

Implementation Statement

The Maxell Europe Limited Pension and Life Assurance Scheme

Purpose of this statement

This implementation statement has been produced by the Trustees of the Maxell Europe Limited Pension and Life Assurance Scheme (“the Scheme”) to set out the following information over the year to 31 March 2025:



how the Trustee’s policies on exercising rights (including voting rights) and engagement activities have been followed over the year;

the voting activity undertaken by the Scheme’s investment managers on behalf of the Trustees over the year, including information regarding the most significant votes;

How voting and engagement policies have been followed

Based on the information provided by the Scheme’s investment managers, the Trustees believe that their policies on voting and engagement have been met in the following ways:

- The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme’s fund managers.
- Investment rights (including voting rights) have been exercised by the investment managers in line with the investment managers’ general policies on corporate governance. The Trustees also expect the investment managers to have engaged with companies in relation to ESG matters, and to take these into account in the selection, retention and realisation of investments where appropriate.
- The Trustees are comfortable with the investment managers’ strategies and processes for exercising rights and conducting engagement activities, and specifically that they attempt to maximise shareholder value as a long-term investor.
- One manager, Barings, attended a Trustee meeting over the year and included a discussion on their process for ESG stewardship as part of their presentation. No further actions were taken following these discussions.
- The Trustees reviewed the stewardship and engagement activities of the current managers over the year and were satisfied that their policies were reasonable, and no remedial action was required at that time.
- The Trustees receive and review voting information and engagement policies from the asset managers and their investment advisors as necessary on an annual basis. The Trustees believe that the voting and engagement activities undertaken by the asset managers on their behalf have been in the members’ best interests.

Stewardship policy

The Trustees' Statement of Investment Principles (SIP) in force at 31 March 2025 describes the Trustees' stewardship policy on the exercise of rights (including voting rights) and engagement activities as follows:

The Trustees expect that the investment managers will use their influence as major institutional investors to exercise the Trustees' rights and duties as shareholders, including where appropriate engaging with underlying investee companies to promote good corporate governance, accountability and to understand how those companies take account of ESG issues in their businesses.

As at 31 March 2025, the Trustees have agreed to set climate change as the main stewardship priority/theme for the Scheme. The Trustees view climate change as financially material and will monitor their managers' progress against this priority over time. More detail is set out in the Statement of Investment Principles, which was last reviewed in January 2024 and has been made available online here:

<https://www.maxell.eu/wp-content/uploads/2024/03/2024-01-Maxell-Statement-of-Investment-Principles-v1.0.pdf>

**Trustees of the Maxell Europe Limited Pension and Life Assurance Scheme
June 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 Trustees over the year to 31 March 2025. Voting only applies to funds that hold equities in their portfolio. As such, the Barings Global High Yield Credit Strategies Fund, the LGIM Absolute Return Bond Fund and LDI funds do not participate in voting activities and are excluded from the table below.

Manager	BNY Mellon	L&G*
Fund name	Real Return Fund	Future World Global Equity Index Fund (incl. GBP Hedged)
Structure	Pooled	Pooled
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.	
No. of eligible meetings	75	5,515
No. of eligible votes	1,075	55,096
% of resolutions voted	99.3	99.8
% of resolutions abstained	0.0	1.1
% of resolutions voted with management	94.6	81.0
% of resolutions voted against management	5.4	17.9
Proxy voting advisor employed	Yes (ISS) with BNY Mellon specific voting policies applied.	Yes (ISS) with L&G specific voting policies applied.
% of resolutions voted against proxy voter recommendation	4.9	9.7

* The Scheme invests in both the local currency and GBP hedged share classes of the Future World Global Equity funds, however voting and engagement data is identical for all share classes. Therefore, only one entry has been shown for these funds in this Implementation Statement.

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustees over the year to be set out. 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. BNY Mellon and L&G have each provided a selection of votes which they believe to be most significant. Of these votes, the Trustees have selected the three most significant votes for each fund with consideration of the stewardship priorities of the Scheme.

A summary of the significant votes provided is set out below:

BNY Mellon Real Return Fund

	Vote 1	Vote 2	Vote 3
Company name	Shell Plc	The Goldman Sachs Group, Inc.	Amazon.com, Inc.
Date of vote	21 May 2024	24 April 2024	22 May 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.8	0.9	1.4
Summary of the resolution	Advise Shell aligns its medium-term emissions reduction target for Scope 3 emissions with the goal of the Paris Climate Agreement.	Report on clean energy supply financing ratio.	Commission a third-party audit on working conditions.
How the manager voted	Against	For	For
Rationale for the voting decision	BNY Mellon did not support a shareholder proposal for a report on GHG (greenhouse gas) emission-reduction targets aligned with the Paris Agreement as they believed the company has disclosed enough information for shareholders to assess the related risks. Moreover, the company has disclosed a partial Scope 3 target which is considered an appropriate response to the proponent's asks.	BNY Mellon supported a shareholder proposal asking for a report on clean energy supply financing ratio as they believe the ratio will help shareholders assess how the bank is capitalising on clean energy opportunities and aligning itself with the net zero by 2050 pathway.	BNY Mellon voted for the shareholder proposal requesting a third-party audit on working conditions as they consider it to add value for shareholders at this stage.
Outcome of the vote	Fail (81% against)	Fail (29% for)	Fail (31% for)
Implications of the outcome	Whilst there is some merit to the proposal, BNY Mellon believe aligning Scope 3 targets at Shell to a 1.5 degree scenario would mean a significant loss of customers to competitors. They believe such a decision is best in the hands of management, and the disclosure of a partial Scope	BNY Mellon deemed this vote to be material as climate transition is a risk for the bank and they view the remit of this proposal to align with shareholder's interests. A clean energy financing ratio by banks would provide investors with a more complete and more accurate figure to evaluate a	BNY Mellon consider the issue of working conditions to be material to the company, and the conclusion of an audit would help the board understand potential shortcomings and respond adequately to shareholder concerns. Moreover, this supports BNY Mellon's

	Vote 1	Vote 2	Vote 3
	3 target shows some responsiveness from the company to concerns, tackling mainly the emissions it directly has control of.	bank's alignment with their net-zero goal. Additionally, banks would need to define what encompasses clean energy and fossil fuels, which should be beneficial for shareholders.	engagement efforts with the company.
Criteria on which the vote is considered "significant"	As a significant GHG emitter, it is critical for Shell to have a credible transition plan.	This vote was determined as significant owing to the rarity of a shareholder proposal receiving significant support.	The issue of working conditions is a material risk to understand and reign in for the company. It is also an engagement topic.

LGIM Future World Global Equity Index Funds (incl. GBP Hedged)

	Vote 1	Vote 2	Vote 3
Company name	Unilver Plc	Broadcom Inc.	Microsoft Corporation
Date of vote	1 May 2024	22 April 2024	10 December 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.2	1.0	4.9
Summary of the resolution	Approve Climate Transition Action Plan	Elect Director Henry Samueli	Report on AI Data Sourcing Accountability
How the manager voted	For	Against	For
Rationale for the voting decision	L&G believe the CTAP to meet their minimum expectations. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short, medium and long-term GHG emissions reduction targets consistent with a 1.5°C Paris goal. Despite the SBTi recently removing their approval of the company's long-term scope 3 target, L&G note that the company has recently submitted near term 1.5 degree aligned scope 3 targets to the SBTi for validation and therefore at this stage believe the company's ambition level to be adequate.	A vote against is applied by L&G as the company is deemed to not meet minimum standards with regard to climate risk management.	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. 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
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.		

	Vote 1	Vote 2	Vote 3
Criteria on which the vote is considered "significant"	L&G expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, L&G deem them to be 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.	This shareholder resolution is considered significant due to the relatively high level of support received.

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds. The Cash and LDI funds held with L&G over the period have been omitted as they have limited scope for engagement. All data is shown for the full year to 31 March 2025.

Manager	Barings	L&G	L&G	BNY Mellon
Fund name	Global High Yield Credit Strategies Fund	LGIM Future World Global Equity Index Fund (incl. GBP Hedged)*	LGIM Absolute Return Bond Fund	Real Return Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	167	1,944	355	14
Number of entities engaged on behalf of the holdings in this fund in the year	111	1,278	180	10
Number of engagements undertaken at a firm level in the year	291	4,459	4,459	43

*The Scheme invests in both the local currency and GBP hedged share classes of the Future World Global Equities funds, however voting and engagement data is identical for all share classes. Therefore, only one entry has been shown for these funds in this Implementation Statement.

Examples of engagement activity undertaken over the year to 31 March 2025

Barings, Global High Yield Credit Strategies Fund

Sports Marketing and Management Company (specific entity name not disclosed by Barings)

Barings holds an investment in controlling motor racing rights. The company has recently announced a change of ownership and is expected to be acquired by a larger investment group. To date, the company has had a well-

regarded set of shorter-term sustainability goals including reducing emissions footprint at racing events and plans to use sustainable fuels in motor racing in coming years.

Barings has approached senior management to request details of how environmental plans are expected to evolve under new ownership and if there will be delays to implementation. Management has acknowledged the request for disclosure but the engagement remains open as management has not been able to provide any detailed information given the uncertainty on sustainability strategy under new ownership.

Barings continues to hold the investment and plan to continue their engagement with management on this issue.

L&G, All Funds

Pemex

As one of the largest oil and gas companies by refining capacity, with significant production of crude oil and natural gas, Petroleos Mexicanos (Pemex) is a company L&G believe is critical in Mexico's energy security and has significant influence particularly in South America over the decarbonisation of the oil and gas industry and the realisation of financial opportunities from the energy transition. L&G believe Pemex's management of methane emissions are a cause for concern across their supply chain and that reducing methane emissions can be a powerful and cost-effective way for oil and gas companies to make progress towards climate goals, as well as manage regulatory and reputational scrutiny.

L&G have been a contributing investor to the CA100+ engagements with Pemex since 2023. L&G have encouraged the company to take steps towards clear disclosures, oversight of climate risk at board level, and the setting of ambitious but achievable climate targets.

Following successive engagements in what L&G view as a significant step, Pemex published its first sustainability plan, setting out clear targets for emissions reduction, enhanced disclosure (aligned with TCFD and ISSB recommendations), allocation of capital towards achieving climate goals and addressing methane emissions with their operations. L&G have strengthened their expectations for oil and gas companies regarding methane emissions disclosure, and this will continue to be an area of focus for L&G across the sector more broadly.

BNY Mellon, Real Return Fund

The Renewables Infrastructure Group

The Renewables Infrastructure Group updated its IMA recently and introduced a transaction fee payable in respect of certain future transactions including sales of investments and the raising of new debt financing. Fees on such transactions would be 0.5% of the relevant transaction value. Further, in the event of a takeover or an equivalent asset sale, the manager can be paid a fee of 3% of value achieved in excess of Net Asset Value (NAV) and 3% of the value achieved in excess of market-cap (fee would be capped at 4.99% of lower of NAV or market-cap).

Consequently, BNY Mellon engaged with the board and highlighted that the proposed fee arrangements would lead to additional compensation for the manager for its regular responsibilities.

The board chair reached out to BNY Mellon and highlighted that they had taken on board feedback from multiple investors, and that based on this feedback, it is planning to remove the transaction fees and takeover related fees and the manager's fees would only be based equally on market-cap and NAV. BNY Mellon highlighted that the board would need to be proactive and assess if the manager still remains incentivised given the removal of these fee terms. Further, BNY Mellon suggested that the board should continue to consider other strategic options to reduce the share price discount to NAV.