

# FRED. OLSEN LIMITED PENSION FUND

## APPENDIX:

### ANNUAL ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (forming part of the Trustees' Report)

#### Introduction

This statement sets out how the engagement policy in the Statement of Investment Principles ("SIP") produced by the Trustees has been followed during the period to March 2025 and subsequently. This statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and the guidance published by the Pensions Regulator

#### Investment Objective of the Scheme

The Objective of the Scheme is to pay in full the pensions of members. Investments are held with Schroders Investment Management Limited and are diversified but take into account ESG, Stewardship and Climate Change considerations. The Trustees hold their funds in pooled mandates and the equity funds they invest in are the Schroders US Large Cap Fund, Schroders Prime UK Equity Fund, Schroders Europe Fund, Schroders Japan Opportunities Fund, Schroders Institutional Pacific Fund, and historically the Schroders Diversified Growth Fund. They also hold a range of gilt, index-linked gilt, corporate bond funds and Securitised Income funds.

#### Policy on ESG, Stewardship and Climate Change

The Scheme's SIP includes the Trustees' policy on Environmental, Social and Governance ("ESG factors") Stewardship and Climate Change. This policy takes into account the processes followed by the Trustees in relation to ESG, Stewardship and Climate Change. The Trustees keep their policies under regular review with the SIP last subject to review in June 2024. Since 31 March 2025 the Fund's SIP has been updated to reflect further de-risking undertaken in Q2 2025.

The following work was undertaken during the period relating to the Trustees' policies on ESG, Stewardship and Climate Change and sets out how the Trustees' engagement policies were followed and implemented:

- The Trustees have requested that the investment manager confirm compliance with the principles of the UK Stewardship Code. The manager has confirmed that they are signatories to the current UK Stewardship Code.
- The manager's investment performance report is reviewed by the Trustees on a regular basis. The investment adviser of the Scheme has provided their views of funds invested in by the Scheme in respect of ESG
- The investment manager has provided evidence of their commitment to ESG and good stewardship
- Responsibility for voting at shareholder meetings lies with the investment manager. The investment manager has provided the Trustees with a voting summary report. This report is monitored by the Trustees. Following new guidance from the department for Work and Pensions (DWP), the Trustees are required to define a 'significant vote' to guide the inclusions in this Implementation Statement. The Trustees have decided to measure significance by holding size in the Fund's overall portfolio. Specifically, this is defined as:

The Trustees define a significant vote as a vote in relation to one of the largest ten exposures for the Fund at Fund year end, in which the investment manager has cast a vote against the recommendation of management, and that aligns with the Trustees' key priority themes of:

- Climate Change: including low-carbon transition and physical damages resilience,
- Human Rights: including modern slavery, pay & safety in the workforce and supply chains; and,
- Diversity, Equity and Inclusion: including inclusive & diverse decision-making.

Schroders' engagement with companies is ongoing, and a vote against management is one of the steps on their escalation path. Whilst each vote/company engagement path is different, a proposal that they have voted against being passed would not be the end of their engagement journey. Should the situation not improve, the most extreme measure Schroders may take would be a partial or full divestment

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Please see the summary statistics below of the engagement statistics for the relevant funds that the Scheme is invested in:

#### Schroder UK Equity

43 meetings eligible to vote at  
918 total proposals eligible to vote on  
100% of eligible votes were cast  
99% of votes were with management recommendations  
1% of votes were against management recommendations  
0% of vote was abstained from  
In 19% of meetings at least one vote was cast against management

#### Schroder US Equity

43 meetings eligible to vote at  
702 total proposals eligible to vote on  
98% of eligible votes were cast  
80% of votes were with management recommendations  
20% of votes were against management recommendations  
0% of vote was abstained from  
In 88% of meetings at least one vote was cast against management

#### Schroder Institutional Pacific Fund

39 meetings eligible to vote at  
345 total proposals eligible to vote on  
100% of eligible votes were cast  
92% of votes were with management recommendations  
8% of votes were against management recommendations  
0% of vote was abstained from  
In 41% of meetings at least one vote was cast against management

#### Schroder Japanese Opportunities

103 meetings eligible to vote at  
1132 total proposals eligible to vote on  
100% of eligible votes were cast  
92% of votes were with management recommendations  
8% of votes were against management recommendations  
0% of vote was abstained from  
In 38% of meetings at least one vote was cast against management

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According to the above definition, there were no significant votes in the Schroders European Equity Fund, the Schroders Japan Equity Fund, the Schroders Institutional Pacific Equity Fund, or the Schroders DGF. The significant votes along with the manager's rationale in order of significance (as measured by holding size), are:

<b>Company</b>	<b>Alphabet Inc.</b>
<b>Holding Size</b>	0.33% of Fred. Olsen Limited Pension Fund holdings
<b>Fund</b>	US Equity
<b>Item</b>	Shareholder Proposal Regarding Report on Portfolio Risk in Employee Retirement Options
<b>Date</b>	6 July 2024
<b>Vote</b>	For the shareholder resolution.
<b>Rationale</b>	Schroders believes shareholders would benefit from a better understanding of how the company manages climate-related risks in its retirement plans and what measures it's taking to mitigate impact and protect the plan's beneficiaries. Schroders believes that how it has voted is in the best financial interest of its clients' investments.
<b>Significance</b>	The climate related nature of this vote aligns with the Trustees' key priority theme of "Climate Change".
<b>Outcome</b>	The shareholder resolution failed.

<b>Company</b>	<b>Alphabet Inc.</b>
<b>Holding Size</b>	0.33% of Fred. Olsen Limited Pension Fund holdings
<b>Fund</b>	US Equity
<b>Item</b>	Shareholder Proposal Regarding Human Rights Impact Assessment of AI-Driven Targeted Advertising
<b>Date</b>	6 July 2024
<b>Vote</b>	For the shareholder resolution.
<b>Rationale</b>	Given the global influence of the company Schroders believes that the company should be held to the highest standards in regards to how it manages human rights across all parts of its business. A third-party assessment of this issue would help the company to identify gaps in its policies and processes which could be leaving the company open to financial and reputational risks. Schroders believes that how it has voted is in the best financial interest of its clients' investments.
<b>Significance</b>	The human rights-related nature of this vote aligns with the Trustees' key priority theme of "Human Rights".
<b>Outcome</b>	The shareholder resolution failed.

<b>Company</b>	<b>Alphabet Inc.</b>
<b>Holding Size</b>	0.33% of Fred. Olsen Limited Pension Fund holdings
<b>Fund</b>	US Equity
<b>Item</b>	Shareholder Proposal Regarding Human Rights Impact Assessment of AI-Driven Targeted Advertising
<b>Date</b>	6 July 2024
<b>Vote</b>	For the shareholder resolution.
<b>Rationale</b>	Support for this proposal is warranted. Given the company's scale and global influence, we believe that the company should adopt targets, disclosed publicly, for improving child safety and reduction of child safety incidents on its platforms. The report should also provide a formulaic way of measuring risks to child safety on its platforms. We believe how we have voted is in the best financial interests of our clients' investments.
<b>Significance</b>	The human rights-related nature of this vote aligns with the Trustees' key priority theme of "Human Rights".
<b>Outcome</b>	The shareholder resolution failed.

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<b>Company</b>	<b>Meta Platform</b>
<b>Holding Size</b>	0.31% of Fred. Olsen Limited Pension Fund holdings
<b>Fund</b>	US Equity
<b>Item</b>	Shareholder Proposal Regarding Report on Human Rights Risks in Non-U.S. Markets
<b>Date</b>	29 May 2024
<b>Vote</b>	For the shareholder resolution.
<b>Rationale</b>	Whilst Schroders acknowledges the company's efforts to address human rights risks, further disclosure on how the company is managing human rights risks in its five largest non-US markets would be beneficial to shareholders. Schroders believes how it has voted is in the best financial interests of its clients' investments.
<b>Significance</b>	The Human Rights-related nature of this vote aligns with the Trustees' key priority theme of "Human Rights".
<b>Outcome</b>	The shareholder resolution failed.

<b>Company</b>	<b>Meta Platform</b>
<b>Holding Size</b>	0.31% of Fred. Olsen Limited Pension Fund holdings
<b>Fund</b>	US Equity
<b>Item</b>	Shareholder Proposal Regarding Lobbying Activity Alignment with Net Zero Emissions Commitment
<b>Date</b>	29 May 2024
<b>Vote</b>	For the shareholder resolution.
<b>Rationale</b>	Support for this proposal is warranted as shareholders would benefit from understanding how the company's lobbying activities are aligned to the company's net zero commitment. We believe how we have voted is in the best financial interests of our clients' investments.
<b>Significance</b>	The environmental nature of this vote aligns with the Trustees' key priority theme of "Climate Change".
<b>Outcome</b>	The shareholder resolution failed.

<b>Company</b>	<b>Meta Platform</b>
<b>Holding Size</b>	0.31% of Fred. Olsen Limited Pension Fund holdings
<b>Fund</b>	US Equity
<b>Item</b>	Shareholder Proposal Regarding Human Rights Impact Assessment of AI Used in Targeted Advertising
<b>Date</b>	29 May 2024
<b>Vote</b>	For the shareholder resolution.
<b>Rationale</b>	Support for this proposal is warranted because the company's use of AI to direct its targeted advertising could result in unforeseen human rights risks. By conducting a third-party HRIA assessment the company will be better placed to mitigate and address such risks. We believe how we have voted is in the best financial interests of our clients' investments.
<b>Significance</b>	The Human Rights-related nature of this vote aligns with the Trustees' key priority theme of "Human Rights".
<b>Outcome</b>	The shareholder resolution failed.