

Implementation Statement

The Police Federation of England and Wales Retirement Benefits Scheme

Purpose of this statement

This implementation statement has been produced by the Trustee of the Police Federation of England and Wales Retirement benefits Scheme (“the Scheme”) to set out the following information over the year to 31 December 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 Trustee over the year, including information regarding the most significant votes;

This statement does not include the additional voluntary contributions (“AVCs”) on materiality grounds since the Scheme only has one member with a small legacy AVC policy.



Conclusions

In reviewing the activities of the past year, the Trustee believes that the policies set out in the Statement of Investment Principles (“SIP”) have been effectively implemented. The Scheme’s investment manager has demonstrated transparency in their voting and engagement activities, and the Trustee believes that these activities reasonably align with the with the stewardship priorities of the Scheme.

Stewardship policy

The Trustee's SIP in force at December 2025 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in June 2024 and has been made available online here: [Police Federation SIP 2024](#)

The Trustee's stewardship policy is set out in the Scheme's policies on voting and engagement, which forms part of the SIP. The Trustee has acknowledged that the Scheme has exposure to multiple systemic risks and has agreed to set climate change as its current stewardship priority. The Trustee believes that this is an area that it can meaningfully monitor progress and engage with its asset managers over time, with the expectation that its asset managers are able to evidence their stewardship activities in this area. The Trustee will periodically review the stewardship priorities of the Scheme to ensure they remain appropriate.

How voting and engagement/stewardship policies have been followed

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 delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers.
- Having reviewed the above in accordance with its policies, the Trustee is comfortable the actions of the fund manager is in alignment with the Scheme's stewardship policies.

**Prepared by the Trustee of the Police Federation of England and Wales Retirement Benefits Scheme
May 2026**

Voting Data

This section provides a summary of the voting activity undertaken by the investment manager within the Scheme's Growth Portfolio on behalf of the Trustee over the year to 31 December 2025. The cash, LDI and bonds with L&G have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate.

Manager	Legal & General Asset Management ("L&G")
Fund name	Dynamic Diversified Fund
Structure	Pooled
No. of eligible meetings	10,398
No. of eligible votes	105,680
% of resolutions voted	99.9%
% of resolutions abstained	0.8%
% of resolutions voted with management¹	75.0%
% of resolutions voted against management	24.2%
Proxy voting advisor employed	Institutional Shareholder Services ("ISS")
% of resolutions voted against proxy voter recommendation	14.0%

¹ As a percentage of the total number of resolutions voted on. Totals may not add up to 100%. Numbers are subject to rounding.

Note: segregated mandates allow the Trustee to engage with managers and influence their voting behaviour. Pooled fund structures result in limited scope for the Trustee to influence managers' voting behaviour.

Proxy voting

The below summarises how the investment manager utilises their proxy voting services.

L&G

L&G's Investment Stewardship team uses ISS's 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. To ensure their proxy provider votes in accordance with L&G's position on ESG, L&G have put in place a custom voting policy with specific voting instructions. L&G review their custom voting policy with ISS annually and take into account feedback from their investors.

Significant votes

Legal & General have provided a selection of votes which they believe to be significant. The Trustee selected 3 the most significant votes for each fund which relate to the stewardship priorities of the Scheme.

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

Legal & General | Dynamic Diversified Fund

	Vote 1	Vote 2	Vote 3
Company name	Microsoft Corporation	Lam Research Corporation	Shell Plc
Date of vote	5 Dec 2025	4 Nov 2025	20 May 2025
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.56%	0.10%	0.16%
Summary of the resolution	Elect director Satya Nadella	Reduce ownership threshold for shareholders to call special meeting	Request that Shell disclose whether and how its: demand forecast for Liquefied Natural Gas ("LNG"); LNG production and sales targets; and new capital expenditure in natural gas assets are consistent with climate commitments, including target to reach net zero emissions by 2025
How the manager voted	Against	For	Against
Rationale for the voting decision	A vote against is applied as L&G expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.	A vote in favour is applied as the current threshold necessary to call a special meeting is high and this resolution is seeking to reduce the threshold.	While L&G recognise the intent behind the resolution, they have decided to vote against it following careful consideration. This decision follows a series of constructive engagements with Shell's leadership, during which the company committed to improving disclosures on stranded asset risks and financial resilience related to its LNG operations. L&G acknowledge meaningful progress in Shell's reporting, which now provides a clearer basis for assessing climate-related risks. In light of these developments, L&G believe the resolutions key objectives are being addressed through ongoing company actions.
Outcome of the vote	Pass (94% support)	Fail (41% support)	Fail (21% support)
Implications of the outcome	L&G will continue to engage with their investee companies, publicly advocate their position on issues raised and monitor company and market-level progress.		
Criteria on which the vote is considered "significant"	Thematic – Board Leadership: 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.	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.	Pre-declaration: L&G recognise the underlying merit of this resolution, after careful consideration, they have made the decision to vote against, therefore, they deem this vote to be significant.



Engagement

The investment manager 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 Scheme's LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager	Legal & General Asset Management		
Fund name	Dynamic Diversified Fund	Global Unconstrained Bond Fund	Investment Grade Corporate Bond All Stocks Index Fund
Number of entities engaged on behalf of the holdings in this fund in the year	2,221	193	136
Number of engagements undertaken on behalf of the holdings in this fund in the year	3,225	417	434
Number of engagements undertaken at a firm level in the year		3,114	



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

Legal & General

Nippon Steel

Having identified Nippon Steel as lagging in its policy engagement disclosures in 2022, following continuous engagement and a lack of progress, L&G filed a shareholder resolution in 2024 requesting greater transparency on Nippon Steel's climate policy engagement activities. The resolution received 28% support, one of the highest levels of support recorded for a climate-related shareholder resolution in Japan.

Since co-filing the shareholder resolution, L&G have met with Nippon Steel three times and have also attended an on-site visit. In addition to an increased willingness to acknowledge concerns of their global shareholder base regarding decarbonisation, L&G noted specific intentions regarding improvements in disclosures.

Ahead of the 2025 annual general meeting Nippon Steel set policy positions, including a commitment to positive policy engagement in Japan for policies relating to climate change and energy. L&G view these as positive first steps towards aligning the company's policy engagement with its long-term strategy and decarbonisation objectives.

Pemex

L&G engaged with Pemex, one of the largest oil and gas companies by refining capacity. Pemex have significant influence over the decarbonisation of the oil and gas industry in Mexico and South America. L&G have been engaging with Pemex since 2023, encouraging the Company to improve their climate-related disclosures, oversight of climate risk at Board level and to set ambitious but achievable climate targets. Following these engagements, Pemex has published its first Sustainability Plan, setting out clear targets for emissions reduction, enhanced disclosures, allocation of capital towards their climate goals and addressing methane emissions within their operations. L&G believe Pemex's Sustainability Plan demonstrates the strength of these commitments and a serious approach to tackling these crucial issues.