework.

L&G will continue to engage regularly with the housing associations in its coverage, monitoring their progress toward achieving EPC C compliance by 2030. Given the materiality of this issue to the sector's credit outlook and long-term sustainability, L&G will maintain and update its assessments, using them as a key input in its relative value analysis and investment decisions.