

## **Annual Implementation Statement – year ending 31 December 2024**

### **Iron Trades Insurance Staff Trust**

#### **Introduction and purpose to this statement**

This document is the Annual Implementation Statement (“the statement”) prepared by the Trustees of the Iron Trades Insurance Staff Trust (the “Trust”) covering the Scheme Year to 31 December 2024.

The purpose of this statement is to:

- set out how, and the extent to which, the voting and engagement processes set out within the Trust’s Statement of Investment Principles (“SIP”) have been followed during the year,
- describe any review of the SIP undertaken during the year and any other review of how the SIP has been met,
- explain any change made to the SIP during the year and the reason for the change,
- give the date of the last review of the SIP, and
- describe the voting behaviour by, or on behalf of, the Trustees over the year.

The SIP is a document which outlines the Trustees’ policies with respect to various aspects related to investing and managing the Trust’s assets including but not limited to investment managers, portfolio construction and risks.

The latest version of the SIP can be found online here:

<https://v3.aptiaoneview.co.uk/IRONTRADES/pensions>

A copy of this implementation statement will also be made available on this website.

#### **Review of the SIP and changes made during the Trust year**

The SIP linked above reflects the latest version of the SIP which is dated 12 June 2024 and was formally adopted by the Trustees after consultation with the Company.

The SIP has been reviewed and no changes have been made since 12 June 2024, where it was updated to reduce the risk in the Scheme by refining the Trust’s defensive asset portfolio to provide an improved level of hedging.

## **Trustees' voting and engagement policy**

The Trustees' policies on voting and engagement, as stated in the SIP, are as follows:

- “When considering the appointment of new managers, and reviewing existing managers, the Trustees, together with their investment consultant, look to take account of the approach taken by managers with respect to sustainable investing including voting policies and engagement where relevant.”
- “The Trustees' policy is to delegate responsibility for the exercising of ownership rights (including voting rights) attaching to investments to the investment managers. The Trustees recognise the UK Stewardship Code as best practice and encourage their investment managers to comply with the UK Stewardship Code or explain where they do not adhere to this policy. This policy should apply with respect to relevant matters including capital structure of investee companies, actual and potential conflicts, other stakeholders and the environmental, social and governance (ESG) impact of underlying holdings.”
- “The Trustees invest in pooled funds and so the Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers. Although the Trustees have no voting rights, they have reviewed the manager's corporate governance policies. The Trustees receive regular reports on how the manager has voted.”

## **Implementation of the Trustees' policies over the year**

### Votes made and most significant votes

Voting information on the Trust's bond funds is not provided since these assets do not come with voting rights.

The pooled funds with voting rights are managed by State Street Global Advisors (SSGA) and responsibility for exercising this right is delegated to them. Details of voting information can be found in Appendix 1.

### Voting policies

An extract from State Street's voting policy is included in Appendix 2.

Over the year the Trustees have received and reviewed monthly investment reports from State Street which include a summary of the meetings voted at, and votes cast for and against.

### UK Stewardship code

The investment manager is signed up to the UK FRC Stewardship Code and the latest stewardship report can be found here:

<https://www.ssga.com/international/en/institutional/ic/capabilities/esg/asset-stewardship>

### **Investment and Manager reviews**

The Trustees met 3 times during the year to discuss the investments of the Trust. At each meeting the latest quarterly investment reports were considered, including performance against benchmarks.

As part of these discussions the Trustees have a process for regular monitoring of the asset values and looks for opportunities to de-risk the assets as they arise. However, no changes to the strategic allocation were deemed necessary during the year to 31 December 2024.

The Trustees met with representatives from SSGA on 18 March 2024. In this meeting, SSGA representatives provided information on the movement in asset values over the year and how they were monitoring the risks that have arisen. The representatives also provided commentary on SSGA's approach to stewardship, including the exercising of voting rights, and ESG activities.

The Trustees review the costs incurred in managing the Trust's assets as part of their ongoing monitoring. As part of this review, the Trustees consider the level of portfolio turnover based on the information provided by the Investment manager relative to the expected turnover ranges. The Trust's assets are passively invested and therefore broadly follow the relevant index. Over the last year the Trustees have noted no concerns in this area.

### **Trustees' opinion**

The Trustees' opinion is that the Statement of Investment Principles has been followed during the year to 31 December 2024 in relation to voting and engagement.

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The Trustees of the Iron Trades Insurance Staff Trust

11 June 2025

## Appendix 1 – Summary of voting over the year to 31 December 2024

A summary of the votes made on behalf of the Trustees over the year to 31 December 2024 is provided in the table below:

Manager and strategy	Portfolio structure	Voting activity
<b>SSGA</b> <b>International (Developed 75% Hedged) ESG Screened Index Equity Sub-Fund</b>	Passive (index tracking)	<ul style="list-style-type: none"> <li>• Number of meetings at which the manager was eligible to vote: 2,671</li> <li>• Number of resolutions on which manager was eligible to vote: 35,179</li> <li>• Percentage of eligible votes cast: 97.42%</li> <li>• Percentage of votes with management: 84.08%</li> <li>• Percentage of votes against management: 15.66%</li> <li>• Percentage of votes abstained from: 1.12%</li> <li>• Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management: 64.80%</li> <li>• Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy advisor: 11.56%</li> </ul>
<b>SSGA</b> <b>MPF Fundamental Index Global Equity Sub-Fund</b>	Passive (index tracking)	<ul style="list-style-type: none"> <li>• Number of meetings at which the manager was eligible to vote: 3,161</li> <li>• Number of resolutions on which manager was eligible to vote: 38,889</li> <li>• Percentage of eligible votes cast: 98.69%</li> <li>• Percentage of votes with management: 92.11%</li> <li>• Percentage of votes against management: 7.52%</li> <li>• Percentage of votes abstained from: 0.94%</li> <li>• Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management: 46.72%</li> <li>• Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy advisor: 5.95%</li> </ul>
<b>SSGA</b> <b>UK ESG Screened Index Equity Sub-Fund</b>	Passive (index tracking)	<ul style="list-style-type: none"> <li>• Number of meetings at which the manager was eligible to vote: 697</li> <li>• Number of resolutions on which manager was eligible to vote: 11,783</li> <li>• Percentage of eligible votes cast: 96.48%</li> <li>• Percentage of votes with management: 81.96%</li> <li>• Percentage of votes against management: 18.04%</li> </ul>

		<ul style="list-style-type: none"> <li>• Percentage of votes abstained from: 0.13%</li> <li>• Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management: 72.11%</li> <li>• Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy advisor: 17.60%</li> </ul>
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## Significant votes

SSGA have provided details of the principles on which they exercise their voting rights and have stated:

*"In compliance with the UK SRD II, we have developed a framework that identifies our most significant votes for our UK clients. Using this framework, we create reports on a quarterly basis for our UK clients that include a brief explanation of the most significant votes identified in their portfolios. We identified significant votes for the purposes of the SRD II as follows:*

- *All votes on environmental-related shareholder proposals*
- *All votes on compensation proposals where we voted against management's recommendation*
- *All against votes on the re-election of board members due to poor disclosure by their companies*
- *All against votes on the re-election of board members due to poor compliance with the local corporate governance code of their companies*
- *All against votes on the re-election of board members due to a lack of gender diversity on the board"*

They have also noted:

*"On behalf of our clients, we have the responsibility to vote at more than 20,000 shareholder meetings annually, including more than 205,000 proposals in 2023. We aim to execute our voting responsibility with accountability, consistency, and transparency and in a manner that we believe will most likely protect and promote the long-term economic value of client investments, as described in our Global Proxy Voting and Engagement Policy.*

Source: SSGA Stewardship Report 2023

The Trustees have been provided with detailed voting information from SSGA. Due to the length of these documents, they have not been incorporated within this Appendix however they are available to share on request.

## **Appendix 2 – Voting and engagement policies**

**State Street’s voting and engagement policies are outlined below.**

“How we engage

*We believe engagement is a meaningful tool that we can use in a manner that enables us to protect and promote the long-term economic value of our clients’ investments. Through engagement, we aim to build long-term relationships with our portfolio companies to address a broad range of topics relating to the promotion of long-term shareholder value creation.*

*Our Asset Stewardship team has developed our Global Proxy Voting and Engagement Policy (the “Policy”), which outlines our engagement approach. We conduct issuer-specific engagements to discuss the principles in the Policy, including sustainability-related risks and opportunities. We review and update the Policy annually as part of our regular review process. In addition, we assess emerging risks and issues affecting the companies in which we invest on behalf of our clients.”*

In 2023, SSGA had 940 engagement meetings with governance being the most frequently discussed topic.

Source: SSGA asset stewardship report 2023

### **Proxy and Voting Engagement Principles**

SSGA have organised their proxy voting and engagement program around three broad principles.

“Effective Board Oversight

*We believe that well-governed companies can protect and pursue shareholder interests better and withstand the challenges of an uncertain economic environment. As such, we seek to vote director elections in a way that we believe will maximize long-term value. Principally, a board acts on behalf of shareholders by protecting their interests and preserving their rights. In order to carry out their primary responsibilities, directors undertake activities that include setting strategy and providing guidance on strategic matters, selecting the CEO and other senior executives, overseeing executive management, creating a succession plan for the board and management, and providing effective oversight of material risks and opportunities relevant to their business. Further, good corporate governance necessitates the existence of effective internal controls and risk management systems, which should be governed by the board.*

*We view board quality as a measure of director independence, director succession planning, board diversity, evaluations and refreshment, and company governance practices. We believe independent directors are crucial to good corporate governance; they help management establish sound corporate governance policies and practices. We believe a sufficiently independent board is key to effectively monitoring management, maintaining appropriate governance practices, and performing oversight functions necessary to protect shareholder interests. We also believe the right mix of skills, independence, diversity, and qualifications among directors provides boards with the knowledge and experience to manage risks and operating structures that are often complex and industry-specific.”*

“Disclosure

*It is important for shareholders to receive timely and accurate reporting of a company’s financial performance and strategy so that they are able to assess both the value and risk of their investment. In addition to information related to strategy and performance, companies should also provide disclosure relating to their approach to corporate governance and shareholder rights. Such information allows investors to determine whether their economic interests have been protected by the board and provides insights into the quality of the board’s oversight of management. Ultimately, the board of directors is accountable for the oversight and disclosure of the material risks and opportunities faced by the company.”*

## “Shareholder protection

*State Street Global Advisors believes it is in the best interest of shareholders for companies to have appropriate shareholder rights and accountability mechanisms in place. As a starting place for voting rights, it is necessary for ownership rights to reflect one vote for one share to ensure that economic interests and proxy voting power are aligned. This share structure best supports the shareholders’ right to exercise their proxy vote on matters that are important to the protection of their investment such as share issuances and other dilutive events, authorization of strategic transactions, approval of a shareholder rights plan, and changes to the corporate bylaws or charter, among others. In terms of accountability to shareholders and appropriate checks and balances, we believe there should be annual elections of the full board of directors.*

Source: SSGA Global Proxy Voting and Engagement Policy March 2025

### **Monitoring of proxy voting services:**

*“We use ISS to support our proxy voting processes and Proxy Voting Choice program. As part of this relationship, ISS assists us with managing the voting process at shareholder meetings. We employ ISS to:*

- Act as our proxy voting agent (providing us with vote execution and administration services)*
- Assist in applying our voting guidelines*
- Provide research and analysis relating to general corporate governance issues and specific proxy items*
- Provide proxy voting policies for our Proxy Voting Choice program*
- Provide the service of splitting a ballot for our Proxy Voting Choice program, which allows investors to select an ISS proxy voting policy that will be applied to the investor’s pro rata shares of a commingled fund*

*We have ongoing processes to oversee ISS’s implementation of the Policy, in addition to an annual vendor due diligence process to ensure ISS continues to have adequate staff resources and competencies, systems, processes, and controls in place to provide services at the level of quality required to support our voting activities. We discuss any issues that have arisen, agree on areas for improvement, and identify opportunities for new areas of development.*

*In addition, we also have access to Glass Lewis and region-specific meeting analysis provided by the Institutional Voting Information Service (IVIS). Research and data provided by these third parties complement our in-house analysis of companies and individual ballot items.*

*We do not automatically follow vote recommendations of ISS or other proxy advisors; instead, we have put in place our own Policy with specific voting instructions. All final voting decisions are based on our proxy voting policies and operational guidelines.”*

Source: SSGA asset stewardship report 2023