Banctec Limited Retirement Benefits Scheme
Annual Engagement Policy Implementation Statement

Introduction

This statement sets out how, and the extent to which, the stewardship policy and related policies on environmental, social and governance ("ESG") factors and climate change set out in the Statement of Investment Principles ('SIP') have been followed during the year to 30 June 2025. This Statement has been produced in accordance with The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 and subsequent amendments; and the statutory and non-statutory guidance from the Department of Work and Pensions.

Investment Objectives of the Scheme

The Trustees believe it is important to consider the policies in place in the context of the investment objectives it has set. As set out in the SIP, the Trustees' primary investment objective is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due. The Trustees' secondary objective is to achieve a sufficient level of funding which then allows them to secure the liabilities of the Scheme with an insurance company.
In doing so, the Trustees also aim to maximize returns at an acceptable level of risk, taking into consideration the circumstances of the Scheme. The objectives set out above provide a framework for the Trustees when making investment decisions.

The Trustees have also received confirmation from the Scheme Actuary during the process of revising the investment strategy that their investment objectives and the resultant investment strategy are consistent with the actuarial valuation methodology and assumptions used in the Statutory Funding Objective.

Scheme's Investment Structure

The Scheme has a Trustee Investment Policy ('TIP') with Mobius Life Limited ('Mobius'). and an additional off platform holding with Baillie Gifford which was terminated during the Scheme year Mobius provides an investment platform and enables the Scheme to invest in pooled funds managed by third party investment managers. The Trustees, with advice from their investment consultant, Mercer, are responsible for the selection and removal of the Scheme's pooled funds.

During the year to 30 June 2025, the Scheme implemented a new investment strategy. To do so, the Trustees agreed to disinvest from the equity and Diversified Growth Fund with Baillie Gifford and from the Stone Harbor Multi Asset Credit fund. Proceeds from these sales were, subsequently, invested in a passive global equity mandate managed by L&G, in the existing Diversified Growth Fund with Nordea and into a Multi-Asset Credit mandate with M&G.

Review of the SIP

The Trustees keep their policies within the SIP under regular review, subject to full review at least triennially. Over the twelve-month period to 30 June 2025, the Trustees updated the SIP to reflect the changes made to the investment strategy following advice from their investment consultant, Mercer. The current SIP, updated in January 2025, is available at the link below:

https://schemes.vidett.com/wp-content/uploads/BancTec-SIP-January-2025.pdf

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 sets out the Trustees' beliefs on ESG and climate change and the processes followed by the Trustees in relation to voting rights and stewardship. The policy in question was last approved in January 2025.

The Trustees believe that environmental, social, and corporate governance factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustees also recognise that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration.

The Scheme also has allocations to credit assets within which, whilst ESG issues are still relevant to risk control, there is less opportunity to influence investee company behaviour compared to equity holdings, although where relevant managers are encouraged to use their position as lenders of capital to engage with companies.

The Trustees have given the appointed investment managers full discretion in exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code. All managers confirmed that they are signatories of the UK Stewardship Code.

The Trustees keep their policies under regular review, with the SIP subject to review at least triennially.

Engagement

In the relevant year the Trustees have not engaged with either Mobius, or the underlying pooled fund managers on matters pertaining to ESG, stewardship or climate change. However, the Trustees, with help from their investment consultant, review the stewardship and ESG policies of the fund managers periodically.

The Trustees are working with their investment consultant, Mercer, to consider actions that can be taken to engage with their underlying fund managers going forward. This includes the inclusion of ESG specific ratings within biannual performance reporting (with ratings derived by the investment consultant) and this will help to determine whether further action should be taken in respect of specific funds.

Performance reports provided on a bi-annual basis include fund specific ESG assessment.

Voting Activity

Following the DWP's consultation response and outcome regarding Implementation Statements on 17 June 2022 ("Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement: Statutory and Non-Statutory Guidance") one of the areas of interest was the significant vote definition. The most material change was that the Statutory Guidance provides an update on what constitutes a "significant vote".

The Trustees define a significant vote as one that is linked to the Scheme's stewardship priorities/themes. In this instance, the Trustees are comfortable with aligning to the underlying manager's voting priorities. A vote could also be significant for other reasons, e.g. due to the size of holding. Given the nature of the Scheme's holdings, this is unlikely to be a material consideration for the Trustees.

Over the last 12 months to 30 June 2025, the voting activity on behalf of the Trustees was as follows:

BMO – Nominal and Real Dynamic LDI

Due to the LDI Nominal Dynamic LDI Fund and LDI Real Dynamic LDI not having any underlying equity holdings, the Trustees are not eligible to vote at company meetings.

BMO – Equity – Linked Nominal and Real Dynamic LDI

Due to the equity exposure of these funds being obtained synthetically through the use of equity futures, the Scheme does not hold shares in the underlying companies and so the Trustees are not eligible to vote at company meetings.

Baillie Gifford Diversified Growth Fund

As the Scheme was only partially invested in the fund during Q3 2024 (redemption occurred in August 2024), its voting activity is not considered material in the context of the overall voting results and therefore has been omitted from this report.

Stone Harbor - Multi-Asset Credit Portfolio

Due to the Multi-Asset Credit Portfolio not having any underlying equity holdings, the Trustees are not eligible to vote at company meetings.

M&G Total Return Credit Investment Fund

Due to the Multi-Asset Credit Portfolio not having any underlying equity holdings, the Trustees are not eligible to vote at company meetings.

Below is a summary of voting activity as well as examples of voting activity on behalf of the Trustees over the Scheme year to 30 June 2025 (except where stated otherwise).

Fund	Proxy voter used?	Votes cast		
		Votes in total	Votes against management endorsement	Abstentions
Baillie Gifford – UK and Worldwide Equity Fund NB: Please note that the data for this fund covers the one-year period to 31 December 2024 as the Scheme disinvested from the Fund during Q4 2024.	*ISS and Glass Lewis* – for voting recommendations. Baillie Gifford also have specialist proxy advisors in the Chinese and Indian markets to provide them with more nuanced market specific information. Baillie Gifford do not delegate or outsource any of its stewardship activities or follow or rely upon its advisors' recommendations when deciding how to vote on its clients' shares. All client voting decisions are made in-house. Baillie Gifford vote in line with its in-house policy and not with the proxy voting providers' policies.	2,672	120	10

L&G – Life CJ Global Equity Fixed Weights (60:40) Index Fund NB: Please note that the Scheme invested in this fund during Q4 2024.	*ISS* – for their electronic voting platform. A custom voting policy with specific voting instructions has been put in place to ensure their proxy provider votes in accordance with L&G's position on ESG.	37,237	6,683	78
Nordea Diversified Return Fund	*ISS* – for the technical expertise and voting platform, as well as their global reach and analysis *NIS* – small niche player which provides input that is very valuable in the evolution of Nordea's own Corporate Governance principles. Mainly used for analysis. Nordea makes all its own voting decisions and the two providers are used to get a second and third opinion on the issues Nordea vote on, both from a global best practice and from a Nordic perspective.	2,172	367	49

Notes:

ISS = Institutional Shareholder Services Inc.
NIS = Nordic Investor Services
Voting information provided by the investment managers

Baillie Gifford – UK and Worldwide Equity Fund

Holding details	Resolution details	How the manager voted	Reason for manager's vote	Outcome of the vote	Why is this vote classed as most significant?	Next Steps
Company name: GAMES WORKSHOP GROUP PLC **Approximate size of holding as at date of vote:** 0.7%	**Summary of Resolution:** Remuneration **Date of vote:** 18-09-2024	For	Baillie Gifford supported the remuneration policy because they believe pay is aligned with performance over a five-year period, and the plan is structured to promote long-term alignment and ownership.	Pass	This resolution is significant because it received greater than 20 per cent opposition.	Baillie Gifford were comfortable supporting because they believe pay is aligned with performance over a five-year period, and the plan is structured to promote long-term alignment.

Company name: GENUS PLC **Approximate size of holding as at date of vote:** 0.5%	**Summary of Resolution:** Amendment of Share Capital **Date of vote:** 20-11-2024	Against	The manager opposed the resolution which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders.	Pass	This resolution is significant because it received greater than 20 per cent opposition.	(1)
Company name: REPLY SPA **Approximate size of holding as at date of vote:** 0.4%	**Summary of Resolution:** Articles of Association **Date of vote:** 17-09-2024	Against	Baillie Gifford voted against the amendment to the articles as it will allow the company to continue to hold shareholder meetings exclusively through a proxyholder, which will limit shareholder participation. They believe shareholder participation in shareholder meetings is a fundamental and important shareholder right and without reassurances that this provision will only be used in exceptional circumstances they do not think it is in shareholders' best interests to support this amendment.	Pass	This resolution is significant because it received greater than 20 per cent opposition.	The manager encouraged the board to reconsider its thinking in relation to this issue considering they believe that this provision could adversely impact shareholder participation.

(1) Information not disclosed by the investment manager

L&G – Life CJ Global Equity Fixed Weights (60:40) Index Fund

Holding details	Resolution details	How the manager voted	Reason for manager's vote	Outcome of the vote	Why is this vote classed as most significant?	Next Steps
Company name: Shell Plc **Approximate size of holding as at date of vote:** 3.6%	**Summary of Resolution:** Resolution 22: Request Company Disclose Whether and How Its: Demand Forecast For LNG; LNG Production And Sales Targets; And New Capital Expenditure In Natural Gas Assets; Are Consistent With Climate Commitments, Including Target To Reach Net Zero Emissions By 2025 **Date of vote:** 20-05-2025	Against	Climate change: While L&G recognise the intent behind Resolution 22, they have decided to vote against following a series of constructive engagements with Shell's leadership, during which the company committed to improving disclosures on stranded asset risks and financial resilience related to its LNG operations. L&G acknowledge meaningful progress in Shell's reporting, which now provides a clearer basis for assessing climate-related risks. In light of these developments, they believe the resolution's key objectives are being addressed through ongoing company actions.	Fail	Climate – Climate change	L&G will continue to engage with Shell Plc, publicly advocate their position on this issue and monitor company and market-level progress.

Company name: BP Plc **Approximate size of holding as at date of vote:** 1.7%	**Summary of Resolution:** Resolution 3: Re-elect Helge Lund as Director **Date of vote:** 17-04-2025	Against	A vote against is applied due to governance and board accountability concerns. L&G note substantial governance issues arising from the major revisions to the company's strategy, coupled with the decision to not allow a shareholder vote on the amended climate transition strategy at the 2025 AGM. While they acknowledge the recent announcement of Helge Lund's intention to step down as chairman positively, they expect the succession process to adhere to a clear and narrower timeframe to ensure an orderly and meaningful transition.	(1)	Governance – Voting rights	L&G will continue to engage with BP Plc, publicly advocate their position on this issue and monitor company and market-level progress.
Company name: London Stock Exchange Group plc **Approximate size of holding as at date of vote:** 1.4%	**Summary of Resolution:** Resolution 12: Re-elect Don Robert as Director **Date of vote:** 01-05-2025	Against	A vote against is applied because of a lack of progress on gender diversity on the board. L&G expect companies to have at least 40% female representation on the board.	Pass	Diversity: L&G view gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.	L&G will continue to engage with London Stock Exchange Group plc, publicly advocate their position on this issue and monitor company and market-level progress.
Company name: National Grid Plc **Approximate size of holding as at date of vote:** 1.0%	**Summary of Resolution:** Resolution 17: Approve Climate Transition Plan **Date of vote:** 10-07-2024	For	Climate Change: L&G is voting in favour of the National Grid Climate Transition plan. They commend the company's efforts in committing to net-zero emissions across all scopes by 2050 and setting 1.5C-aligned near term science-based targets. They also appreciate the clarity provided in the 'Delivering for 2035 report' and look forward to seeing the results of National Grid's engagement with SBTi regarding the decarbonisation of heating.	Pass	Climate: L&G is publicly supportive of so called "Say on Climate" votes. They expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, L&G deem such votes to be significant, particularly when L&G votes against the transition plan.	L&G will continue to engage with National Grid Plc, publicly advocate their position on this issue and monitor company and market-level progress.

(1) Information not disclosed by the investment manager.

Nordea Diversified Return

Holding details	Resolution details	How the manager voted	Reason for manager's vote	Outcome of the vote	Why is this vote classed as most significant?	Next Steps
Company name: Microsoft Corporation **Approximate size of holding as at date of vote:** 4.5%	**Summary of Resolution:** Report on Risks of Operating in Countries with Significant Human Rights Concerns **Date of vote:** 12-10-2024	For	Nordea support the proposal as it improves transparency on material ESG issues such as human rights risk.	Fail	Significant votes are those that are severely against their principles, and where Nordea feel they need to enact change in the company.	Nordea will continue to support shareholder proposals on this issue as long as it is needed.
Company name: Alphabet Inc. **Approximate size of holding as at date of vote:** 4.2%	**Summary of Resolution:** Report on Due Diligence Process to Assess Human Rights Risks in High-Risk Countries **Date of vote:** 06-06-2025	For (against management)	Nordea support the proposal as it improves transparency on material ESG issues such as human rights risk.	Fail	Significant votes are those that are severely against their principles, and where Nordea feel they need to enact change in the company.	Nordea will continue to support shareholder proposals on this issue as long as it is needed.
Company name: Meta Platforms, Inc. **Approximate size of holding as at date of vote:** 1.0%	**Summary of Resolution:** Report on Combatting Risks of Online Child Exploitation **Date of vote:** 28-05-2025	For (against management)	Nordea support the proposal as the company's current disclosures provide insufficient transparency to properly assess the associated risks and opportunities.	Fail	Significant votes are those that are severely against theirprinciples, and where Nordea feel they need to enact change in the company.	Nordea will continue to support shareholder proposals on this issue as long as it is needed.

Holding details	Resolution details	How the manager voted	Reason for manager's vote	Outcome of the vote	Why is this vote classed as most significant?	Next Steps
Company name: Meta Platforms, Inc. **Approximate size of holding as at date of vote:** 1.0%	**Summary of Resolution:** Report on Hate Targeting Marginalized Communities **Date of vote:** 28-05-2025	For (against management)	Nordea support the proposal as the company's current disclosures provide insufficient transparency to properly assess the associated risks and opportunities.	Fail	Significant votes are those that are severely against their principles, and where Nordea feel they need to enact change in the company.	Nordea will continue to support shareholder proposals on this issue as long as it is needed.