

Implementation Statement, covering the Scheme Year from 1 April 2024 to 31 March 2025 (the “Scheme Year”)

The Trustees of the Sharp Electronics (UK) Ltd Pension Scheme (the “Scheme”) are required to produce a yearly statement to set out how, and the extent to which, the Trustees have followed the voting and engagement policies in the Scheme’s 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, the 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 Trustees have 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 formally reviewed was February 2024.

The Trustees have, in their opinion, followed the Scheme’s voting and engagement policies during the Scheme Year, by continuing to delegate to their investment managers the exercise of rights and engagement activities in relation to investments.

2. Voting and engagement

The Trustees have delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. However, the Trustees take 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 Trustees have discussed and agreed stewardship priorities for the Scheme which are: Climate Change; Corporate Transparency; and Business Ethics. These priorities were selected because they are key market-wide risks and areas where the Trustees believe that good stewardship and engagement can improve long-term financial outcomes for the Scheme’s members. The Trustees communicated these priorities to their managers in April 2023.

The Trustees have set a Net Zero Ambition to help mitigate climate risk. They aim to align the Scheme’s assets with net zero greenhouse gas emissions by 2050 through selecting managers, and investing in funds, with credible net zero targets.

In December 2024, the Trustees assessed their investment managers’ responsible investment (“RI”) practices, based on LCP ratings following managers’ responses to LCP’s 2024 RI survey. The ratings were against the managers’ approaches to: ESG foundations; net zero; engagement; and systemic stewardship.

Following the RI assessment, the Trustees engaged with the Scheme’s investment managers by writing to express the Trustees’ expectations in areas for improvement. The Trustees requested that the managers share their plans for such improvements, to which all investment managers responded. The Trustees were satisfied with the managers’ responses and no further action was taken.

The Trustees are 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 Trustees aim to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

As stated in the SIP, the Trustees seek to appoint managers that have strong stewardship policies and processes. The Trustees receive quarterly updates on ESG and Stewardship from their investment adviser.

3. Description of voting behaviour during the Scheme Year

The Trustees have delegated to their investment managers the exercise of voting rights. Therefore, the Trustees are not able to direct how votes are exercised, and the Trustees themselves have not used proxy voting services over the Scheme year.

The Scheme's investment managers have confirmed that they did not hold any securities that had voting opportunities over the period covering 1 April 2024 to 31 March 2025. This is expected, given the scheme did not hold any listed equities over the Scheme Year (following the full redemption of the Scheme's equity holdings in January 2024). Descriptions of the Scheme's managers' voting processes, summary of voting behaviour and significant votes are therefore not reported.