

# Implementation Statement

## Hertz (UK) 1972 Pension Plan

### Purpose of this statement

This Implementation Statement has been prepared by the Trustees of the Hertz (UK) 1972 Pension Plan (the "Trustees" and the "Plan" respectively) and sets out:

- How the Trustees' policies on exercising rights (including voting rights) and engagement policies have been followed over the year to 5 April 2025.
- The voting activity undertaken by the Plan's investment managers on behalf of the Trustees over the year to 5 April 2025, including information regarding the most significant votes.

The voting behaviour is not given over the Plan 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.

This statement does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Plan's assets that are held as AVCs.

### Stewardship policy

The Trustees' Statement of Investment Principles (SIP) dated 23 May 2024, describes the Trustees' stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in May 2024 and has been made available online here: [www.zedra.com/wp-content/uploads/2024/07/Hertz\\_SIP\\_2024.pdf](http://www.zedra.com/wp-content/uploads/2024/07/Hertz_SIP_2024.pdf)

The Trustees' stewardship policy is set out in the Plan's policies on voting and engagement, which forms part of the Statement of Investment Principles. To enable the Trustees to make high quality decisions, the fact-finding and analysis is delegated to the Trustees' independent investment advisor. The following Stewardship Priorities have been set by the Plan:

- Climate change;
- Diversity, equity and inclusion;
- Fair pay / responsible remuneration;

### How voting and engagement/stewardship policies have been followed

The Plan invests entirely in pooled funds and the Trustees delegate responsibility for carrying out voting and engagement activities to the Plan'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, which reflect the recommendations of the UK Stewardship Code, and which are provided to the Trustees from time to time. The Trustees also expect the investment managers to have engaged with companies in relation to environmental, social and governance ("ESG") matters, and to take these into account in the selection, retention and realisation of investments.

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.

Annually the Trustees receive and review voting information and engagement policies from the asset managers, which they review as part of manager appointment and review processes. The Trustees believe 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 for the year to 31 March 2024, with the next update in preparation at time of writing.

Having reviewed the above in accordance with their policies, the Trustees are comfortable that the actions of the fund managers are in alignment with the Plan's stewardship policies.

Additional information on the voting and engagement activities carried out for the Plan's investments is provided on the following pages.

**Prepared by the Trustees of the Hertz (UK) 1972 Pension Plan  
July 2025**

## Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Plan's Growth Portfolio on behalf of the Trustees over the year to 31 March 2025. The **LDI, Corporate Bonds and Cash** with **Insight and CQS** have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate.

Manager	State Street Global Advisors					
Fund name	UK ESG Screened Index Equity Sub-Fund	Europe ex UK ESG Screened Index Equity Sub-Fund	North America ESG Screened Index Equity Sub-Fund	Asia Pacific ex Japan ESG Screened Index Equity Sub-Fund	Japan ESG Screened Index Equity Sub-Fund	Emerging Markets ESG Screened Index Equity Sub-Fund
<b>Structure</b>	Pooled					
<b>Ability to influence voting behaviour of manager</b>	During the year SSGA introduced a policy for their pooled funds which allows investors to choose from a number of different voting policies for their holdings. Votes for the Plan's holdings are taken in line with SSGA's standard policy. The voting data below covers total votes across each fund.					
<b>Number of company meetings the manager was eligible to vote at over the year</b>	679	447	564	417	476	4,482
<b>Number of resolutions the manager was eligible to vote on over the year</b>	9,657	8,154	7,196	3,065	5,698	35,779
<b>Percentage of resolutions the manager voted on, of which they were eligible</b>	99.41%	96.71%	100.00%	100.00%	100.00%	98.13%
<b>Percentage of resolutions the manager abstained from*</b>	0.06%	0.09%	0.03%	0.29%	0.0%	3.37%
<b>Percentage of resolutions voted with management, as a percentage of the total number of resolutions voted on</b>	94.00%	90.72%	92.87%	85.45%	93.21%	85.80%

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<b>Percentage of resolutions voted against management, as a percentage of the total number of resolutions voted on</b>	6.00%	9.28%	7.13%	14.55%	6.79%	14.20%
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<b>Percentage of resolutions voted contrary to the recommendation of the proxy advisor</b>	6.04%	5.21%	8.81%	9.82%	6.56%	5.39%
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\*Votes of Abstain can be counted both as a vote of abstain but also as a Vote Against Management and hence Vote with management, vote against management and abstain from voting may add up to more than 100%.

## 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. 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. For this Implementation Statement, the Trustees have selected the below significant votes considering the stewardship priorities as far as possible.

**SSgA** have provided a selection of votes which they believe to be significant. The Trustees have selected the summary significant votes below with consideration to their stewardship priorities as far as possible.

### State Street Global Advisors, Regional Passive Equity Funds

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Shell Plc	CrowdStrike Holdings, Inc.	The Hong Kong and China Gas Company Limited
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	7.90% (of UK fund)	0.17% (of North America fund)	0.36% (of Asia Pacific ex-Japan fund)
<b>Summary of the resolution</b>	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	Advisory Vote to Ratify Named Executive Officers' Compensation	Elect Lee Ka-shing as Director
<b>How the manager voted</b>	Against	Against	Against
<b>Rationale for the voting decision</b>	This proposal does not merit support as the company's climate-related disclosures are reasonable.	This item does not merit support as SSGA has concerns with the proposed remuneration structure for senior executives at the company.	SSGA voted against the nominee due to the lack of gender diversity on the board and the company has not engaged in successful dialogue on SSGA's board gender diversity program for three consecutive years.
<b>Outcome of the vote</b>	Fail	Pass	Pass
<b>Implications of the outcome</b>	State Street will contact the company to explain their voting rationale and conduct further engagement.		
<b>Criteria on which the vote is considered “significant”</b>	Significant vote given the Trustees’ ‘Climate change’ stewardship priority.	Significant vote given the Trustees’ ‘Fair pay / responsible remuneration’ stewardship priority.	Significant vote given the Trustees’ ‘Diversity, equity and inclusion’ stewardship priority.

## 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.

Engagement activities are limited for the Plan's LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown. SSgA did not provide engagement data for the Sterling Non-Gilts Bond All Stocks ESG Screened Fund.

Manager	SSgA					
Fund name	UK ESG Screened Index Equity	Europe ex UK ESG Screened Index Equity	North America ESG Screened Index Equity	Asia Pacific ex Japan ESG Screened Index Equity	Japan ESG Screened Index Equity	Emerging Markets ESG Screened Index Equity
<b>Number of engagements undertaken on behalf of the holdings in this fund in the year</b>	87	213	426	95	49	53
<b>Number of entities engaged on behalf of the holdings in this fund in the year</b>	64	170	279	72	42	48
<b>Number of engagements undertaken at a firm level in the year</b>				1,417		

Manager	CQS			Insight	
Fund name	Credit Multi Asset Fund	Maturing Buy & Maintain Bond Fund 2021-2025	Maturing Buy & Maintain Bond Fund 2026-2030	Maturing Buy & Maintain Bond Fund 2031-2035	
<b>Number of engagements undertaken on behalf of the holdings in this fund in the year</b>	78	33	125	76	
<b>Number of entities engaged on behalf of the holdings in this fund in the year</b>	68	21	78	49	
<b>Number of engagements undertaken at a firm level in the year</b>	92		939		

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

### State Street Global Advisors, Passive Equity Funds and the Sterling Non-Gilts Bond All Stocks ESG Screened Index Sub-Fund

#### **Carrefour SA:** Executive Compensation

SSgA first engaged with Carrefour in November 2023 following 40% and 37% dissent against their 2023 remuneration report and remuneration policy, respectively. SSgA discussed their perspective on the weight of non-financial performance metrics in the annual bonus schemes. Where qualitative criteria are naturally less specific than quantitative ones, meaning SSgA believe these should be described in more detail. They also outlined their perspective on the compensation effect between performance metrics under the long-term incentive, and the relationship to the achievement of minimum performance metrics.

At the 2024 AGM, Carrefour submitted a new remuneration policy, replacing the 'quality of corporate governance' metric with an operational and managerial' performance metric, and provided an extensive list of all areas evaluated under this metric. SSgA supported the new policy and it received 95% support.

#### **CQS, Credit Multi Asset Fund**

##### **Unnamed American Steel Manufacturer :** Climate change

CQS identified the company as a higher emitter and they sought to ensure that the business is being proactive and thoughtful in reducing their carbon footprint. Through their engagement, CQS confirmed that the company plans to apply best practices and has achieved significant progress in achieving their 2030 Greenhouse Gas reduction targets well in advance of the targeted time.

#### **Insight, Maturing Buy & Maintain Bond Funds**

##### **Standard Charter Plc:** Climate change

The engagement with Standard Charter focused on the bank's sustainable finance framework and impact reporting. The main issue Insight has with the framework is due to lagging requirements on specific use of proceeds and reporting best practice. Insight asked Standard Life about further considerations and use of thresholds on financing data centres, biomass projects and green bonds allocation reporting. They also engaged in regards to whether they would be adding any Key Performance Indicators (KPIs).

The bank acknowledged Insight's feedback, specifically around suggestions on data centres and biomass and additional KPIs. Insight intend to follow up with Standard Charter to receive more information on key internal methods used to achieve financed emissions targets.

## Summary

In reviewing the activities of the past year, the Trustees believe that the policies set out in the Statement of Investment Principles ("SIP") have been effectively implemented. The Plan's investment managers have demonstrated transparency in their voting and engagement activities, and the Trustees believe that these activities reasonably align with the with the stewardship priorities of the Plan.