

THE PILKINGTON SUPERANNUATION SCHEME

Implementation Statement for year 31 December 2024

1) Overview

This document is the Annual Implementation Statement (the "statement") prepared by the Trustee of the Pilkington Superannuation Scheme (the "Scheme") covering the Scheme year to 31 December 2024.

The purpose of this statement is to:

- set out the extent to which, in the opinion of the Trustee, the engagement policy under the Scheme's Statement of Investment Principles ("SIP") has been followed during the year
- describe the voting behaviour by, or on behalf of, the Trustee over the year.

A copy of this statement will be made available on the following website alongside the most recent SIP, which was formally adopted by the Trustee in September 2023. The SIP was later reviewed in June 2024 in accordance with the Trustee's policy of reviewing the SIP on an annual basis although no changes were made.

<https://www.pilkington.com/en-gb/pilkington-superannuation-scheme/key-documents>

2) Adherence to the Trustee's engagement and voting policies

The Trustee has agreed a funding plan with the Company and developed a consistent de-risking investment strategy. The Scheme has achieved full funding on the Technical Provisions basis (gilts + 0.5% pa) and no recovery plan is needed at the present time. The Trustee and the Company have also agreed a Secondary Funding Target (achieving a funding ratio of 100% on a gilts flat basis) with the intention to achieve this within the period of 2021-2026. As at 31 December 2024, this funding target has been reached with a funding level in excess of 100% attained on the gilts flat basis.

The investment policy is structured to support this objective. The Trustee maintains a diversified allocation portfolio with 5 components; Equity, Alternative Beta, high-quality long-term Credit, Illiquids and LDI (Liability Driven Investments).

The Trustee believes that the Scheme's assets have been invested in line with these objectives over the year.

Engagement policy

The Trustee's policies in relation to engagement are set out in the SIP and are as follows:

- The selection, retention and realisation of the Scheme's underlying investments will, where applicable, be delegated to the Investment Managers, this includes relevant matters including capital structure of investee companies, actual and potential conflicts, other stakeholders and ESG impact of underlying holdings. Matters of corporate governance in general, and voting in particular, are integral parts of that delegation.
- The Trustee encourages the Investment Managers to (where practical) vote on all resolutions at annual or extraordinary general meetings of companies in which the Scheme invests. Investment Managers should exercise any voting power with the objective of preserving and enhancing long-

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term shareholder value. The Trustee accepts that, in general, Investment Managers may often choose to support and vote with incumbent company management; therefore "exception reporting" is expected.

- The Trustee has asked Investment Managers to report exceptions to the Stewardship Code. The Stewardship Code should be followed in so far as it is possible to do so without restricting the investment decisions being taken. Significant shareholder action other than voting against incumbent management (for example, the acceptance of a hostile take-over bid) should also be reported. An immediate report to the Trustee may be appropriate where an issue is particularly contentious or topical.

In September 2021, the Trustee carried out a Sustainable Investment beliefs exercise which aimed to better understand the Trustee's views on the significance of ESG factors, including climate, in investment. These beliefs are due to be reviewed during 2025.

In September 2023 the SIP was updated to include the Trustee's stewardship priorities that were identified during the beliefs exercise. These priorities are set out in the next section.

The Trustee conducts formal reviews of the Scheme's Investment Managers at least annually to ensure that their investment approach is robust, long-term focussed and sustainable – the last such review took place in November 2024. The Trustee informs Investment Managers of the Trustee's Stewardship and Engagement policy when they are first appointed and provides updates to them as required.

A periodic Sustainable Investment report is produced by the Investment Consultant and enables the Trustee to monitor the Investment Managers' considerations of ESG factors and stewardship. The last such report was delivered in November 2024. Should the Trustee's monitoring process reveal that a manager's portfolio is not aligned with the Trustee's policies, the Trustee will engage with the manager further to encourage alignment.

Through its monitoring processes, the Trustee has not identified any significant non-adherence to the policies outlined in the SIP, and therefore no remedial actions have been required in the year.

Stewardship priorities

The Trustee has selected two stewardship priorities against which they will assess the voting and engagement activities relating to their investments. The Trustee aims to understand and review all voting activity undertaken on its behalf; however, it is felt that focusing on these areas in greater detail is consistent with the Trustee's beliefs and ensures Scheme resources are used in the most effective and efficient way possible. These priorities are:

- 1.1 Climate change action which would support sustainable investment outcomes over the longer term.
- 1.2 Board effectiveness through instilling an ethical culture considering both human capital and human rights.

Whilst these priorities have been identified, the Trustee reiterates that its primary duty is to pay member benefits as they fall due.

3) Voting information and portfolio turnover

Voting is delegated to the Scheme's investment managers, in particular to LGIM who manage the equity and listed infrastructure mandates. Voting data has been provided below for all applicable funds that were held at some point during the Scheme year, including those that have since been terminated.

The Scheme's investment managers have their own voting policies which determine their approach to voting, and the principles they follow when voting on investors' behalf. The Scheme's investment

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managers also use voting proxy advisors which aid in their decision-making when voting. Details are summarised in the table below:

Manager	Use or proxy advisor services:
LGIM	LGIM's Investment Stewardship team uses Institutional Shareholder Services' (ISS) 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, they have put in place a custom voting policy with specific voting instructions.

The below table sets out the voting activity of the Scheme's equity investment managers, on behalf of the Trustee, over the year (unless stated otherwise):

Fund	Voting activity
LGIM - MSCI ACWI Adaptive Cap with ESG Index Fund	<p>Number of meetings at which the manager was eligible to vote: 3,106</p> <p>Number of resolutions on which manager was eligible to vote: 35,924</p> <p>Percentage of eligible votes cast: 99.66%</p> <p>Percentage of votes with management: 78.39%</p> <p>Percentage of votes against management: 20.21%</p> <p>Percentage of votes abstained from: 1.39%</p> <p>Percentage of meetings voted at least once against management: 68.70%</p> <p>Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 13.78%</p>
LGIM – Infrastructure Equity MFG Fund -GBP Currency Hedged	<p>Number of meetings at which the manager was eligible to vote: 94</p> <p>Number of resolutions on which manager was eligible to vote: 1,174</p> <p>Percentage of eligible votes cast: 98.55%</p> <p>Percentage of votes with management: 72.60%</p> <p>Percentage of votes against management: 26.53%</p> <p>Percentage of votes abstained from: 0.86%</p> <p>Percentage of meetings voted at least once against management: 89.36%</p> <p>Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 22.56%</p>

Totals may not sum due to rounding.

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The following table outlines how the investment managers define significant votes and details on significant votes cast by the Scheme's investment managers on the Trustee's behalf over the Scheme year.

Manager	Definition of significant vote	Most significant votes cast
LGIM	<p>In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:</p> <ul style="list-style-type: none"> • High profile vote which has such a degree of controversy that there is high client and/or public scrutiny; • Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote; • Sanction vote as a result of a direct or collaborative engagement; • Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes. 	<p>Target Corporation</p> <p>Date: 12 June 2024</p> <p>% of Fund: 0.2% (MSCI ACWI Adaptive Cap with ESG Index Fund)</p> <p>Proposal: Establish a Company Compensation Policy of Paying a Living Wage</p> <p>Instruction: For</p> <p>Rationale: LGIM state a vote in favour is applied as they would encourage the company to establish a compensation policy that ensures employees earn a living wage. LGIM note that paying a living wage may reduce the potential negative financial impacts that stem from low worker morale, poor health, absenteeism, presenteeism, high staff turnover etc.</p> <p>Broadcom Inc.</p> <p>Date: 22 April 2024</p> <p>% of Fund: 0.3% (MSCI ACWI Adaptive Cap with ESG Index Fund)</p> <p>Proposal: Elect Director Henry Samueli</p> <p>Instruction: Against</p> <p>Rationale: LGIM state that a vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management.</p> <p>National Grid Plc</p> <p>Date: 10 July 2024</p> <p>% of Fund: 3.0% (Infrastructure Equity MFG Fund)</p> <p>Proposal: Approve Climate Transition Plan</p> <p>Instruction: For</p>

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		Rationale: LGIM is voting in favour of the National Grid Climate Transition plan. They state that they commend the company's efforts in committing to net-zero emissions across all scopes by 2050 and setting 1.5C-aligned near term science-based targets. They also appreciate the clarity provided in the 'Delivering for 2035 report' and look forward to seeing the results of National Grid's engagement with SBTi regarding the decarbonisation of heating.
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The following table outlines the level of turnover for each of the Scheme's investments where data is available. Managers were asked to provide this information for the 12 months to 31 December 2024 using the SEC's preferred methodology (Lesser of: the value of purchases or the value of sales /Average annual market value).

The Trustee has reviewed this information and overall is comfortable that the level of turnover is in line the expected ranges for the relevant asset classes and there are no significant deviations.

Fund	Portfolio Turnover 2024
LGIM – MSCI ACWI Adaptive Cap with ESG Equity Fund*	26.1%
LGIM – Infrastructure Equity MFG Fund - GBP Currency Hedged*	26.6%
Insight Liability Driven Investment Portfolio	0.4%
AXA Buy & Maintain Credit Portfolio	2.3%
Aviva Lime Property Fund	5.6%
Alpha Real Index Linked Income Fund	0.0%

*LGIM data is reported for the period 01/10/2023 – 30/09/2024.

4) Summary

The Trustee believes that the Scheme's engagement and voting policies, as outlined in the SIP, have been adhered to over the Scheme year.

Following monitoring of the Scheme's investment manager over the year, and reviewing the voting information outlined in this statement, the Trustee is satisfied the Scheme's investment managers are acting in the best interest of the Scheme's members and are effective stewards of the Scheme's assets.

The Trustee will continue to monitor the investment managers' stewardship practices on an ongoing basis.