

MASSEY FERGUSON WORKS PENSION SCHEME

IMPLEMENTATION STATEMENT (forming part of the Trustee's Report)

YEAR ENDED 30 SEPTEMBER 2024

Implementation Statement – The Massey Ferguson Works Pension Scheme

The Trustee of the Massey Ferguson Works Pension Scheme has prepared this Implementation Statement in compliance with the governance standards introduced under the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. Its purpose is to demonstrate how the Scheme has followed the policy on voting, stewardship and engagement as set out in the Scheme's Statement of Investment Principles, dated 30 June 2023 and 4 June 2024. This statement covers the period from 1 October 2023 to 30 September 2024.

The Trustee of the Massey Ferguson Works Pension Scheme has followed its Statement of Investment Principles ('SIP') approach to voting and engagement over the year to 30 September 2024 and expects this to have positively contributed to the Scheme's performance. The Trustee considers its policy through the year to be appropriate.

The relevant sections of the SIP dated 4 June 2024 are:

Financially material considerations, including environmental, social and corporate governance ('ESG') considerations and responsible ownership

The Trustee believes that investors who are responsible owners, and who engage, support better outcomes for the companies they invest in and ultimately enhance their investments by using their rights as shareholders influencing more sustainable corporate strategies, performance, risk management, capital structure, tax transparency and corporate governance, including culture, diversity and remuneration, potential conflicts of interest and social and environmental impact. Engagement is purposeful dialogue with companies on these matters as well as on issues that are the immediate subject of votes at general meetings.

More specifically:

- Where an investment manager or fund is being considered for appointment or investment, the Trustee will have regard to that manager or fund's policies on financially material considerations¹, so far as is relevant to its mandate, when deciding whether they should be selected. The Trustee also monitors how investment managers and funds take account of financially material considerations as part of their investment process, so far as relevant to their mandate.
- As part of the initial due diligence, it is expected that the investment adviser will consider the general management style and ESG credentials of fund managers and pooled funds, where relevant to their mandates. This should include their engagement with underlying issuers of debt or equity, as well as portfolio turnover, where relevant. It is expected that this activity will be repeated regularly and will be reported back to the Trustee, together with assessments on the ESG momentum of the fund manager or pooled fund.

Arrangements with fund managers and pooled funds

- The Trustee expects its rights as an investor to be exercised by the investment managers appointed by it or by the funds in which it invests. These managers are better positioned to drive engagement initiatives, directly interacting with the companies in their portfolios and exercising voting rights and acting alongside other investors, investment managers and stakeholders where appropriate.
- The Trustee requires investment managers to report on their stewardship policies, proxy voting and engagement initiatives as part of their initial assessment and on-going monitoring, so far as relevant for their mandate.

¹ "Financially material considerations" includes (but is not limited to) environmental, social and governance considerations (including but not limited to climate change), which the Trustee considers financially material.

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Role of the Investment Adviser

The Trustee has appointed an investment adviser, the Atlanta Consulting Group ("ACG"), to advise in relation to the Scheme's assets. ACG's service to the Trustee during the year included the following:

- Providing information regarding stewardship, ESG and voting policies in Trustee meeting papers, as part of a semi-annual Fund Manager review.
- Providing proxy voting information as part of Fund Manager review material.
- Monitoring changes in Fund Manager stewardship, ESG and voting policies, to identify trends, and discussing any changes with managers.
- Arranging an independent ESG screening service based on environment (controversy), energy and climate, human rights and labour rights factors.
- Obtaining information about the ESG and stewardship approach of potential new Fund Managers.

Role of the Trustee

The Trustee's actions during the year included:

- Considering the reports and proxy voting information provided by ACG.
- Receiving a presentation on ACG's stewardship, ESG and voting reviews and policies, and on developments in ESG and stewardship policy at PIMCO.
- Considering information provided by the independent ESG screening service. Ratings are attributed to these ESG criteria and Trustee action is taken according to ratings which are a concern. No securities were in violation during the period.
- Taking account of potential new Fund Managers' policies on financially material considerations, including ESG, climate change and stewardship matters, when selecting new providers.

Role of the Fund Managers

The Trustee expects its rights as an investor to be exercised by the Fund Managers appointed by it or by the funds in which it invests. The Trustee also expects these Fund Managers to engage with the underlying issuers of debt or equity in their portfolios.

The following Fund Managers were in the portfolio as of 30 September 2024. We have listed the managers and pooled funds we have considered below. The Trustee requested voting information from all of these managers:

| Asset class | Structure: | Fund / portfolio name | Allocation ² |
|----------------------|-------------------------------|-----------------------------------|-------------------------|
| Equities | Segregated equity derivatives | PIMCO Stocks Plus | 4% |
| Bonds – Fixed Income | Segregated | PIMCO Bespoke LDI | 85% |
| Bonds – Fixed Income | Pooled Investment Vehicle | PIMCO Diversified Income – Hedged | 6% |
| Hedge Funds | Pooled Investment Vehicle | Ironwood | 3% |
| Hedge Funds | Pooled Investment Vehicle | Magnitude | 3% |

² The allocation includes cash, cash alternatives and income holdings for each Fund Manager

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We have not included Fund Managers who were terminated during the accounting year, nor have we included direct investment allocations which are less than 1% of total Scheme holdings. The Scheme is invested across a range of asset classes which carry different ownership rights.

85% of the Scheme's holdings at the end of the year are with the PIMCO Bespoke LDI Fund where the manager has full discretion within guidelines to invest in equity, fixed income and related securities relative to the PIMCO LDI Index, however, over the period the manager did not hold any assets with voting rights attached.

6% of Scheme assets are held in the PIMCO Diversified Income Fund which is a pooled investment vehicle and the assets are pooled with those of other investors. The voting entitlements lie with PIMCO. Further information on how the manager voted can be found in the publicly disclosed Form N-PX which is posted on the SEC's Edgar system in the following link:

https://www.sec.gov/Archives/edgar/data/810893/000081089324003647/xsINPX-INFO-TABLE_X01/ProxyVotingTable.xml (Series ID S000009714)

4% of the Scheme's total equity holdings are managed by PIMCO Europe Limited, which manages the PIMCO Stocks Plus Fund. The managers are expected to exercise voting rights for the Trustee but since this fund uses equity derivatives, these derivatives do not have voting rights.

The hedge fund holdings are with Ironwood and Magnitude. These are fund of funds arrangements which currently represent 3% each of the Scheme's assets. In all situations voting rights and engagement are exercised or carried out by the managers of the underlying funds. The Trustee has not been provided with details of these activities for the underlying funds as the information is not available to the General Partner or Limited Partner of the Fund of Hedge Fund.

The Appendix to this statement sets out further information on Fund Managers' voting policies, including information about use of proxy voting services. The Trustee considers this is consistent with the policies in the SIP.

Voting behaviour - general

The tables below set out the voting activities of the Scheme's most significant Fund Managers over the year, including details of the use of proxy voting.

Bond managers / funds

| Manager and strategy | Portfolio structure | Voting activity |
|---|----------------------------|---|
| PIMCO Diversified Income Fund 6% of assets | Pooled fixed income fund | The Trustee asked the manager for detailed voting statistics, but PIMCO only provided the following link: https://www.sec.gov/Archives/edgar/data/810893/000081089324003647/xsINPX-INFO-TABLE_X01/ProxyVotingTable.xml (Series ID S000009714) This is the voting behavior of PIMCO Diversified Income from their publicly disclosed Form N-PX posted on the SEC's Edgar System |

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Details of most significant votes cast

The following is based on the responses of those managers who have reported on the most significant votes cast within the funds managed on behalf of the Scheme. The Trustee use 'voting against management' to define significant votes cast.

| Most significant votes cast | Manager / fund |
|--|---|
| <p><u>McDermott International, Ltd – 12/15/2023</u></p> <p>Resolution & Summary: Approve Ernst & Young LLP auditors and authorize board to fix their remuneration</p> <p>How the manager voted: Against</p> <p>Rationale for being considered a significant vote: Voting against management</p> <p>Outcome of the vote: The proposal was approved</p> | <p>PIMCO Diversified Income – Hedged</p> |
| <p><u>Sunac Services Holdings Limited – 5/21/2024</u></p> <p>Resolution & Summary: Approve issuance of equity or equity-linked securities without preemptive rights</p> <p>How the manager voted: Against</p> <p>Rationale for being considered a significant vote: Voting against management</p> <p>Outcome of the vote: The proposal was approved</p> | <p>PIMCO Diversified Income – Hedged</p> |
| <p><u>Sunac Services Holdings Limited – 5/21/2024</u></p> <p>Resolution & Summary: Authorize reissuance of repurchased shares</p> <p>How the manager voted: Against</p> <p>Rationale for being considered a significant vote: Voting against management</p> <p>Outcome of the vote: The proposal was approved</p> | <p>PIMCO Diversified Income – Hedged</p> |
| <p><u>Caesars Entertainment, Inc. – 6/11/2024</u></p> <p>Resolution & Summary: Approve the Caesars Entertainment, Inc. second amended and restated 2015 equity incentive plan</p> <p>How the manager voted: Against</p> <p>Rationale for being considered a significant vote: Voting against management</p> <p>Outcome of the vote: The proposal was approved</p> | <p>PIMCO Diversified Income – Hedged</p> |
| <p><u>Urbi Desarrollos Urbanos Sab De Cv – 4/29/2024</u></p> <p>Resolution & Summary: Elect or ratify members, chairman, secretary and deputy secretary of board; verify independence classification of board members</p> | <p>PIMCO Diversified Income – Hedged</p> |

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| | |
|--|--|
| <p>How the manager voted: Against</p> <p>Rationale for being considered a significant vote: Voting against management</p> <p>Outcome of the vote: The proposal was approved</p> | |
|--|--|

Voting is not relevant for the majority of the Scheme portfolio due to de minimis direct equity holdings. PIMCO Stocks Plus obtains equity exposure through the use of derivatives.

Appendix – Manager voting policies (excludes hedge fund managers)

PIMCO Global Investor Series - Diversified Income

Policy on consulting clients:

As a general matter, PIMCO will adhere to its fiduciary obligations for any proxies it has the authority to vote on behalf of its clients.

Fixed Income Securities. Fixed income securities can be processed as proxy ballots or corporate action-consents³ at the discretion of the issuer/ custodian. When processed as proxy ballots, the ISP (Industry Service Provider) generally does not provide a voting recommendation and their role is limited to election processing and recordkeeping. In such instances, any elections would follow the standard process for Equity Securities.

When processed as corporate action-consents, the Legal and Compliance department will review all election forms to determine whether an actual or potential conflict of interest exists with respect to the Portfolio Manager's consent election.

Process for deciding how to vote:

PIMCO's Credit Research and Portfolio Management Groups are responsible for issuing recommendations on how to vote proxy ballots and corporation action-consents with respect to fixed income securities.

Use of proxy voting services:

Each proxy is voted on a case-by-case basis, taking into account relevant facts and circumstances. When considering client proxies⁴, PIMCO may determine not to vote a proxy in limited circumstances. All votes are taken by PIMCO but proxy services are used to execute the vote.

PIMCO has retained an Industry Service Provider ("ISP") to provide research and voting recommendations for proxies relating to Equity Securities in accordance with the ISP's guidelines.

³ Voting or consent rights shall not include matters which are primarily decisions to buy or sell investments, such as tender offers, exchange offers, conversions, put options, redemptions, and Dutch auctions.

⁴ Proxies generally describe corporate action consent rights (relative to fixed income securities) and proxy voting ballots (relative to fixed income or equity securities) as determined by the issuer or custodian.

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PIMCO Europe Limited – Stocks Plus Fund

Policy on consulting clients:

PIMCO does not consult with clients prior to voting. The Portfolio Management (PM) function is responsible for monitoring and providing direction on voting and consent events where PIMCO has been granted discretionary authority to vote by Clients.

Process for deciding how to vote:

PIMCO has adopted policies and procedures that seek to ensure that proxy voting and consent rights are exercised in the client's best interests and to manage potential conflicts of interest that may arise. PIMCO may vote proxies at its discretion and in accordance with these policies and procedures when it has been granted the authority by the client to act on their behalf.

Use of proxy voting services:

PIMCO has retained Institutional Shareholder Services, LLP ("ISS") which provides recommendations as to how to vote proxies and to cast votes as PIMCO's agent on behalf of clients in accordance with its recommendations, unless otherwise instructed by PIMCO. PIMCO has adopted the use of the ISP's standard voting policies as appropriate and considers each proxy as consistent with PIMCO's fiduciary obligation.

PIMCO Europe Limited – Bespoke LDI Fund

Policy on consulting clients:

PIMCO does not consult with clients prior to voting. The Portfolio Management (PM) function is responsible for monitoring and providing direction on voting and consent events where PIMCO has been granted discretionary authority to vote by Clients.

Process for deciding how to vote:

PIMCO has adopted policies and procedures that seek to ensure that proxy voting and consent rights are exercised in the client's best interests and to manage potential conflicts of interest that may arise. PIMCO may vote proxies at its discretion and in accordance with these policies and procedures when it has been granted the authority by the client to act on their behalf.

Use of proxy voting services:

PIMCO has retained Institutional Shareholder Services, LLP ("ISS") which provides recommendations as to how to vote proxies and to cast votes as PIMCO's agent on behalf of clients in accordance with its recommendations, unless otherwise instructed by PIMCO. PIMCO has adopted the use of the ISP's standard voting policies as appropriate and considers each proxy as consistent with PIMCO's fiduciary obligation.