

Implementation Statement

The IDEMIA UK Pension Plan - Plan year end 31 March 2025

Purpose of this statement

This implementation statement has been prepared by the Trustee of the IDEMIA UK Pension Plan ("the Plan") 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 Plan's investment managers on behalf of the Trustee over the year, including information regarding the most significant votes.

Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at 31 March 2025 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was reviewed in September 2023 and has been made available online here:

[Statement of Investment Principles \(zedra.com\)](https://zedra.com)

At this time, the Trustee has decided not to set stewardship priorities for the Plan because of the following reasons:

- investing exclusively in pooled funds limits the variety of assets the Plan has access to and the Plan's assets only represent a small proportion of the capital invested in the funds. The Trustees understand that they are constrained by the policies of the managers;
- a small proportion of the Plan's assets are invested in equities via a multi-asset fund however the majority of the Plan's assets are invested in assets with no voting rights attached; and
- the potential for the Plan to be bought out with an insurer within the short-medium term.

How voting and engagement/stewardship policies have been followed

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

- The Plan invests entirely in pooled funds, and as such the Trustee delegates responsibility for carrying out voting and engagement activities to the Plan's fund managers.
- Annually the Trustee receives and reviews information on voting and engagement activities from the Plan's asset managers and its investment advisor, which is reviewed to ensure alignment with the Trustee policies on voting and engagement. The Trustee believes that the voting and engagement activities undertaken by the asset managers on their behalf have been in the members' best interests. This exercise was undertaken alongside the production of this statement.
- As part of ongoing monitoring of the Scheme's investment managers, the Trustees use ESG ratings provided by its investment consultant, to assess how the Scheme's investment managers take account of ESG issues.

- The Trustee reviewed LGIM's ESG report on the Dynamic Diversified Fund, which included stewardship data, at the 13 February 2025 meeting.
- Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the fund managers are in alignment with the Scheme's stewardship policies.

Summary

At the year-end, the Plan's investment managers were: Legal & General Investment Management ("LGIM") and M&G Investments ("M&G"). The Plan's investment managers are signatories to the UK Stewardship Code or equivalent. The Trustee regularly considers the performance of the funds held with each investment manager and any significant developments that arise.

Based on the information received, the Trustee believes that the investment managers have acted in accordance with the Plan's stewardship policies. The Trustee is supportive of the key voting and engagement action taken by the applicable investment managers over the period to encourage positive governance changes in the companies in which the funds hold shares.

**Prepared by the Trustee of the IDEMIA UK Pension Plan
July 2025**

Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Plan's Portfolio on behalf of the Trustee over the year to 31 March 2025.

The LGIM Matching Core LDI Funds, LGIM Sterling Liquidity Fund, M&G UK Property Fund and the M&G Long Dated Corporate Bond Fund have no voting rights given the nature of these mandates. Therefore, these funds are not included in the table below.

Manager	LGIM
Fund name	Dynamic Diversified 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 eligible meetings	10,106
No. of eligible votes	102,057
% of resolutions voted	99.8%
% of resolutions abstained	0.8%
% of resolutions voted with management¹	76.7%
% of resolutions voted against management¹	22.5%
Proxy voting advisor employed¹	LGIM use Institutional Shareholder Services ("ISS")'s 'ProxyExchange' electronic voting platform. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. LGIM have put in place a custom voting policy with specific voting instructions for ISS. LGIM review their custom voting policy with ISS annually and take into account feedback from their investors.
% of resolutions voted against proxy voter recommendation	14.0%

Source: Legal & General Investment Management

¹ As a percentage of the total number of resolutions voted on

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. At this time, the Trustee has decided not set stewardship priorities for the Plan. So, 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 has not developed a specific voting policy. The Trustee is comfortable with the process and policies of their investment managers.

In determining significant votes, LGIM’s investment stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (“PLSA”). This guidance dictates significant votes include, but are not limited to:

- A 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 Stakeholder roundtable event, or where LGIM notes there has been a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- A vote linked to an LGIM engagement campaign.

LGIM have provided a large selection of votes which they believe to be significant. In the absence of agreed stewardship priorities / themes, the Trustee has selected three votes that cover a range of themes from some of the largest holdings relating to each topic. We have summarised these significant votes overleaf.

LGIM Dynamic Diversified Fund

	Vote 1	Vote 2	Vote 3
Company name	Consolidated Edison, Inc.	Shell Plc	Alphabet Inc.
Date of vote	20 May 2024	21 May 2024	07 June 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.20	0.30	0.18
Summary of the resolution	Elect Director Timothy P. Cawley	Approve the Shell energy transition progress	Elect Director John L. Hennessy
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?	<p>LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's 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.</p>		
Rationale for the voting decision	<p>LGIM voted against as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.</p>	<p>LGIM voted against, the resolution. LGIM acknowledge the substantive progress the company has made in respect of climate related disclosure over recent years, and view positively the commitments made to reduce emissions from operated assets and oil products, the strong position taken on tackling methane emissions, as well as the pledge of not pursuing frontier exploration activities beyond 2025. Nevertheless, LGIM expect the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050. Additionally, LGIM would like further transparency regarding lobbying activities in regions where hydrocarbon production is expected to play a significant role, guidance on capex allocated to low carbon beyond 2025 and the application of responsible divestment principles involved in asset sales.</p>	<p>LGIM voted against for the following reasons:</p> <p>Average board tenure: LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.</p> <p>Diversity: LGIM also expects a company to have at least one-third women on the board.</p> <p>Independence: LGIM expects the Chair of the Committee and the Chair of the Board 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.</p> <p>Shareholder rights: LGIM supports the equitable structure of one-share-one-vote and 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.</p>
Outcome of the vote	Pass	Pass	Pass

	Vote 1	Vote 2	Vote 3
Implications of the outcome	LGIM 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"	<p>Thematic - Board Leadership: LGIM 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.</p>	<p>Theme – Climate: LGIM is publicly supportive of so called "Say on Climate" votes. LGIM expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile of such votes, LGIM deem such votes to be significant, particularly when they vote against the transition plan.</p>	<p>Thematic - Diversity: LGIM views gender diversity as a financially material issue for its clients, with implications for the assets they manage on their behalf.</p> <p>Thematic - One Share One Vote: LGIM considers this vote to be significant as LGIM supports the principle of one share one vote.</p>

Source: Legal & General Investment Management

Fund level engagement

Summary of engagement activities

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 M&G UK Property Fund due to the nature of the underlying holdings, so engagement information for these assets has not been shown.

In March 2025, the Plan switched its corporate bond holdings from the M&G Long Dated Corporate Bond Fund to the newly incorporated M&G Long Dated Sterling Credit Fund. The M&G Long Dated Sterling Credit Fund was incorporated to be managed similarly to the M&G Long Dated Corporate Bond Fund. Due to the incorporation date of March 2025, the M&G Long Dated Sterling Credit Fund does not have engagement data. As a result, we have set out engagement data for the M&G Long Dated Corporate Bond Fund throughout this Implementation Statement.

Manager	LGIM		M&G
Fund name	Dynamic Diversified Fund	Sterling Liquidity Fund	Long Dated Corporate Bond Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	3,550	18	5
Number of engagements undertaken at a firm level in the year	4,459		411

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

Manager and Fund	Engagement themes and examples of engagements undertaken with holdings in the fund
<p>LGIM LGIM conduct all engagements at a firm level, so no engagements are specific to a single fund.</p>	<p>Pemex Environmental 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 that L&G believe is critical in Mexico's energy security and has a 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.</p> <p>L&G have been a contributing investor to the CA100+ engagements with Pemex since 2023. In helping to establish a productive dialogue between the company and its investors, L&G encouraged the company to take a number of steps towards clear disclosures, oversight of climate risk at board level, and the setting of ambitious but achievable climate targets.</p> <p>Following successive engagements, the company 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 within their operations. L&G believe that this demonstrates a positive commitment regarding emissions reduction targets, disclosures, capital allocation and managing and mitigating methane emissions risks.</p>
<p>M&G Long Dated Corporate Bond Fund</p>	<p>Comcast Corporation Social The engagement objective was to encourage the American industrial company to aim to have at least 33% women on the Board.</p> <p>M&G sent a letter to the company outlining their expectations on diversity. M&G encouraged the company to aim to have at least 33% women on the Board. In the email accompanying the letter, M&G stated that they would be happy to set up a meeting to discuss their expectations and have a wider discussion around their diversity and inclusion practices. M&G also specifically asked questions around their diversity and inclusion practices and on whether the company has plans to produce a gender pay gap report, and to update them on progress of workforce diversity targets.</p>

Source: Legal & General Investment Management and M&G Investments