

Implementation Statement, covering the Scheme Year from 6 April 2025 to 5 April 2026 (the “Scheme Year”)

The Trustee of the Rittal-CSM Limited (1978) Pension Scheme (the “Scheme”) is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed the voting and engagement policies in its Statement of Investment Principles (“SIP”) during the Scheme Year. This is provided in Section 1 below.

The Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, Trustees (including the most significant votes cast by Trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 3 below.

In preparing the Statement, the Trustee has had regard to the [guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement](#), issued by the Department for Work and Pensions (“DWP’s guidance”) in June 2022.

1. Introduction

No changes were made to the voting and engagement policies in the SIP during the Scheme Year. The last time these policies were reviewed was in July 2025 (where these policies remained unchanged).

The Trustee has, in its opinion, followed the Scheme’s voting and engagement policies during the Scheme Year.

2. Voting and engagement

The Trustee has delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. These policies are provided here for L&G (the Scheme’s pooled fund investment manager): [L&G’s voting and engagement policies](#).

However, the Trustee takes ownership of the Scheme’s stewardship by monitoring and engaging with managers as detailed below.

As part of its advice on the selection and ongoing review of the investment managers, the Scheme’s investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers’ approaches to voting and engagement.

The Trustee aims to align its assets with net zero greenhouse gas emissions by 2050 where practicable, selecting managers and investing in funds with credible net-zero targets where possible.

Following the introduction of DWP’s guidance, the Trustee agreed to set stewardship priorities to focus engagement with its investment managers on specific ESG factors. During Q1 2024, the Trustee discussed and agreed stewardship priorities for the Scheme which were: climate change, biodiversity loss, human rights, diversity, equity and inclusion, business ethics and corporate transparency. These priorities were selected because they are market-wide areas of risk that are financially material for the investments and can be addressed by good stewardship. Therefore, the Trustee believes it is in its members’ best interests that its managers adopt strong practices in those areas. The Trustee retained its stewardship priorities during the Scheme Year.

The Trustee is conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustee aims to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

3. Description of voting behaviour during the Scheme Year

All of the Trustee’s holdings in listed equities are within pooled funds and the Trustee has delegated to its investment managers the exercise of voting rights. Therefore, the Trustee is not able to direct how votes are exercised and the Trustee itself has not used proxy voting services over the Scheme Year. However, the Trustee monitors managers’ voting and engagement behaviour on a periodic basis and challenges managers where their activity has not been in line with the Trustee’s expectations.

In this section we have sought to include voting data in line with the Pensions UK guidance, Pensions UK’s Vote Reporting template and DWP’s guidance, on the Scheme’s funds that hold equities as follows:

- L&G Diversified Fund;
- L&G Low Carbon Transition Global Equity Index Fund; and
- L&G Low Carbon Transition Global Equity Index GBP Hedged Fund.

In addition to the above, the Trustee contacted the Scheme's asset managers regarding funds that do not hold listed equities, to ask if any of the assets held by the Scheme had voting opportunities over the Scheme Year. Aegon confirmed that it held assets that had voting opportunities in the European ABS Fund over the Scheme Year. Commentary for this fund is set out in section 3.4.

3.1 Description of the voting processes

For assets with voting rights, the Trustee relies on the voting policies which its managers have in place. The Trustee considered voting and engagement amongst other factors when deciding to invest with the managers and is comfortable that the managers' voting policies are aligned with the Trustee's views.

Legal & General Asset Management ("L&G")

L&G undertakes regular consultations with asset owners. These are important opportunities to provide clients with assurance and knowledge, as well as to receive direct feedback on their experiences and expectations. L&G continues to review these client responses to determine the level of overlap between its policies and the expectations of clients in developing future engagement topics and voting policies. L&G has worked with fintech firm Tumelo to run client feedback loops. This system helps establish a two-way engagement that enables L&G to better understand consumer views and encourages savers to become more engaged with their investments.

L&G's voting decisions are guided by policies that are researched and fine-tuned every year. To ensure its proxy provider votes in accordance with L&G's position on ESG, L&G has developed a granular custom voting policy with specific voting instructions driven by its expectations. These instructions apply to all markets globally, with minimum best practice standards that L&G believes all companies should observe, irrespective of local regulations or practices. L&G has also set country-specific expectations for those markets in which it adopts a differentiated stance. L&G retains the ability in all markets to override any voting decisions that are based on its custom voting policy where a company has provided additional insight that allows L&G to apply a qualitative overlay to its assessment.

L&G's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G and L&G does not outsource any part of the strategic decisions. In parallel to applying its custom voting policy, L&G uses the voting information services of ISS and receives research reports for all companies in its equity portfolios.

The Investment Stewardship Team regularly monitors the votes cast on L&G's behalf to ensure they are executed in accordance with L&G's policy intentions. L&G also undertakes additional quality checks on short-notice vote instructions and rejected votes.

3.2 Summary of voting behaviour

A summary of voting behaviour over the Scheme Year is provided in the table below. We have provided data as at 31 March 2026 as L&G was unable to provide data as at the end of the Scheme Year, 5 April 2026.

	Fund 1	Fund 2	Fund 3
Manager name	Legal & General Asset Management		
Fund name	Diversified Fund	Low Carbon Transition Global Equity Index Fund	Low Carbon Transition Global Equity Index GBP Hedged Fund
Total size of fund at 31 March 2026 (£)	£9,838m	£7,731m	£1,772m
Value of Scheme assets at end of the Scheme Year (£ / % of total assets)	£4.1m / 10.5%	£1.6m / 4.1%	£1.5m / 3.9%
Number of equity holdings at 31 March 2026	6,126	2,776	2,776
Number of meetings eligible to vote	9,195	4,852	4,852
Number of resolutions eligible to vote	99,713	50,441	50,441
% of resolutions voted	99.9%	100.0%	100.0%
Of the resolutions on which voted, % voted with management	76.1%	78.3%	78.3%
Of the resolutions on which voted, % voted against management	22.8%	20.5%	20.5%
Of the resolutions on which voted, % abstained from voting	1.2%	1.2%	1.2%
Of the meetings in which the manager voted, % with at least one vote against management	71.2%	62.5%	62.5%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	14.6%	10.3%	10.3%

3.3 Most significant votes

Commentary on the most significant votes over the Scheme Year, from the Scheme's asset managers who hold listed equities, is set out below.

Given the large number of votes which are cast by managers during every Annual General Meeting season, the timescales over which voting takes place as well as the resource requirements necessary to allow this, the Trustee did not identify significant voting ahead of the reporting period. Instead, the Trustee has retrospectively created a shortlist of most significant votes by requesting each manager provide a shortlist of votes, which comprises a minimum of ten most significant votes, and suggested that the managers could use the Pensions UK's criteria¹ for creating this shortlist. By informing its managers of its stewardship priorities and through its regular interactions with the managers, the Trustee believes that its managers will understand how it expects them to vote on issues for the companies they invest in on its behalf.

The Trustee has interpreted "significant votes" to mean those that:

- align with the Trustee's stewardship priorities (the main criterion used);
- impact a material fund holding, although this would not be considered the only determinant of significance, rather it is an additional factor;
- have a high media profile or are seen as being controversial;
- are shareholder resolutions which received material support;
- where the subject of the resolution aligned with the investment manager's engagement priorities or key themes.

The Trustee has reported on two of these significant votes per fund.

L&G – Diversified Fund

Mitsubishi UFJ Financial Group, Inc., 27 June 2025

- **Summary of resolution:** Amend Articles to Add Provision on Disclosure of Financial Risk Audit by Audit Committee
- **Relevant stewardship priority:** Climate Change and Corporate Transparency
- **Approx size of the holding at the date of the vote:** 0.2%
- **Why L&G considers this vote to be most significant:** L&G considers this shareholder resolution significant, noting that it closely resembles a resolution from the 2024 AGM season and reflects continued concerns over limited progress despite notable shareholder support in the previous year. L&G continues to believe that decarbonisation of the banking sector and its clients is essential to protecting value and promoting growth through the opportunities presented by the climate transition, aiming towards achieving the goals of the Paris Agreement.
- **Company management recommendation:** Against **Fund manager vote:** For.
- **Rationale:** A vote for this resolution is warranted as, while the Company has existing disclosures regarding its oversight of climate change risk management, there is room for further information on the oversight of risk controls within the Company's audit report. L&G believes that increased disclosures around the Audit Committee's assessment of the adequacy of these processes would help the Company and its Board in placing the appropriate focus on such risk assessments and the related resources and expertise required.
- **Was the vote communicated to the company ahead of the vote:** L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is its policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.
- **Outcome of the vote and next steps:** Fail. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Simon Property Group, Inc., 14 May 2025

- **Summary of resolution:** Elect Director Glyn F. Aeppel

¹ [Implementation Statement guidance for trustees - Pensions UK](#). Trustees are expected to select "most significant votes" from the long-list of significant votes provided by their investment managers.

- **Relevant stewardship priority:** Diversity, Equity and Inclusion, Business Ethics and Corporate Transparency
- **Approx size of the holding at the date of the vote:** 0.2%
- **Why L&G considers this vote to be most significant:** L&G considers this vote significant as it applies an escalation of its vote policy on the combination of the Board Chair and CEO roles, and views gender diversity as a financially material issue for its clients given the implications for the assets it manages on their behalf.
- **Company management recommendation:** For **Fund manager vote:** Against.
- **Rationale:** L&G applies a vote against for the following reasons:
 - o **Diversity:** L&G applies a vote against due to the lack of gender diversity at executive leadership level. L&G expects executive leadership teams to include at least one woman.
 - o **Average board tenure:** L&G expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.
 - o **Lead Independent Director - Accountability:** L&G expects companies to elect an independent lead director where there is a combined Board Chair and CEO.
 - o **Joint Chair/CEO:** L&G expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.
- **Was the vote communicated to the company ahead of the vote:** L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is its policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.
- **Outcome of the vote and next steps:** Pass. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

L&G – Low Carbon Transition Global Equity Index Fund (GBP Hedged and Unhedged)

Tesla, Inc. 6 November 2025

- **Summary of resolution:** Elect Director Ira Ehrenpreis
- **Relevant stewardship priority:** Diversity, Equity and Inclusion
- **Approx size of the holding at the date of the vote:** 2.1%
- **Why L&G considers this vote to be most significant:** L&G views gender diversity as a financially material issue for its clients, with implications for the assets it manages on their behalf.
- **Company management recommendation:** For **Fund manager vote:** Against.
- **Rationale:** L&G applies a vote against because the company's current level of gender diversity on the board does not meet L&G's minimum expectations. L&G expects executive leadership teams to include at least one woman.
- **Was the vote communicated to the company ahead of the vote:** L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is its policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.
- **Outcome of the vote and next steps:** Pass. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

RTX Corporation, 1 May 2025

- **Summary of resolution:** Elect Director Christopher T. Calio
- **Relevant stewardship priority:** Human Rights, Business Ethics and Corporate Transparency
- **Approx size of the holding at the date of the vote:** 0.2%
- **Why L&G considers this vote to be most significant:** This L&G shareholder resolution is considered significant as it is in application of an escalation of L&G's vote policy on the topic of the combination of the Board Chair and CEO.
- **Company management recommendation:** For **Fund manager vote:** Against.

- **Rationale:** L&G voted against the Joint Chair/CEO due to its expectation that companies separate the roles of Chair and CEO, reflecting risk management and oversight concerns.

L&G also voted against under its Human Rights policy, as the company is deemed to be in direct breach, through its own actions or activities, of one or more human-rights-related UN Global Compact Principles (Principles 1–6) for a continuous period of two years or more.
- **Was the vote communicated to the company ahead of the vote:** L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is its policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.
- **Outcome of the vote and next steps:** Passed (director elected). L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

3.4 Votes in relation to assets other than listed equity

The following comments were provided by the Scheme's asset manager which doesn't hold listed equities, but invests in assets that had voting opportunities during the Scheme Year:

Aegon European ABS Fund

Aegon had the following to say in regard to the voting that took place during the Scheme Year:

"Voting is rare and in principle always related to technical adjustments of the transaction documentation, such as cash flows or trigger dates or necessary language to comply with changing regulation. Our policy is to vote in line with the mandate restrictions and in the best economic interests of clients. Investment decisions within the limits of the mandate restrictions are not consulted with clients beforehand."

"When we receive a notification for a vote, we first investigate the situation and the options. If the issuer has not already reached out to us, we reach out to the issuer to make sure the situation and motives are fully clear. All votes we experienced were related to technical adjustments of the transaction documentation, such as cash flows or trigger dates or necessary language to comply with changing regulation. The best vote for the clients is determined within the ABS investment team, in case needed with input or advice from experts. Our votes are cast via our BlackRock Aladdin systems and need authorisation of at least two portfolio managers."

Of the data provided by Aegon, there were 14 resolutions that Aegon was eligible to vote on, with all of the respective votes in line with management.