

Implementation Statement for the Gulf Air Retirement Benefits Scheme

Purpose of this statement

This implementation statement has been produced by the Trustee of the Gulf Air Retirement Benefits Scheme (the Scheme) and sets out the following over the year to 31 December 2024:

- How the Trustee's policies on exercising rights (including voting rights) and engagement policies have been followed over the year.
- The voting activity undertaken by the Scheme's investment managers on behalf of the Trustee over the year, including information regarding the most significant votes.
- A summary of any changes to the Statement of Investment Principles (SIP) over the period.
- A description of how the Trustee's policies, included in their SIP, have been followed over the year.

Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at year-end describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in December 2024 and has been made available online here:

[https://www.zedra.com/wp-content/uploads/2025/01/Gulf Air Retirement Benefits Scheme SIP2024.pdf](https://www.zedra.com/wp-content/uploads/2025/01/Gulf_Air_Retirement_Benefits_Scheme_SIP2024.pdf)

Over the year, the Trustee reviewed the stewardship policy and established voting principles for their investment managers with the following themes:

- Climate Change
- Environmental Stewardship (including biodiversity)
- Corporate Governance

These principles include researching companies, identifying any issues and then engaging with them as necessary.

How the SIP has been followed over the year

Defined Benefit ("DB") section

In the Trustee's opinion, the SIP for the DB section was followed over the year by:

- The Trustee monitors the performance of the Scheme's funds quarterly to ensure that they are meeting their stated objectives.
- Outside of the quarterly reporting cycle, the Scheme's investment consultant informs them of any significant developments with the investment managers.
- The Trustee also reviews the ESG capabilities of the managers annually as part of the monitoring process.

Defined Contribution (“DC”) section

In the Trustee’s opinion, the SIP for the DC section has been followed over the year. Some key reasons for that opinion are given below, albeit excluding comments on voting and engagement that are considered later in this statement.

- The Scheme does not offer members of its DC section a default strategy as defined in the regulations. This recognises that the DC section is not used as a qualifying scheme for auto enrolment purposes and there have been no contributions paid into it since 2007.
- All DC benefits were invested in the Prudential With-Profits Fund. This was reviewed periodically to ensure that the fund performed in line with expectations and remained consistent with the investment aims and objectives for the DC section of the Scheme.
- The Trustee monitored the performance of Prudential on an ongoing basis, including preparing a Value for Members assessment prepared by the Trustee as part of the Chair’s Statement.
- There were no changes in the Trustee’s investment objectives or policies for the DC section during the period.

We note that at 31 December 2024 there were no remaining DC benefits as the remaining DC members withdrew over the year. As such, the value of the DC benefits invested in the Prudential With-Profits Fund was zero at year-end.

How voting and engagement policies have been followed

At year-end, the Scheme’s investment managers for the DB section were Legal and General Investment Management (“LGIM”), Columbia Threadneedle Investment (“Columbia Threadneedle”) and Baring Asset Management (“Barings”). The assets held with LGIM and Columbia Threadneedle were managed via the LGIM Investment Only Platform. For the DC section, the Scheme’s investment manager was Prudential Distribution Limited (“Prudential”).

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

- The Scheme invests entirely in pooled funds, and as such the Trustee delegates responsibility for carrying out voting and engagement activities to the Scheme’s fund managers;
- Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the fund managers are in alignment with the Scheme’s stewardship policies.

Further information on voting and engagement can be found in the remainder of this document.

This statement was approved by the Trustee of the Gulf Air Retirement Benefits Scheme on 29 July 2025.

Voting Data

This section provides a summary of the voting activity undertaken by the fund managers on behalf of the Scheme over the year to 31 December 2024.

Two of the funds invested in by the Scheme during the period invest in asset classes that provide voting rights (namely equities). There are no voting rights attached to the Scheme's investments in Barings Global High Yield Credit Strategies Fund, LGIM Matching Core LDI Funds and LGIM Sterling Liquidity Fund, therefore no voting data is shown for these assets. Voting data for the relevant funds are summarised in the table below.

Manager	Columbia Threadneedle (DB section)	Prudential (DC section)
Fund name	Threadneedle Dynamic Real Return Fund	Prudential With-Profits Fund*
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.	
Meetings the manager was eligible to vote at	178	4,291
Resolutions the manager was eligible to vote on	2,795	51,817
Percentage of resolutions the manager voted on	99.1%	99.1%
Percentage of votes that were <i>with</i> management	92.6%	92.5%
Percentage of votes that were <i>against</i> management	6.9%	6.8%
Percentage of votes that were abstentions	0.5%	0.7%
Proxy voting advisors (if applicable)	ISS**	ISS, Investment Association, Glass Lewis (varies by fund manager)
Percentage of votes contrary to the recommendation of the proxy advisor	n/a**	0.7%

The proportion of resolutions that were voted on or abstained from may not sum to 100%. This can be due to rounding or how managers or local jurisdictions define abstentions or classify formal voting or abstentions as opposed to not returning a voting form or nominating a proxy.

**The Prudential With-Profits Fund is managed by M&G Treasury and Investment Office (M&G T&IO) who have appointed a number of fund managers to manage the assets of the fund.*

***Proxy voting decisions are made in accordance with the principles established in the Columbia Threadneedle Investments Corporate Governance and Proxy Voting Principles (Principles) document, and the proxy voting practices are implemented through their Proxy Voting Policy. For those proposals not covered by the Principles, or those proposals set to be considered on a case-by-case basis (i.e., mergers and acquisitions, share issuances, proxy contests, etc.), the analyst covering the company or the portfolio manager that owns the company will make the voting decision. Columbia Threadneedle utilise the proxy voting research of ISS, IVIS and Glass Lewis & Co. as well as MSCI ESG Research, which is made available to their investment professionals.*

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 in this statement. 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 or themes. 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 may consider the most significant votes in conjunction with any agreed stewardship priorities / themes.

Columbia Threadneedle and Prudential have provided a selection of votes which they believe to be significant. The Trustee has selected 3 votes from each manager which cover a range of themes that are aligned with their stewardship priorities. These votes are displayed below.

Columbia Threadneedle Dynamic Real Return Fund

	Vote 1	Vote 2	Vote 3
Company name	Expeditors International of Washington, Inc..	Alphabet Inc.	American Tower Corporation
Date of vote	7 May 2024	7 June 2024	22 May 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.003%	0.916%	0.015%
Summary of the resolution	Adopt GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	Report on Lobbying Payments and Policy	Report on Median and Adjusted Gender/Racial Pay Gaps
How the manager voted	For	For	For

If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	No	No
Rationale for the voting decision	Columbia Threadneedle are supportive of this request to adopt near and long term science-based greenhouse gas reduction targets that align with the Paris Agreement.	While Columbia Threadneedle appreciate that the company provides some disclosure around board and management oversight of lobbying activities and information on its policy priorities, they note that the company does not disclose direct lobbying expenses on its website or in a user-friendly format, does not disclose indirect lobbying expenses or expenditures made to organizations that may lobby on its behalf, does not disclose a congruency report for its lobbying, and does not address grassroots lobbying in its policies. It also does not describe specific board and management oversight for its trade association memberships.	Columbia Threadneedle believe that the proposed enhanced disclosure would help the board and shareholders better assess existing and potential future risks related to human capital management.
Outcome of the vote	Fail	Pass	Pass
Implications of the outcome	Active stewardship (engagement and voting) continues to form an integral part of Columbia Threadneedle's research and investment process.		
Criteria on which the vote is considered "significant"	Columbia Threadneedle consider a significant vote to be any dissenting vote, i.e. where a vote is cast against (or where they abstain/withhold from voting) a management-tabled proposal, or where they support a shareholder-tabled proposal not endorsed by management.		

Prudential With-Profits Fund*

	Vote 1	Vote 2	Vote 3
Company name	Shell Plc	Yangzijiang Shipbuilding (Holdings) Ltd.	China Resources Beer (Holdings) Company Limited
Date of vote	21 May 2024	25 April 2024	20 May 2024

Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.2%	0.1%	0.1%
Summary of the resolution	Advise Shell to Align its Medium-Term Emissions Reduction Targets Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement.	Elect Yee Kee Shian, Leon as Director	Elect Houang Tai Ninh as Director
How the manager voted	For	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	n/a	No	No
Rationale for the voting decision	A vote for this proposal is warranted as the alignment of the existing medium-term reduction target covering the greenhouse gas (GHG) emissions of the use of its energy products (Scope 3) with the goal of the Paris Climate Agreement would aid shareholders in understanding the company's assessment of how it could reduce its carbon footprint.	Concern over board independence.	Concern over low level of gender diversity.
Outcome of the vote	Fail	Pass	Pass
Implications of the outcome	Data not provided		
Criteria on which the vote is considered "significant"	The votes cover a range of themes and the largest holdings, in line with the explanation above of how significant votes have been chosen		

**As noted above, the Prudential With-Profits Fund is managed by M&G Treasury and Investment Office (M&G T&IO) who have appointed a number of fund managers to manage the assets of the fund.*

Engagement data

The investment managers may engage with investee companies on behalf of the Trustee. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the LGIM Matching Core LDI Funds and Sterling Liquidity Fund due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager	Barings (DB section)	Columbia Threadneedle (DB section)	Prudential* (DC section)
Fund name	Global High Yield Credit Strategies Fund	Dynamic Real Return Fund	With-Profits Fund
Does the manager perform engagement on behalf of the holdings of the fund?	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes
Number of engagements undertaken at a fund level	163	245	3,373
Number of entities engaged at a fund level	84	147	105
Number of engagements undertaken at a firm level	311	942	n/a**

*As noted above, the Prudential With-Profits Fund is managed by M&G Treasury and Investment Office (M&G T&IO) who have appointed a number of fund managers to manage the assets of the fund.

** Prudential are unable to provide firm-level data as they do not engage directly with companies. Instead, this is carried out by the delegated fund managers.

Examples of engagement activity undertaken over the year

Fund	Engagement example
<p>Barings Global High Yield Credit Strategies Fund</p>	<p>Global Monitored Alarms Business – Barings holds an investment in the debt structure of a global monitored alarms business. They recently undertook an engagement with senior management and investor relations of the company regarding the company’s environmental footprint.</p> <p>The company’s operating model requires the operation of a large vehicle fleet for both installation and servicing of local alarm systems. Barings believes that the company has made good progress on remote connectivity requiring fewer in-person visits to customers. However, Barings also believes that to date there has been only limited progress in modernising and electrifying the vehicle fleet to reduce emissions. Following Barings’ engagement, management has committed to additional communication with stakeholders on the topic of fleet emissions reduction as part of its 2024 sustainability reporting cycle.</p>
<p>Columbia Threadneedle Dynamic Real Return Fund</p>	<p>Reliance Industries Ltd – Reliance Industries is an Indian conglomerate with businesses ranging from the exploration and production of oil and gas to the manufacture of petroleum products, polyester products, polyester intermediates, plastics, polymer intermediates, chemicals, synthetic textiles and fabrics. The company faces concerns from investors regarding its corporate governance practices and climate change strategy. Ahead of the AGM, Columbia Threadneedle engaged with the company to address these issues, focusing on board independence and its approach to achieving net zero emissions.</p> <p>Columbia Threadneedle highlighted concerns about the independence of two directors who have material equity interests in Reliance's subsidiaries and a professional legal consultant relationship with the company. They also expressed their expectation that the company should consider improving board independence during board refreshment and succession planning. Additionally, Columbia Threadneedle discussed Reliance's net zero strategy, which centres around a 2035 net zero target for scope 1 and 2 emissions. While its target is ambitious, Reliance’s disclosures around the underlying strategy are opaque, lacking visibility over the relative contribution of identified decarbonization levers and roadmaps for execution. Columbia Threadneedle were encouraged to learn that Reliance does have bottom-up assessments internally covering the short term, which are critical for investment and execution. However, they raised concerns over expectations of a near-term increase in emissions combined with a lack of certainty over plans in the medium term. Columbia Threadneedle also raised concerns about the lack of progress in measuring and disclosing scope 3 emissions, with only one subsidiary currently disclosing this. Management confirmed their desire to increase scope 3 coverage to other subsidiaries, but Columbia Threadneedle believe that plans still appear slow and lacking in ambition.</p> <p>Reliance acknowledged Columbia Threadneedle’s concerns and provided some clarifications. The company stated that it is confident in meeting its 2035 net zero target but acknowledged the need for improved disclosure on its decarbonization roadmap. Management also fielded Columbia Threadneedle’s concerns over governance practices and board independence. On this basis, they will continue to monitor Reliance’s progress for evidence of improvements and look to engage with the company further should progress be lacking.</p>
<p>Prudential With-Profits Fund</p>	<p>Arcelormittal SA – one of the underlying fund managers (M&G) engaged with the company to ask them to provide an update on the Health and Safety review. The company confirmed that they published the updated human rights policy end of last year. The key focus this year was to make sure the key points are integrated into the policies and procedures at the key sites.</p> <p>The M&G team has recently returned from a trip to the Americas to visit each site. As part of the site visit M&G recreated a saliency review of those sites, met with the head of HR in the region and key stakeholders to communicate what the revised Human Rights policy means for them. They also brought in local CEOs and COOs to run through how to embed the Human Rights policy at their sites and what are the most salient risks for that specific region. The M&G team will continue to roll out the site visits across the remainder of the year.</p>