

Benenden Healthcare Pension Plan - Implementation Statement for the year ending 31 March 2025

Introduction

The Trustees have prepared this Implementation Statement in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and subsequent amending legislation, and those of the Pensions Regulator's General Code of Practice. It sets out how the Trustees have complied with the Stewardship Policy of the Benenden Healthcare Pension Plan (the "Plan") during the period from 1 April 2024 to 31 March 2025, as set out in the Statement of Investment Principles.

The Trustees are satisfied that:

- The Plan's investments have been managed in accordance with the Plan's Stewardship Policy during the period;
- The Plan's investments have been managed in accordance with the Plan's Statement of Investment Principles, and;
- The provisions of the Statement of Investment Principles remain suitable for the Plan's members.

Statement of Investment Principles

The Statement of Investment Principles sets out the principles and practices the Trustees follow when governing the Plan's investments. It describes the rationale for selecting the investment strategy and explains the risks and expected returns of the funds used, as well as the Trustees' approach to responsible investing (including climate change).

No changes were made to the Statement of Investment Principles (SIP) during the period. The SIP was last updated in August 2023 and is reviewed on an annual basis, with the most recent review completed in June 2024. The SIP is also reviewed following a significant change in investment policy.

The Trustees have prepared this Implementation Statement on the basis of the Statement of Investment Principles in force at 31 March 2025.

The Plan's Statement of Investment Principles can be consulted online [here](#).

Investment Governance

The primary objective of the Plan is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependants, on a defined benefits basis.

The Trustees have overall responsibility for how the Plan's investments are governed and managed, in accordance with the Plan's Trust Deed and Rules, as well as Trust Law, Pensions Law and Pension Regulations.

The Trustees have set objectives for the Plan's investment adviser designed to align with the Trustees' own objectives and investment strategy as set out in the Statement of Investment Principles.

The suitability of these objectives was last reviewed by the Trustees in November 2024 and is scheduled for review no later than November 2025.

The Trustees have carried out an evidence-based review of the investment adviser's performance against these objectives during 2024. This involved rating the adviser against the different objectives. The Trustees are satisfied that the objectives have been achieved for the year.

The investment risks relating to the Plan are described in page 3 of the Statement of Investment Principles. The Trustees' views on the expected levels of investment risk and return inform decisions on the strategic asset allocation (i.e., what type of assets and areas of the world the Plan invests in over the longer term), and the style of management adopted by the Plan.

Stewardship policy

The Trustees' Stewardship (voting and engagement) Policy sets out how the Trustees will behave as an active owner of the Plan's assets which includes the Trustees' approach to;

- the exercise of voting rights attached to assets; and
- undertaking engagement activity, including how the Trustees monitor and engage with their investment managers and any other stakeholders.

The Trustees have delegated voting and engagement activity in respect of the underlying assets to the Plan's investment managers. The Trustees believe it is important that their investment managers take an active role in the supervision of the companies in which they invest, both by voting at shareholder meetings and engaging with management on issues which affect a company's financial performance.

The Trustees own engagement activity is focused on their dialogue with their investment managers which is undertaken in conjunction with their investment advisers. During these sessions, the Trustees, with assistance from their investment advisor Hymans Robertson LLP may challenge managers on their stewardship practices or any other significant issues. The Trustees consider managers' exercise of their stewardship both during these meetings and through reporting provided by their investment adviser.

The Trustees also monitor their compliance with the Stewardship Policy on a regular basis and are satisfied that they have complied with the Plan's Stewardship Policy over the last scheme year.

Voting activity

The Trustees seek to ensure that their managers are exercising voting rights and, where appropriate, seek to monitor managers' voting patterns. The Trustees also monitor investment managers' voting on particular companies or issues that affect more than one company.

The Trustees have investment in equity assets through the allocation to the Nordea Diversified Return Fund). The Trustees' investment manager has reported on how votes were cast in this mandate as set out in the table below.

Fund name	Nordea Diversified Return Fund
Proportion of Scheme assets (as at 31 March 2025)	10.6%
No. of meetings eligible to vote at during the period	191
No. of resolutions eligible to vote on during the period	2,429
% of resolutions voted	95.0%
% of resolutions voted with management	86.7%
% of resolutions voted against management	11.4%
% of resolutions abstained	1.8%
% of meetings with at least one vote against management	63.4%

Source: Nordea Asset Management ("Nordea"). Of the most significant votes reported by Nordea, the resolutions which Nordea voted against management the most on over the period were mainly in relation to executive compensation and composition of the board of directors.

Significant votes

The Trustees have asked their managers to report on the most significant votes cast within the portfolios they manage on behalf of the Trustees. Managers were asked to explain the reasons why votes they identified were significant, the size of the position in the portfolio, how they voted, any engagement the manager had undertaken with the company and the outcome of the vote. Voting activity pertains to the diversified growth fund held by the Plan during the reporting period. From the managers' reports, the Trustees have identified the following votes as being of greater relevance to the Plan:

Nordea (1 April 2024 – 31 March 2025)

Date	Company	Subject (theme and summary)	Manager's vote, rationale and outcome
22 May 2025	Ross Stores Inc.	Disclose all material value chain GHG emissions – To allow shareholders to better evaluate the company's progress towards its net zero ambition and help it prepare for potential regulatory requirements.	For – Nordea voted for the shareholder proposal as it falls in line with the manager's expectations on climate change and reporting. The manager notes that it feels the need to enact change in the company. Outcome of the vote – For
23 May 2024	NextEra Energy Inc.	Report on Climate Lobbying – To provide additional disclosures around the company's climate change alignment framework.	For – Nordea voted for the shareholder proposal. Nordea believed the proposal allows shareholders to better evaluate the company's lobbying efforts and align it with best practices that have been undertaken by the peer group. Outcome of the vote – Against
10 December 2024	Microsoft Corporation	Report on risks of operating in countries with significant human rights concerns – To provide greater transparency on material ESG issues such as human rights risk.	For – Nordea voted for the proposal given it would improve ESG transparency and has noted that it will continue to support shareholder proposals on this issue as long as it is needed. Outcome of the vote – Against

Nordea's significant votes related to voting for shareholders' proposals on reporting and transparency, as well as elections for directors and executive compensation.

Use of a proxy adviser

The Trustees' investment managers have made use of the services of the following proxy voting advisors over the Scheme year:

Manager	Proxy Advisor used
Nordea	ISS/Glass Lewis

Nordea primarily use ISS to facilitate proxy voting, execution and to provide analytical input. Glass Lewis is also an external vendor, however, is mainly used for analytical input only.

Manager engagement activity

The Trustees engage with their investment managers on an annual basis where stewardship issues are discussed in further detail. Over the last 12 months, the Trustees have engaged with all of their investment managers. The Trustees have engaged on the following issues over the course of the year with the Plan's investment managers:

- ESG integration in the investment due diligence process, including portfolio restrictions
- Climate change and Net Zero alignment
- Collaborative engagement and industry initiatives
- Asset-level engagement and proprietary engagement methods
- Emissions data improvement and coverage

The Trustees receive reporting from all managers on their engagement activity. The following table summarises the key engagement activity for the 12-month period ending 31 March 2025.

Manager	Number of engagements	Topics engaged on
Nordea	162	Climate change, natural resource use/impact, pollution and waste, antimicrobial resistance, conduct, culture and ethics, human and labour rights, human capital management, and remuneration
Manulife CQS	78	Climate change, natural resource use/impact, pollution and waste, conduct, culture and ethics, board effectiveness, and financial, strategy and reporting
Payden	115	Climate change, natural resource use and impact, board diversity, and human capital management

Note: Number of engagements reported above relate to engagement at the strategy level.

Due to the nature of the mandates, data on the number of engagements was not available for the Schroders UK Real Estate fund and segregated LDI mandates. However, Schroders note that within the Real Estate fund, engagement is undertaken with tenants on utility data collection to support energy consumption improvements. Within the Schroders LDI mandate, climate change and fossil fuel financing are areas of focus in engagements with sovereign bond issuers and derivative counterparty banks. The main methods of engagement were direct engagements through face-to-face meetings, site visits, conference calls, and letters to company board or management.

The Trustees have committed to reviewing investment managers' Responsible Investment policies on a regular basis in conjunction with the Trustees' engagement activities with its investment managers. The review considers managers' broader approach to responsible investment issues in addition to considering any change in approach by the manager over the year. The Trustees also consider changes to their managers voting policies.

The Trustees and their investment advisers remain satisfied that the responsible investment policies of the managers and, where appropriate, the voting policies remain suitable for the Plan.

Prepared by:

Trustees of the Benenden Healthcare Pension Plan

September 2025