

Implementation Statement

Imperial London Hotels Limited 1978 Pension & Life Assurance Scheme

Purpose of the Implementation Statement

This implementation statement has been produced by the Trustees of the **Imperial London Hotels Limited 1978 Pension & Life Assurance Scheme ("the Scheme")** to set out the following information over the year to **31 March 2025**:

- how the Trustees' policies on exercising rights (including voting rights) and engagement activities have been followed over the year; and
- the voting activity undertaken by the Scheme's investment manager on behalf of the Trustees over the year, including information regarding the most significant votes.

Scheme year material event

In June 2024, the Trustees purchased a bulk annuity policy with Aviva ("the insurer"), which will meet benefit entitlements of the Scheme's members, and the remaining assets were held as cash and in the Legal & General investment Management ("LGIM") Sterling Liquidity Fund as at 31 March 2025. The Trustees fully disinvested from the Sterling Liquidity Fund following the end of the Scheme year. The Trustees note that, by securing the Scheme's benefits with the insurer, they have limited ability to influence the voting and engagement activities undertaken on behalf of the insurer. Responsibility for engagement with the issuers of investments underlying the bulk annuity policy, including voting policy (where applicable), is the responsibility of the insurer. The bulk annuity policy makes up the majority of the Scheme's assets.

Stewardship policy

The Trustees' Statement of Investment Principles (SIP) in force at 31 March 2025 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities as follows:

- Voting decisions on stocks (where applicable) are delegated to the investment manager of the pooled fund held by the Scheme. The Scheme's only invested asset, outside the bulk annuity policy with Aviva, is the Sterling Liquidity Fund held with LGIM.
- The investment manager has full discretion for undertaking engagement activities in respect of the investment.
- The Trustees consider that factors such as environmental, social and governance (ESG) issues (including but not limited to climate change) have the potential to be financially material over the long-term. The investment manager of the liquidity fund is expected to undertake good stewardship and positive engagement in relation to the assets held. The Trustees monitor these and will report on the practices in their annual Implementation Statement where possible.
- Given the nature of the Scheme's current holdings, the Trustees will review and monitor the ESG policy as they deem appropriate, considering the risks that present themselves.

The Trustees have decided not to set stewardship priorities for the Scheme at this moment. This decision was taken in light of the purchase of the bulk annuity policy during this reporting period, and the nature of the residual holdings, which consist of a pooled cash fund. The Trustees understand that they are constrained by the policies of the manager, however, expect the manager to undertake good stewardship and positive engagement where applicable.

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme's investment managers, the Trustees believe that their policies on voting and engagement have been met in the following ways:

- The Scheme invests entirely in pooled funds and bulk annuity policies, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's investment manager and the Insurer, where applicable.
- At the Scheme year-end, the Scheme invested entirely in an LGIM pooled cash fund (the LGIM Sterling Liquidity Fund), which holds no securities with voting rights attached.
- The Trustees, with input from their investment consultant, receive and review voting information and engagement policies from the manager at the end of each calendar year, which the Trustees review to ensure alignment with their own policies. This exercise is being undertaken via this Implementation Statement which will also be included in the Scheme's Annual Report and Accounts over the year to March 2025.
- Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the investment manager are in alignment with the Scheme's stewardship policies.

**Prepared by the Trustees of the Imperial London Hotels Limited 1978 Pension & Life Assurance Scheme
July 2025**

Voting Data

Voting is only applicable to assets with voting rights attached (i.e. equities). Over the 12-month period to 31 March 2025, the Scheme held no assets with voting rights attached.

At the start of the period, the Scheme was invested in a buy-out aligned investment strategy consisting of LGIM pooled gilt index funds and cash. In June 2024, the Scheme purchased a bulk annuity policy with Aviva, with residual assets held in the LGIM Sterling Liquidity Fund. None of these investments have voting rights attached.

Therefore, there is no voting data or significant voting information to report. This also means there was no use of a proxy voting service over the period.

Fund level engagement

Engagement activities are limited for the Scheme’s cash fund due to the nature of the underlying holdings, so engagement information for these assets has not been shown.

Nevertheless, a summary of the manager’s engagement activities, at a firm level, has been provided below.

Manager	LGIM
Number of engagements and entities engaged at a firm level in the year	4,459 engagements with 4,210 entities

Examples of engagement activity undertaken over the year to 31 March 2025

LGIM

Pemex | Environmental

Petroleos Mexicanos (Pemex) is one of the largest oil and gas companies (by refining capacity), with significant production of crude oil and natural gas. LGIM believe that the company is critical in Mexico’s energy security and has a significant influence, particularly in South America, over the decarbonisation of the oil and gas industry, as well as the realisation of financial opportunities from the energy transition.

LGIM focused on Pemex’s management of methane emissions which have been an area of concern across their supply chain. LGIM believe that reducing methane emissions can be a powerful and cost-effective way for oil and gas companies to make progress towards climate goals and manage regulatory and reputational security.

LGIM have been a contributing investor to the CA100+ engagements with Pemex since 2023. LGIM helped establish a productive dialogue between the company and its investors. They also encouraged the company to take a number of steps towards clear disclosures, oversight of climate risk at board level, and set ambitious but achievable climate targets.

Following successive engagements, the company published its first Sustainability Plan, setting out clear targets for emissions reduction, enhanced disclosure, allocation of capital towards achieving climate goals, and addressing methane emissions within their operations.

LGIM believe the publication of Pemex’s first Sustainability Plan demonstrates positive commitments regarding emissions reduction targets, disclosures, capital allocation and managing and mitigating methane emissions risks. LGIM also believe the strength of these commitments and their endorsement by Pemex’s CEO demonstrate a connected and serious approach to tackling these crucial issues.

LGIM will continue to focus on methane emissions when engaging with oil and gas companies, as they seek to encourage companies to realise the potential for value creation along their journey to net zero.