Implementation Statement for the year to 31 March 2024

Halstead Group Pension Scheme (the "Scheme")

1. Introduction

The Trustees of the Scheme (the "Trustees") are required to make publicly available online a statement (the "Implementation Statement") covering the extent to which the Trustees have followed the Scheme's Statement of Investment Principles (the "SIP").

A copy of the current SIP signed and dated 4 March 2024 can be found here [Microsoft Word - The Statement of Investment Principles_Halstead Group Pension scheme - 4 March 2024 - print version (jameshalstead.com)].

This statement describes the Trustees' stewardship policy and how the Trustees followed the stewardship policy along with a summary of voting statistics including a sample of most significant votes and engagement examples that are related to the Scheme's investments over the 12-month period to 31 March 2024 ("Scheme Year").

2. Trustees' Stewardship policy and how it followed this policy over the Scheme Year

The Trustees have instructed the Scheme's fiduciary manager to exercise its voting and other rights as shareholder in a manner the fiduciary manager believes to be consistent with best practice in relation to Corporate Governance and in accordance with the Institutional Shareholders' Committee's ("ISC") Statement of Principles on the Responsibilities of Institutional Shareholders and Agents.

The Trustees have set six thematic engagement priorities and encourage their fiduciary manager to vote and engage on all of them: Climate; Corporate Governance; Human Capital Management; Human Rights; Inclusion and Diversity, and Natural Capital and Biodiversity. The Trustees believe that these themes are material to the long-term value of the investments, and that companies which address these issues meaningfully will drive improved financial performance for the Scheme and ultimately benefit the Scheme's members and beneficiaries.

The Trustees therefore require their fiduciary manager in its stewardship of the Scheme's assets to prioritise these six engagement themes, alongside the investee companies' performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, social, ethical and environmental impact and corporate governance when considering the purchase, retention or sale of investments.

The Trustees oversee their fiduciary manager's voting and engagement activities to ensure compliance with this requirement. Reporting on the fiduciary manager's voting and engagement activities and how these activities have had a bearing on the purchase, retention and sale of investments is included in the quarterly investment monitoring reports.

The Trustees invest in pooled funds via their fiduciary manager. By the nature of these vehicles, the Trustees oversee the fiduciary manager's voting and engagement activities and policies, rather than directing how individual votes are exercised. The Trustees deem holdings in equities to be relevant and material in terms of voting behaviours and in terms of engagement activities with investee companies.

The Trustees have considered the voting and engagement activities that took place on their behalf by the fiduciary manager during the Scheme Year, as described in the next section. The Trustees are satisfied that their fiduciary manager has demonstrated high levels of voting and engagement in line with its stewardship policy. In particular, the Trustees noted the following:

- The fiduciary manager demonstrated very high levels of voting rights being exercised on the Trustees' behalf.
- Challenge to investee company management was demonstrated through the proportion of votes against management led resolutions.
- The fiduciary manager carried out a high level of engagement activities with the management of investee companies across the Trustees' six engagement themes, including progress on some issues.

3. Voting statistics and engagement examples

Summary of voting

The table below summarises the fiduciary manager's voting behaviour over the period. The fiduciary manager's voting policies are described in section 4.

<table>
<tr><td>Number of meetings eligible to vote at</td><td>1,109 meetings</td><td colspan="2" rowspan="2">% of resolutions</td></tr>
<tr><td>Number of resolutions eligible to vote on</td><td>14,566 resolutions</td></tr>
<tr><td>% of resolutions voted on which we are eligible</td><td>93.9%</td><td>Voted with management</td><td>89.3%</td></tr>
<tr><td>% of meetings, in which we voted, that we voted at least one vote against management</td><td>54.6%</td><td>Voted against management</td><td>10.3%</td></tr>
<tr><td>Number of equity holdings as of period end</td><td>1,123</td><td>Abstained from voting</td><td>0.4%</td></tr>
</table>

Source: Schroders as at 31 March 2024 for the Diversified Growth Fund.

Most significant votes

The fiduciary manager's policy (see section 4, below) is to define any vote against management as a "most significant vote". Over the period in question, this amounted to 1,466 votes. The full list of votes by Schroders (including the rationale for votes both with and against management's recommendation) is available at https://www.schroders.com/en/sustainability/active-ownership/voting/. The Trustees consider the following samples as representative.

Company: JPMorgan Chase & Co.

Meeting date: 16 May 2023

Proposal: Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets

Theme: Climate Change

Management's recommendation: Against

Rationale for voting against management's recommendation: The company is asked to produce a report disclosing how it intends to align its financing activities with its 2030 sectoral GHG emission reduction targets. The fiduciary manager welcomes additional disclosures that help better understand how the company is implementing its climate strategy. The fiduciary manager believes that how it has voted is in the best financial interest of its clients' investments.

Company: Amazon.com, Inc.

Meeting date: 24 May 2023

Proposal: Report on Efforts to Reduce Plastic Use

Theme: Natural Capital and Biodiversity

Management's recommendation: Against

Rationale for voting against management's recommendation: A vote for this proposal is warranted as the fiduciary manager believe that the Company should be making meaningful steps towards eliminating use of plastic within the Company and its operations. More disclosure would enable shareholders to have a more comprehensive understanding of progress. The fiduciary manager believes how it has voted is in the best financial interests of its clients' investments.

Company: Alphabet Inc.

Meeting date: 2 June 2023

Proposal: Report on Framework to Assess Company Lobbying Alignment with Climate Goals

Theme: Climate Change, Corporate Governance

Management's recommendation: Against

Rationale for voting against management's recommendation: Shareholders would benefit from additional disclosure on how the company's lobbying activities align to its climate goals and how it addresses any misalignment with its trade associations and other indirect lobbying activities.

Company: Jazz Pharmaceuticals plc

Meeting date: 3 August 2023

Proposal: Elect Director Rick E. Winningham

Theme: Climate Change, Corporate Governance

Management's recommendation: For

Rationale for voting against management's recommendation: The company is behind its peers on climate risk management and oversight. The fiduciary manager believes that the way in which it has voted is in the best financial interests of its clients investments.

Company: Oracle Corporation

Meeting date: 15 November 2023

Proposal: Report on Median and Adjusted Gender/Racial Pay Gaps

Theme: Diversity and Inclusion

Management's recommendation: Against

Rationale for voting against management's recommendation: Shareholders could benefit from the median pay gap statistics that would allow them to compare and measure the progress of the company's diversity and inclusion initiatives, and how it is positioning itself to realise the benefits of a diverse workforce. The fiduciary manager believes that how it has voted is in the best financial interest of its clients' investments.

Company: Fortescue Ltd.

Meeting date: 21 November 2023

Proposal: Remuneration Report

Theme: Corporate Governance

Management's recommendation: For

Rationale for voting against management's recommendation: Excessive discretion applied in recent years. Additionally, the fiduciary manager is concerned with the quantum of remuneration linked to 'strategic' goals and targets which are open to interpretation and are not guaranteed to create shareholder value. The fiduciary manager would prefer the reward for such move to be triggered by financial outcomes (e.g. referencing ROCE or NTA growth).

Company: Microsoft Corporation

Meeting date: 7 December 2023

Proposal: Report on Risks of Operating in Countries with Significant Human Rights Concerns

Theme: Human rights

Management's recommendation: Against

Rationale for voting against management's recommendation: Shareholders would benefit from further disclosure on how the company mitigates risks in markets in which it operates where there are significant human rights concerns. The fiduciary manager believes how it has voted is in the best financial interests of its clients' investments.

Company: Tyson Foods, Inc.

Meeting date: 8 February 2024

Proposal: Shareholder Proposal Regarding Lobbying Activity Alignment with Science-based Targets and Net Zero Emissions Ambitions

Theme: Climate Change

Management's recommendation: Against

Rationale for voting against management's recommendation: Shareholders would benefit from further information outlining how the company's lobbying activities are aligned to its science-based targets and net zero commitments to better help shareholders understand any potential risks related to lobbying activities that do not align with these commitments, if any. The fiduciary manager believes how it has voted is in the best financial interests of its clients' commitments.

Company: Apple Inc

Meeting date: 24 February 2024

Proposal: Shareholder Proposal Regarding Report on Use of Artificial Intelligence

Theme: Corporate Governance

Management's recommendation: Against

Rationale for voting against management's recommendation: Shareholders would benefit from further disclosure and information on how the company is using AI and managing any related risks, including ethical risks, that may result. The fiduciary manager believes how it has voted is in the best financial interests of its clients' investments.

Company: Deere & Co.

Meeting date: 29 February 2024

Proposal: Shareholder Proposal Regarding Severance Approval Policy

Theme: Human Capital Management

Management's recommendation: Against

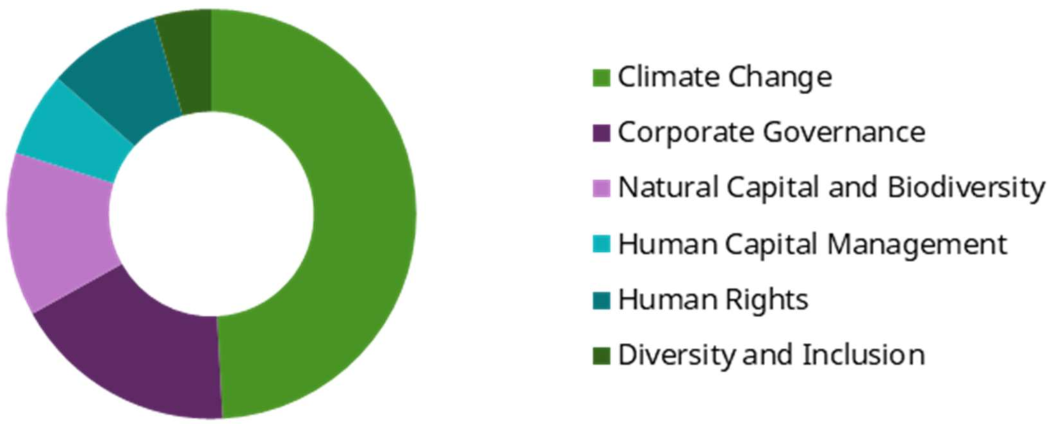
Rationale for voting against management's recommendation: The fiduciary manager believes that the proposed changes to the severance policy would strengthen shareholder' rights and mitigate risks regarding excessive severance arrangements. The fiduciary manager believes how it has voted is in the best financial interests of its clients' investments.

Summary of engagements

The fiduciary manager's engagement activities with investee companies include correspondence in writing and by email, phone calls, meetings with company management, collaboration with other investors, participation at events and discussions with other advisers and stakeholders. The table and chart below summarise the number of engagements that have been undertaken in relation to the Scheme's investments over the period, with a case study and examples described on the following pages.

Engagement summary	
Engagements	**554**
Topics	**1,260**
Environmental	62%
Social	20%
Governance	18%

Discussion topics split by theme*



Source: Schroders as at 31 March 2024 for the Diversified Growth Fund. *Discussion topics are split by theme as set out in the [Schroder Engagement Blueprint](); over this period topics include 782 environmental, 254 social and 224 governance.

Engagement examples

Company	Activity
ASML	The Global and Thematic Equities team held a meeting with regards to ASML's climate change activities. The fiduciary manager encouraged the company to publish a detailed transition plan explaining how the company will transition its business and meet its targets. The fiduciary managerearnt ASML aims to achieve net zero for Scope 1, 2, and parts of Scope 3 emissions by 2025, primarily through energy reduction and renewable energy use. Challenges remain in Asian markets, but progress has been made in Taiwan. ASML is also addressing Scope 3 emissions in its supply chain, with increasing supplier commitments to sustainability. Product energy efficiency has improved significantly, with further reductions planned. Collaboration with customers like TSMC on renewable energy adoption and with SEMI on industry-wide sustainability efforts is ongoing. While costs are hard to quantify, they are part of ASML's substantial R&D investments. ESG metrics are now linked to 20% of executive long-term incentives. Overall, ASML has made considerable progress on its climate goals, with more work to be done in certain areas. The fiduciary manager will continue to monitor progress.
Raia Drogasil	The Global & International team had a meeting with Raia Drogasil regarding the progress on climate targets. Overall, the company is struggling on its Scope 1 and 2 targets and is unlikely to set a Scope 3 target in the next 12-18m. Lack of public policy around climate and general climate investment is also making the job harder and more expensive for the company, so the fiduciary manager should not benchmark them versus global peers. But more progress on Scope 1 and Scope 2 would help bring credibility to their climate ambitions. They also said that they are "reviewing" their targets (i.e. planning on cutting certain ones and being more specific on others) which will become apparent when they publish their 2023 sustainability report this year. Clearly, this is not a very helpful development, as the fiduciary manager does not want to see companies withdrawing commitments, however the company has guaranteed that Scope 1 and 2 targets will not be removed, and that it will provide information on plans for Scope 3. The fiduciary manager has agreed to engage with them again once this report is published.
Kingfisher	The Global & International team engaged with the Kingfisher on executive remuneration. Remuneration had been a point of contention for the CEO specifically, such as not agreeing with some of the conditions to meet his annual bonus and the fact that 50% of it is deferred. Given the resistance to build the shareholding requirements as a % of base (for which they are far below), it was implied there are some personal reasons for not meeting the conditions. The fiduciary manager fed back that it needs more information and up to date calculations to determine the pace of building that shareholding, especially considering if there is truly so much optimism on the trajectory of the business. The Chair was receptive to our feedback regarding needing better investment communication and better indication of through cycle growth and profitability.

Source: Schroders. Any reference to sectors/countries/stocks/securities are for illustrative purposes only and not a recommendation to buy or sell any financial instrument/securities or adopt any investment strategy.

4. The fiduciary manager's voting policies

As part of their oversight of the Scheme's assets, the Trustees asked the fiduciary manager to address the following questions regarding its voting policies.

Voting policy questions	**Fiduciary manager's response**
What is your policy on consulting with clients before voting?	The Schroders corporate governance analysts input votes based on their proprietary research in line with Schroders' house voting policy and do not take voting instruction from our clients. We report transparently on our voting decisions with rationales on our website.
Please provide an overview of your process for deciding how to vote.	As active owners, we recognise our responsibility to make considered use of voting rights. We therefore vote on all resolutions at all AGMs/EGMs globally unless we are restricted from doing so (e.g. as a result of share blocking). We aim to take a consistent approach to voting globally, subject to regulatory restrictions that is in line with our Proxy Voting Policy. The overriding principle governing our voting is to act in the best interests of our clients. Where proposals are not consistent with the interests of shareholders and our clients, we will vote against resolutions. We may abstain where mitigating circumstances apply, for example where a company has taken steps to address shareholder issues. We evaluate voting resolutions arising at our investee companies and, where we have the authority to do so, vote on them in line with our fiduciary responsibilities in what we deem to be the interests of our clients. Our Corporate Governance specialists assess each proposal. and consider a range of factors, including the circumstances of each company, long-term performance, governance, strategy and the local corporate governance code. Our specialists will draw on external research, such as that provided by Glass Lewis, the Investment Association's Institutional Voting Information Services and public reporting. Our own research is also integral to our process; this will be conducted by both our financial and Sustainable Investment analysts. For contentious issues, our Corporate Governance specialists consult with the relevant analysts and portfolio managers to seek their view and better understand the corporate context. We also engage with companies throughout the year via regular face-to-face meetings, written correspondence, emails, phone calls and discussions with company advisors and stakeholders. In 2023, we voted on approximately 7400 meetings and 95% of total resolutions, and instructed a vote against the board at over 52% of meetings. In Q4 2023 we switched vendor from ISS to Glass Lewis (GL) who act as our one service provider for the processing of all proxy votes in all markets. GL delivers vote processing through its Internet-based platform Proxy Exchange. Schroders receives recommendations from GL in line with our own bespoke guidelines, in addition, we receive ISS's Benchmark research. This is complemented with analysis by our in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers. GL automatically votes all our holdings of which we own less than 0.5% (voting rights) excluding merger, acquisition and shareholder resolutions. This ensures

	consistency in our voting decisions as well as creating a more formalised approach to our voting process.
How, if at all, have you made use of proxy voting services?	In Q4 2023 we switched vendor from ISS to Glass Lewis (GL) who act as our one service provider for the processing of all proxy votes in all markets. GL delivers vote processing through its Internet-based platform Proxy Exchange. Schroders receives recommendations from GL in line with our own bespoke guidelines, in addition, we receive GL's Benchmark research. This is complemented with analysis by our in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.
What process did you follow for determining the "most significant" votes?	We believe that all resolutions when we vote against the board's recommendations should be classified as a significant vote, for example, votes against the re-election of directors, on executive remuneration, on material changes to the business (such as capital structure or M&A), on climate matters and on other environmental or social issues may all be more or less significant to different client stakeholders.
Did any of your "most significant" votes breach the client's voting policy (where relevant)?	No
If 'Y' to the above. Please explain where this happened and the rationale for the action taken.	Not applicable
Are you currently affected by any of the following five conflicts, or any other conflicts, across any of your holdings? 1) The asset management firm overall has an apparent client-relationship conflict e.g. the manager provides significant products or services to a company in which they also have an equity or bond holding; 2) Senior staff at the asset management firm hold roles (e.g. as a member of the Board) at a company in which the asset management firm has equity or bond holdings; 3) The asset management firm's stewardship staff	Schroders accepts that conflicts of interest arise in the normal course of business. We have a documented Group wide policy, covering such occasions, to which all employees are expected to adhere, on which they receive training and which is reviewed annually. There are also supplementary local policies that apply the Group policy in a local context. More specifically, conflicts or perceived conflicts of interest can arise when voting on motions at company meetings which require further guidance on how they are handled. Schroders is responsible for monitoring and identifying situations that could give rise to a conflict of interest, including those that could give rise to a conflict of interest when voting at company meetings. Those responsible for monitoring and identifying situations that could give rise to a conflict of interest are responsible for informing the Corporate Governance team of any potential conflicts in accordance with Schroders Group Conflicts of Interest Policy. Where a potential conflict is identified with respect to a fund or client on whose behalf the Corporate Governance team is voting, or the company being voted on, we will typically follow the standard voting recommendations of Schroders proxy voting provider. Examples of conflicts of interest include (but are not limited to): – Where the company in question is a significant client, or part of the same group, as a significant client of Schroders; – Where the Schroders employee making the voting decision is a director of, significant shareholder of or has a position of influence at the company being voted on;

have a personal relationship with relevant individuals (e.g. on the Board or the company secretariat) at a company in which the firm has an equity or bond holding; 4) There is a situation where the interests of different clients diverge. An example of this could be a takeover, where one set of clients is exposed to the target and another set is exposed to the acquirer; 5) There are differences between the stewardship policies of managers and their clients.	– Where Schroders plc or an affiliate is a shareholder of the company being voted on; – Where there is a conflict of interest between one client and another; – Where a Schroders plc director or senior manager is a director of the company in question; – Where Schroders plc is the company being voted on. There may be scenarios where it is in the best interest of the client to override the recommendations of Schroders proxy voting provider. In such scenarios, Schroders will obtain approval for the decision from Schroders’ Head of Equities (or other relevant asset class), or his or her alternate, with the reason for such a vote being recorded in writing. Where a director of Schroders plc is also a director of an investee company, Schroders’ Global Head of Equities, or his or her alternate, will approve the voting recommendations for all resolutions at that investee company’s shareholder meetings with the reason for such a vote being recorded in writing. If the third-party recommendation is unavailable, we will vote as we see is in the interests of the fund. If however this vote is in a way that might benefit, or be perceived to benefit, Schroders’ interests, we will obtain approval and record the rationale in the same way as described above.
Please include here any additional comments which you believe are relevant to your voting activities or processes	Not applicable

Source: Schroders

Dated: 5 November 2024

Signed for and on behalf of the Trustees of the Scheme:

Jon Sharp Name (Print)

Signature

5 November 2024 Date

J A. WILD
.... Name (Print)

....

Signature

5 November 2024 Date