

# Molins UK Pension Fund Implementation Statement – 30 June 2025

## Why have we produced this Statement?

The Trustee of the Molins UK Pension Fund have prepared this statement to comply with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

This statement sets out how the Trustee has complied with the voting and engagement policies detailed in the Fund's Statement of Investment Principles (SIP).

## What is the Statement of Investment Principles (SIP)?

The SIP sets out key investment policies including the Trustee's investment objectives and investment strategy.

It also explains how and why the Trustee delegates certain responsibilities to third parties and the risks the Fund faces and the mitigated responses.

The Trustee last reviewed the SIP in June 2025 and again in July 2025. This statement refers to the June 2025 SIP in place at year-end.

## What is the purpose of this Statement?

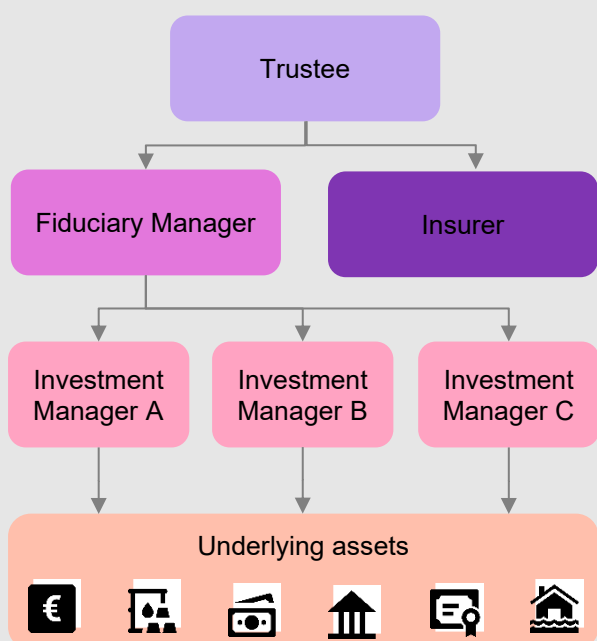
1. To explain how the Trustee's engagement policy has been applied over the year.
2. To describe the voting rights attached the Fund's assets have been exercised over the year.

## What changes have we made to the SIP?

The Trustees agreed substantive changes to the SIP in June 2025 to reflect the implementation of a buy-in insurance contract with Aviva to cover the liabilities. Changes included:

- Updated investment strategy and risks
- Details on the investment arrangements of the post buy-in assets
- Acknowledgement of the limited funds and short period to wind-up meaning several clauses are no longer relevant

## How are the Fund's investments managed?



**Trustee** - The Trustee's key objective is to ensure sufficient assets to pay members' benefits as they fall due. This objective is largely achieved through the full buy-in arrangement, however the Trustee retains ultimate responsibility for the Fund's remaining investments. Certain responsibilities are delegated to parties with the appropriate skills, knowledge, and resources to manage them effectively.

**Insurer (Aviva)** – The Trustee has entered into a buy-in contract with Aviva to secure the benefits of the Fund. The buy-in is held as an asset of the Fund and is designed to provide the cashflows required to meet members' benefits.

**Fiduciary Manager (WTW)** – The Trustee employs a Fiduciary Manager to implement the Trustee's investment strategy. The Fiduciary Manager allocates the Fund's assets between asset class and investment managers.

**Investment managers** – The Fiduciary Manager appoints underlying investment managers either using a pooled vehicle or a segregated mandate where these assets are held directly in the Fund's name. The Fiduciary Manager will look for best in class specialist managers for each asset class.

**Underlying assets** – The investment managers pick the underlying investments for their specialist mandate e.g. shares in a company or government bonds.

## Why does the Trustee believe voting and engagement is important?

The Trustee's view is that Environmental, Social and Governance ("ESG") factors can have a potential impact on investment returns, particularly over the long-term and therefore contribute to the security of members' benefits. The Trustee further believes that voting and engagement are important tools to influence these issues.

The Trustee has appointed a Fiduciary Manager who shares this view and considers and integrates ESG factors, voting and engagement in its processes.

The Trustee incorporates an assessment of the Fiduciary Manager's performance in this area as part of its overall assessment of the Fiduciary Manager's performance.

## What is the Trustee's voting and engagement policy?

When considering its policy in relation to stewardship including engagement and voting, the Trustee expects investment managers to address broad ESG considerations.

The Trustee assesses that ESG risks, including climate change, pose a financial risk to the Fund and that focussing on these issues is ultimately consistent with the Trustee's fiduciary duties and the financial security of its members.

The day-to-day integration of ESG considerations, voting and engagement are delegated to the investment managers. The Trustee expects investment managers to sign up to local Stewardship Codes and to act as responsible stewards of capital.

Where ESG factors are considered to be particularly influential to outcomes, the Trustee expect the Fiduciary Manager to engage with investment managers to improve their processes.

Over the year the Fund sold the majority of its return seeking assets as part of the journey toward settlement of the Fund's liabilities. This limits opportunities for engagement with underlying Companies into the future. ESG considerations were taken into account when selecting the insurer with which the buy-in was transacted.

## What are the Fiduciary Manager's policies?

### Climate change and net zero goal

The Trustee believes Climate Change is a current priority when engaging with public policy, investment managers and corporates.

The Fiduciary Manager has a goal to achieve net zero greenhouse gas emissions across 'In Scope Solutions' by 2050. They believe the trajectory is important, so are also aiming to approximately halve emissions per amount invested by 2030.

### Public policy and corporate engagement

The Fiduciary Manager employs an external stewardship service provider, whose services include public policy engagement, and corporate voting and engagement on behalf of its clients (including the Trustee).

Some highlights from 2024 include:

- 994 companies engaged across regions on 4,267 issues and objectives
- 62 companies in their core programme featured engagements with the CEO or chair
- Making voting recommendations on 143,075 resolutions at 14,701 meetings, including recommended votes against 25,070 resolutions
- Participation in a range of global stewardship initiatives.

### Industry initiatives

The Fiduciary Manager participated in a range of industry initiatives over the year to seek to exercise good stewardship practices. Please refer to their latest UK Stewardship Code for more information: <https://www.wtwco.com/en-gb/solutions/services/sustainable-investment>.

### How does the Fiduciary Manager assess the investment managers?

**Investment manager appointment** - The Fiduciary Manager considers the investment managers' policies and activities in relation to ESG factors and stewardship (which includes voting and engagement) at the appointment of a new manager. In 2024 the Fiduciary manager conducted engagements with over 70 managers across asset classes. They also engaged over 100 products on sustainability and stewardship. In addition, over 150 sustainability-theme strategies were researched.

**Investment manager monitoring** - The Fiduciary Manager produces detailed reports on the

investment managers' ESG integration and stewardship capabilities on an annual basis. We have provided the Fiduciary Manager's ratings of the equity managers' ESG integration and stewardship capabilities in the later pages.

**Investment manager termination** - The Fiduciary Manager engages with investment managers to improve their practices and increases the bar by which they are assessed as best practice evolves. The Fiduciary Manager may terminate an investment manager's appointment if they fail to demonstrate an acceptable level of practice in these areas. However, no investment managers were terminated on these grounds during the year.

### Example of engagement carried out over the year (specific to funds remaining in portfolio as at 30 June)

#### Money market manager General ESG issue

Issue: The Fiduciary Manager has requested the manager to include alignment reporting in their regular quarterly reports for all funds and segregated mandates.

Outcome: The engagement is currently underway.

### What are the voting statistics we provide?

In February 2025 the Fund sold out of the majority of its return seeking investments as part of the preparation for a full buy-in. The voting statistics included in this statement refer to funds held prior to this date.

Within the return seeking holdings, the underlying asset types carried different ownership rights, for example bonds do not have voting rights attached. Therefore, voting information was only requested from the Fund's equity investment managers. Responses received are provided in the following pages. The Trustee used the following criteria to determine the most significant votes:

- Climate change
- Financial outcome for members, including size of holding
- High profile vote, including votes not supporting company management

The Fund's equity holdings were held within the State Street Global Advisors (SSgA) Multi-Asset Diversified Growth Sub-Fund, a diversified return seeking fund that invests across equities, credit, real assets and downside protection.

WTW viewed SSgA's approach to sustainable investment as acceptable. Management were clear on their support for the value of stewardship. In addition, SSgA has undertaken a successful multi-year campaign on diversity with clear tracking of progress/action with voting and engagement linked to real world impact. SSgA highlighted an increased focus on the climate transition, beginning with a small universe of companies for engagements.

### In conclusion...

...The Trustee is satisfied that over the year, all SIP policies and principles were adhered and in particular, those relating to voting and engagement.

# State Street Global Advisors (SSgA) – Multi-Asset Diversified Growth Sub-Fund

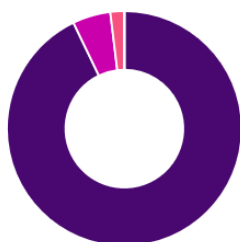
## Voting activity over the year



Fiduciary Manager's  
assessment

### Voting activity over the year

Number of votes eligible to cast: 6,510  
Percentage of eligible to cast: 100%



■ For: (92.9%) ■ Against: (5.2%) ■ Abstain: (1.9%)

### Significant vote

**Company:** Novo Nordisk A/S

**% Fund:** 0.2%

**Vote topic:** Approve proposal regarding regulated working conditions at construction sites

**Issue:** The proposal does not merit support as the company's disclosures related to facility safety are reasonable.

**Voting instruction:** Against shareholder resolution, for management recommendation

**Outcome:** Resolution failed

**Why a significant vote?** Human and labour rights is an important issue for the manager.

**Next steps:** The manager will aim to continue the engagement on material risks and opportunities, including health and safety of the workforce.

### Significant vote

**Company:** Cintas Corporation

**% Fund:** 0.1%

**Vote topic:** Report on efforts to reduce greenhouse gas emissions in alignment with Paris agreement goal

**Issue:** There was no interim climate targets to accompany long-term climate ambitions

**Voting instruction:** For shareholder resolution, against management recommendation

**Prior communication of against vote:** No

**Outcome:** Resolution failed

**Why a significant vote?** Climate change is one of the stewardship priorities.

**Next steps:** The manager will aim to continue the engagement on material risks and opportunities.

**Voting policy:** The manager has discretionary proxy voting authority over most of the client accounts. The manager will carefully vote these proxies in the manner that will aim to protect and promote the long-term economic value of the clients' investments. The manager's Stewardship team activities are overseen by the ESG Committee who are responsible for reviewing the stewardship strategy, engagement priorities and proxy voting guidelines, and monitors the delivery of voting objectives. In addition, the ESG Committee provides oversight of the Stewardship team, reviews departures from the proxy voting guidelines, and reviews conflicts of interest involving proxy voting.

The Fund's equity exposures were liquidated on 6 February 2025. Votes and data shown above are shown for the 12 month period to 31 March 2025.