Implementation Statement

Introduction

Under regulatory requirements in force, the Trustee is required to produce an annual Implementation Statement (the "Statement") setting out how voting and engagement policies in the Statement of Investment Principles (the "SIP") have been implemented. The Statement also includes a brief summary of updates to the SIP over the reporting period.

This Statement has been prepared by the Trustee of the Reuters Pension Fund ("RPF" or "the Fund"), covering the period 1 January 2024 to 31 December 2024.

This Statement has been produced in accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, the Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 as amended, and the guidance published by the Pensions Regulator.

The Statement sets out how the Trustee's policy on stewardship and engagement has been implemented during the reporting period. Where relevant, the Statement describes the areas of the portfolio where stewardship and engagement are most likely to be financially material. The Trustee's opinion on the outcomes of voting and engagement activity for managers that hold listed equities, where stewardship and engagement are most relevant within the portfolio, is also disclosed.

Overall, the Trustee is comfortable that the voting and engagement policies set out in the SIP have been properly adhered to over the period.

To note, RPF has a very small base of assets representing additional voluntary contributions ("AVCs"). On the basis of practicality, and due to the relative size of the holdings, the Trustee has not sought to cover stewardship in relation to the AVCs in this Statement.

Changes to the SIP over the period

The Fund's SIP was last reviewed and updated in December 2023. No changes were made to the SIP over the year in question. The next review of the SIP is due in 2025.

The latest SIP can be found here.

Stewardship, engagement and voting behaviour

The Trustee believes that practising effective stewardship is part of its fiduciary duty to act in the best financial interests of its members. The Trustee's approach to stewardship is articulated in its Stewardship Policy which outlines: how stewardship is resourced for the Fund, the significance of stewardship in the appointment and monitoring of investment managers, and the Trustee's expectations of the Fund's managers in regards to engagement and voting.

To best channel its stewardship efforts, the Trustee has selected two key themes for the Fund: Climate Change, and Diversity, Equity and Inclusion ("DEI"). The themes were selected for the likely material financial risk they pose to the Fund and its members. In addition, the maturity and development of thinking around these themes allows for ease of integration into the Trustee's stewardship approach.

All of the Fund's non-LDI assets are invested in pooled funds, where the Trustee holds units in a fund rather than having any direct ownership rights over the underlying assets. Accordingly, the Trustee's policy is to delegate responsibility for engagement, which includes the exercising of rights (including voting rights) attached to investments, to the relevant investment managers. The Trustee expects all its investment managers to practise good stewardship and seeks to choose managers that align with its beliefs regarding this. The role of the Investment Sub-Committee ("ISC") – acting under delegated authority of the Trustee – is to provide oversight of the investment managers and challenge them on their activities with respect to stewardship where required. The Investment Consultant, on the ISC's behalf, reviewed the policies on stewardship, voting and engagement of the investment managers outlined in this Statement. On this basis, the Trustee is satisfied, subject to the comments below, that they are aligned with the Trustee's own policies.

Over the period, the ISC met with three of the Fund's managers – Bridgewater, CQS and BlackRock – and asked them all to cover their approach to managing climate-related risks and DEI considerations as part of their presentations. Whilst the ISC was largely comfortable with the managers' practices, it was noted that there was potentially scope for BlackRock to enhance its efforts in regard to public policy engagement, for example, engaging with the Government on future issuances of "green gilts". The Trustee raised this consideration accordingly with BlackRock through the Fund's Investment Consultant. The Fund's Investment Consultant will continue to monitor BlackRock's stewardship approach over the course of the Fund year and provide a further update on its progress in the next iteration of this Statement.

Stewardship and engagement (including the use of voting rights) are most likely to be financially material in the sections of the portfolio where physical equities are held (Impax Global Opportunities, Bridgewater Optimal II[1], and AQR Diversified Risk Premia). For the relevant managers that invest in physical equity, further details and an overview of votes cast during the year are provided in the Appendix. Engagement is also considered to be of importance for the Fund's other investment managers and, as such, examples of engagement by these managers are also included in the Appendix.

On the whole, the Trustee is comfortable that the Fund's managers' voting and engagement policies have all been adequately followed over the reporting period; and, subject to the comments in this statement, are aligned with the Trustee's policies.

In early 2024, Impax informed the Trustee of a failure to vote at all shareholder meetings between August 2023 and January 2024 in a particular fund range which included the Impax Global Opportunities fund in which the Fund is invested.

As disclosed in last year's Statement, the issue arose due to the fund's change of custodian in July 2023 where, due to human error, the information feed from its third party proxy voting service provider was not received by the new custodian. Whilst Impax reviews voting activity quarterly, the issue was not identified in Q3 due to the custodian change happening intra-quarter.

Whilst Impax has since rectified this issue, it affected a limited number of meetings during the Fund year, due to the timing of Annual General Meetings. Specfically, the voting failure caused votes not to be cast at two shareholder meetings in January 2024.

In hindsight, Impax admits it placed too much reliance on its proxy voting service provider to reconcile votes cast on its behalf. Impax is engaging with them separately on this topic. To rectify this going forward, Impax has requested daily reconciliations between the proxy voting provider and the custodian. If errors are identified, Impax is to be notified within 24 hours.

As noted last year, the Trustee was disappointed by this development and Impax's failure to meet its expectations in regards to stewardship, but noted that the cause of the issue – a change in custodian – is a rare occurrence. Having engaged with Impax through its Investment Consultant, the Trustee was encouraged that Impax took the issue seriously and is reassured by the enhanced procedures now in place.

---

[1] Please note, the Trustee fully redeemed from the Bridgewater Optimal II Fund following a change in the Fund strategy in November 2024.

Appendix – Voting and Engagement Disclosures

Below is the voting activity over the period for the Fund's asset managers which held listed equities over the period. The Trustee requested most significant votes relating to the Fund's key themes – Climate Change, and Diversity, Equity & Inclusion. When this was not possible to receive, the manager provided its assessment of the most significant votes and the Trustee has selected those votes which appeared to be most significant, in view of the Trustee's general policies.

For managers where voting activity is not applicable – those not holding public equities, i.e., the Fund's liquid credit managers – the Trustee requested engagement examples relating to the Fund's key themes.

For context, the Trustee has also included a brief summary of each manager's own approach to stewardship.

Impax Global Opportunities

Impax believes it is in the interest of its investors that it engages with investee companies to mitigate risks, protect and enhance shareholder value, promote greater transparency on ESG and sustainability issues, and encourage companies and issuers to develop and become more resilient over time. Engagement is used both to mitigate risk and to enhance value and investment opportunities.

Impax divides its approach to stewardship and engagement into the following four categories: bottom-up company specific monitoring and dialogue, top-down thematic engagement priorities, proxy voting driven engagements, and systematic engagements.

Key Voting Statistics (Jan 2024 – Dec 2024)	Number
Number of meetings eligible to vote during the period	42
Number of resolutions eligible to vote during the period	657
% of resolutions voted	96%
% of resolutions voted with management	92%
% of resolutions voted against management	7%
% of resolutions abstained	1%
% of meetings with at least one vote against management	65%
% of resolutions where manager voted contrary to recommendation of proxy adviser	7%
Any use of proxy voting services during the period	Impax has engaged Glass, Lewis & Co. ("Glass Lewis") to facilitate voting execution, record keeping, and to help inform its analysis of relevant proxy issues and proxy votes. Ultimately Impax makes its own voting decisions, based on its ESG and voting policies.

	Vote 1	Vote 2	Vote 3	Vote 4
Company name	Applied Materials Inc.	Analog Devices Inc.	Sika AG	IQVIA Holdings Inc.
Date of vote	07/03/2024	13/03/2024	26/03/2024	16/04/2024
Approximate size of % holding as at the date of the vote	3%	3%	2%	2%
Summary of the resolution	Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report	Shareholder Proposal Regarding Simple Majority Vote	Elect Monika Ribar	Shareholder Proposal Regarding Political Contributions and Expenditure Report
Impax's vote	For	For	Against	For
Where Impax voted against management, was this intent communicated to the company ahead of the vote?	No	No	No	No
Rationale	Supportive of Gender and Racial Pay Equity disclosures.	Supermajority vote provisions do not serve the best interests of shareholders.	The audit committee chair is not independent. The audit committee does not meet independence standards.	Supportive of more comprehensive and transparent reporting on political contributions.
Outcome of the vote	21.14% votes for	89.31% votes for	90.83% votes for	13.13% votes for
Does Impax plan to take any action given the outcome?	Continued engagement	Engagement opportunity	Ongoing monitoring	Engagement opportunity

	Vote 5	Vote 6	Vote 7	Vote 8
Company name	Cadence Design Systems, Inc.	Hannover Ruck SE	United Rentals, Inc.	Keyence Corporation
Date of vote	02/05/2024	06/05/2024	09/05/2024	14/06/2024
Approximate size of % holding as at the date of the vote	2%	3%	2%	2%
Summary of the resolution	Elect Julia Liuson	Elect Torsten Leue	Shareholder proposal regarding Director Resignation Policy	Elect Yu Nakata
Impax's vote	Against	Against	For	Against

	Vote 5	Vote 6	Vote 7	Vote 8
Where Impax voted against management, was this intent communicated to the company ahead of the vote?	No	No	No	No
Rationale	Nominee has served on the board for at least one year and has attended less than 75% of the meetings.	Nominee is Chair of the board and Chair of the Nomination Committee; board is not majority independent. Nominee also chairs the comp. committee, which does not meet the independence standards and sits on the Audit committee, which is <100% independent.	Adoption could promote board accountability and ensure responsiveness to shareholder concerns.	We vote against the Chairman when CEO and Chair are held by the same person and a lead independent director has not been appointed. Fewer than 2 or less than 15% female directors.
Outcome of the vote	95.51% votes for	72.54% votes for	14.93% votes for	82.74% votes for
Does Impax plan to take any action given the outcome?	Ongoing monitoring	Continued engagement	Engagement opportunity	Continued engagement

	Engagement Example – Diversity, Equity & Inclusion
Name of entity	Aptiv PLC
Rationale for engagement	To improve gender pay equity and expand pay equity analysis across race and ethnicity.
Engagement undertaken	Given Aptiv's significant workforce at over 200,000, with approximately 40% based in Mexico, Impax's engagements in recent years have focused on human capital management processes, including leadership and workforce diversity. At the last engagement in 2024, Impax spoke with Aptiv's Chief People Officer for the second time. The company also outlined some of the efforts that supported its achievement of gender pay equity. Impax encouraged the company to expand its analysis and disclosure to cover pay equity across race and ethnicity.
Outcome	Aptiv confirmed that its efforts focusing on talent retention and development had contributed to improved voluntary retention, reduced employee turnover, and increased applicants for specific jobs. Impax better understood the company's process for managing and maintaining gender pay equity and efforts to improve employee retention. Aptiv indicated pay equity across race and ethnicity would be a focus area in 2025, but noted that there may be data limitations due to the small size of some populations by skill. Moving forwards, Impax will monitor Aptiv's 2025 human capital disclosures and will also follow-up on human rights due diligence.

	Engagement Example – Climate Change
Name of entity	Cooper Cos Inc
Rationale for engagement	To encourage the disclosure of Scope 3 emissions data, adopt science-based emissions reduction targets, and better understand Cooper Cos Inc's efforts to mitigate physical climate risk and enhance disclosure.
Engagement undertaken	As part of Impax's proprietary ESG-analysis, the manager identified the absence of Greenhouse Gas ("GHG") emission reduction goals and transition plans. Following hurricane related disruptions to health care suppliers in Q3 2024, Impax sought to better understand the company's resiliency measures.
Outcome	Cooper Cos Inc did not confirm a timeline for adopting emissions reduction targets but expressed that it is working towards the goal and prefers to release scope 1, 2 and 3 emission reduction targets at the same time. The company highlighted the challenges associated with capturing all scope 3 emissions, noting that it needs to fully understand its data before adopting reduction targets. Impax emphasised that emissions targets should be externally verified, with the company acknowledging the feedback. Regarding the company's resilience measures, Cooper Cos Inc shared that it is working with a third-party consultant to conduct an initial climate risk assessment and develop a risk management process. Impax will review Cooper Cos Inc's 2025 disclosure, with a specific focus on the outcomes of its climate-related initiatives.

AQR Diversified Risk Premia

AQR's stewardship approach is grounded in transparency, as well as a desire to create positive long-term value for clients. AQR's efforts cover a range of activities, including:

- Voting proxies in an ESG-aware manner as the default approach
- Engaging directly with management of companies where AQR may have an impact
- Collaborating with other investors to engage companies on issues of concern
- Participating in industry groups or bodies that advocate for greater disclosure

AQR works within the industry to advance the collective ESG effort and continuously looks for opportunities to collaboratively engage with peers and is an active participant in industry discussions across the spectrum of ESG-related issues.

Key Voting Statistics (Jan 2024 – Dec 2024)	Number
Number of meetings eligible to vote during the period	780
Number of resolutions eligible to vote during the period	10,601
% of resolutions voted	88%
% of resolutions voted with management	92%
% of resolutions voted against management	9%
% of resolutions abstained	0%

% of meetings with at least one vote against management	39%
% of resolutions where manager voted contrary to recommendation of proxy adviser	0%
Any use of proxy voting services during the period	AQR utilises Institutional Shareholder Services sustainable proxy voting policy for all its commingled funds and for its default vote-handling program, but they also leverage internal proprietary research on proxy issues related to significant corporate actions and in making individual voting decisions. AQR has also retained Glass Lewis for proxy voting research and recommendations.

The Trustee requested AQR discloses most significant votes relating to the Trustee's own criteria and key themes, or AQR's own definition if this was not possible. The Trustee was disappointed that AQR could not disclose votes relating to either, citing that AQR does not currently differentiate between significant or non-significant votes. The Trustee, through its Investment Consultant, will continue to engage with AQR to improve this disclosure.

	Engagement Example – Climate Change
Name of entity	A diversified businesses across energies, financials, and consumer services.
Rationale for engagement	To improve disclosure of GHG emissions.
Engagement undertaken	AQR initially engaged with the company via email, before scheduling a meeting with the company to discuss the request and learn more about the company's challenges. Specifically, the company does not report emissions at the parent level, and only one of the four subsidiaries reports emissions data. The company shared that two of its subsidiaries were working on their reporting and were expected to publish emissions data in 2024. AQR underlined its belief that transparency on salient issues for investors such as carbon emissions is crucial as it potentially leads to better alignment between companies and their investor base, as well as more accurate pricing of ESG risks and opportunities, particularly as more investors integrate these factors into their investment process.
Outcome	Since AQR's engagement, it continues to monitor the company. AQR notes that one of the company's subsidiaries has measured and reported on scope 1 and 2 emissions. The company hopes to use this data to identify and target where GHG reduction projects can be most impactful. AQR will revisit the company's disclosure when its latest annual report is released.

	Engagement Example – Climate Change
Name of entity	A consumer discretionary company.
Rationale for engagement	To improve disclosure of GHG emissions, given the company's strong negative views on emissions data reporting.
Engagement undertaken	AQR initially engaged with the company via email, before scheduling a call with the company to discuss its environmental reporting. The company explained that it is in the process of collecting emissions data but is reluctant to report this information publicly, given year on year variations and a lack of context in emissions metrics leading to potential misinterpretation by stakeholders. The

	company explained that ultimately it will report carbon emissions and other related ESG data once legally required to do so. AQR raised several concerns with this response; AQR believe that transparency on key issues for investors, such as carbon emissions, is crucial as it can lead to better alignment between companies and their investor base, and more accurate pricing of ESG risks and opportunities. Additionally, AQR explained how it incorporates emissions-related data into its models when appropriate.
Outcome	AQR have been monitoring the company's progress since the engagement and note that, while it currently has not yet released updated annual reports, the company's most recent proxy statement confirms its intention to reduce greenhouse gas emissions and states it reduced emissions in 2023 by more than 26,000 metric tons of CO2e2 through the use of renewable energy. AQR continue to believe that investors require information on the company's scope 1 and 2 emissions and will review the company's reporting once available. Ultimately, should AQR's Responsible Investment & Stewardship Committee believe that significant issues remain and there are no plans to remedy them in a timely manner, the Committee may make a recommendation for escalation, including potentially voting against company management.

The Trustee requested AQR provides an engagement example relating to the Trustee's second stewardship priority of Diversity, Equity and Inclusion. AQR confirmed it does not have specific engagement examples related to this topic. The manager noted that due to the nature of the asset class, dialogue with companies is not a standard part of its investment process, which is instead primarily quantitative. Therefore, AQR prioritises engagement efforts where the manager believes it can maximise impact, for example improved emissions disclosure.

Bridgewater Optimal II

Bridgewater's Stewardship and Corporate Engagement Policy is set, implemented, and overseen by the Sustainable Investing Committee, and it spans corporate engagement, proxy voting, and partnerships and collaborations with a broad range of industry actors, including data providers, research institutions, industry partners, and clients.

Bridgewater's stewardship and collaborative engagement efforts focus on a set of cross-cutting themes, including environment-related risks (e.g., transition to a low-carbon economy), social-related risks (e.g., modern slavery), and governance and transparency-related risks (e.g., sustainability disclosures).

Please note that the Fund fully redeemed from Bridgewater Optimal II in November 2024. As such, the voting statisitics below cover the period January 2024 - November 2024.

Key Voting Statistics (Jan 2024 – Nov 2024)	Number
Number of meetings eligible to vote during the period	1,527
Number of resolutions eligible to vote during the period	16,026
% of resolutions voted	99.5%
% of resolutions voted with management	87.7%
% of resolutions voted against management	12.3%
% of resolutions abstained	0.7%
% of meetings with at least one vote against management	47.6%
% of resolutions where manager voted contrary to recommendation of proxy adviser?	1.8%
Any use of proxy voting services during the period?	Bridgewater has engaged Glass, Lewis & Co. ("Glass Lewis") to vote proxies on behalf of its

	clients. Bridgewater generally subscribes to the proxy voting policy adopted by Glass Lewis but reserves the right to direct Glass Lewis to vote in a manner that is contrary to such policy where appropriate, or as specifically directed by a client.

The Trustee requested Bridgewater disclose most significant votes relating to the Trustee's own criteria and key themes, or Bridgewater's own definition if this was not possible. The Trustee was disappointed that Bridgewater could not disclose votes relating to either. Bridgewater cited that, as a global macro investor, they hold highly diversified portfolios where any one security is likely to represent a small share of the portfolio and is therefore, by design, not necessarily more significant than another.

	Engagement Example – Diversity, Equity and Inclusion
Name of entity	Three anonymised banks.
Rationale for engagement	Bridgewater engaged with three banks on improving their disclosures with green financing flows and setting up executive boards that align with the manager's sustainability goals.
Engagement undertaken	Bridgewater engaged with these companies on broader governance issues such as the effectiveness and diversity of their board, their incorporation of ESG metrics into executive compensation, and potential plans to strengthen or fill gaps in skills and expertise, including sustainability, on the board.
Outcome	Bridgewater did not provide any details relating to the outcome of this engagement.

	Engagement Example – Climate Change
Name of entity	Several anonymised high-emitting companies.
Rationale for engagement	Bridgewater engaged with several high-emitting companies to understand their paths to decarbonisation, feeding into the manager's fundamental understanding of the material risks faced by emissions-intensive sectors.
Engagement undertaken	Bridgewater's engagements focused on companies setting science-based emissions reduction targets and short-term capex commitments to reduce emissions.
Outcome	Bridgewater did not provide any details relating to the outcome of this engagement.

Whilst the Trustee was encouraged to see Bridgewater engaging with companies on the Trustee's chosen themes, it was disappointed by the lack of outcomes provided within Bridgewater's engagement examples. Following the Fund's full disinvestment from the Bridgewater Optimal Portfolio in November 2024, the Trustee will no longer be monitoring the manager's approach to stewardship.

TwentyFour Dynamic Bond Fund

TwentyFour believes stewardship means engaging with and monitoring the companies in which it invests to address risks and identify opportunities for clients, and being transparent in its approach.

TwentyFour also defines its stewardship approach as working with regulators and industry peers to try to tackle systemic risks and promote a well-functioning global fixed income market.

	Engagement Example – Climate Change
Name of entity	NatWest
Rationale for engagement	NatWest is an issuer TwentyFour has engaged with as part of its Carbon Emissions Engagement Policy.
Engagement undertaken	TwentyFour engaged with NatWest for further information regarding the bank's green product offering and the decarbonisation of its assets under management ("AUM").
Outcome	NatWest relayed its target to provide £100 billion of climate and sustainable funding and financing between 1 July 2021 and the end of 2025. Regarding the bank's AUM, a target is in place to reduce the carbon intensity by 50% for in scope assets by 2025 from a 2019 baseline. NatWest also plan to move 70% of in scope AUM to a net zero trajectory by 2025. TwentyFour felt this was a satisfactory response and will maintain engagement with the bank to ensure it remains on track to meet these targets.

	Engagement Example – Diversity, Equity & Inclusion
Name of entity	BNP
Rationale for engagement	TwentyFour engaged with BNP regarding its published gender pay gap. The figure was high compared to peers at 37.8%, and it had also increased year-on-year.
Engagement undertaken	TwentyFour engaged with BNP for further information. BNP's Investor Relations team provided insights into why the pay gap remains high, explaining that there are more men in senior positions and front office/technical roles, which also contributes to the high gender bonus pay gap.
Outcome	To address the gender pay gap, the team outlined several initiatives focused on recruitment and early career development aimed at achieving a 1-to-1 gender balance. Additionally, they have numerous DEI committee efforts in place to tackle these issues. TwentyFour felt this was a satisfactory response, indicating awareness and initial steps to address the gender pay gap. However, there is significant scope for improvement, and achieving meaningful change will take time. TwentyFour will continue to monitor BNP's progress and push for more ambitious progress.

The Trustee is encouraged by the engagement examples provided by TwentyFour and is comfortable they demonstrate the manager's commitment to engaging with issuers on the Trustee's chosen themes.

Federated Hermes Absolute Return Credit Fund

Through its stewardship team, EOS, Hermes has an integrated approach whereby corporate engagement services are provided alongside voting recommendations, portfolio screening, public policy and market best practice work, as well as advisory service. This approach reflects its belief that effective stewardship requires a combination of these tools to achieve positive change.

In addition to the EOS team, Hermes also has dedicated stewardship professionals in the Fixed Income team. They use the intellectual capital, systems and processes in conjunction with EOS, and apply it to a bespoke set of engagement companies selected by the Fixed Income team. In this way, the team is able to leverage EOS's significant engagement capability, while bringing it closer to the investment team.

	Engagement Example – Climate Change
Name of entity	Bank of Ireland
Rationale for engagement	Creating detailed climate risk and opportunity reporting, along with an approach to mitigation and adaptation
Engagement undertaken	When Hermes began engaging with the bank on this topic, it was in the early stages of assessing its financed emissions and the exposure of its overall lending portfolio to climate-related risks. From this work, it found that home mortgages and business loans in Ireland were its main priorities for action. To demonstrate its awareness of the transition and physical climate-related risks that its lending portfolio faces, Hermes set an objective for the bank to disclose a complete accounting of these risk exposures and outline its key strategies for de-risking, mitigating and adapting to these challenges.
Outcome	The bank has significantly improved its assessment and reporting of exposure to transition and physical climate-related risks over the past three years. It has chosen product innovation as a key tool to address these risks and encourage client decarbonisation. In 2021, the bank launched its own green mortgage product line. In 2024, the bank entered the retrofit space by launching its EcoSaver mortgage product, significantly expanding the reach of its strategy. During a 2024 engagement, Hermes congratulated the bank on this series of achievements.

	Engagement Example – Climate Change
Name of entity	Berry Global
Rationale for engagement	In 2021 packaging company Berry Global announced a plan to reduce its emissions in line with a 1.5°C-aligned scenario. Hermes' objective for the company is to increase its climate commitments by setting a net-zero target for 2050 or sooner. Hermes expects it to include at least 95% of its Scope 1 and 2 emissions in this target and to cover the most relevant Scope 3 emissions.
Engagement undertaken	Hermes first wrote to the company in 2022 to share its climate expectations that are aligned with the Net Zero Asset Managers Initiative. In 2023, the company said it would likely focus on setting a 2030 target after reaching its 2025 target. At the same time, the company sought the manager's advice on what to include in its next sustainability report.
Outcome	The company announced a commitment to achieve net-zero emissions across its global operations and supply chain by 2050. In Q1 2024, Hermes were able to discuss this new target during a call with the company, and they are pleased to know that it is aiming for a 90% reduction in Scope 1, 2 and 3 emissions, which completed the stated objective.

Following the Fund's full disinvestment from the Hermes Absolute Return Credit Fund in June 2024, the Trustee will no longer be monitoring Hermes' approach to stewardship but is content with the progress made over the duration of the Fund's investment.

CQS Dynamic Credit Multi Asset Fund

CQS believes that an active approach to stewardship and responsible investing are crucial factors in creating long-term value for investors. In its view, responsible investing, stewardship and ESG matters are drivers influencing financing costs, risk assessment valuations and performance. As a result, CQS has integrated these factors into the Firm-wide five-stage responsible investment integration process.

Engagement is Stage 4 of the five-stage process. CQS's engagement framework is designed to guide investment professionals on recommended areas of engagement by sector and sub-industry.

	Engagement Example - Climate Change
Name of entity	Danaos
Rationale for engagement	Given Danaos operates in a carbon intensive industry, CQS sought to engage with the company to receive an update on the firm's decarbonisation efforts and its current target setting strategies.
Engagement undertaken	CQS met with the Chief Financial Officer to gain clarity on the company's carbon reduction efforts. Danaos remained transparent on the challenges of emissions reduction in the shipping industry and outlined the measures it is taking to make operations more environmentally friendly. Additionally, Danaos have now submitted targets for verification by the Science Based Targets Initiative ("SBTi").
Outcome	CQS were satisfied with the information provided by Danaos and remain confident that the firm is taking demonstrable action to improve the environmental profile of the business in-line with the nature of its operations.

	Engagement Example
Name of entity	Morrisons
Rationale for engagement	Morrisons recently underwent an MSCI ESG rating downgrade from an 'A' rating to a 'BBB' rating, driven by an HMRC fine for underpayment of wages from two of its subsidiaries.
Engagement undertaken	CQS engaged with the company to get a response to the findings and learn what level of oversight it had over its subsidiaries.
Outcome	Morrisons explained that the root of the controversy was a technical breach, reiterating that no employee of its subsidiaries was paid less than the national minimum wage. The business used a smoothing mechanism, popular and widely used at the time, allowing employees to work flexible hours while still being paid a consistent amount for each pay period. The law on salary smoothing has since been changed to ensure that it does not create a technical breach. CQS were relieved to hear that employee safety was secured and were satisfied with the company's responses. This led CQS to maintain its internal ESG rating of 'A' for Morrisons.

Whilst the Trustee was satisfied with the engagement examples provided by CQS, the Trustee was disappointed by the lack of engagement examples relating to Diversity, Equity and Inclusion. The Trustee, through its Investment Consultant, will continue to engage with CQS to understand its stewardship approach in regard to DEI.