

# *Implementation Statement, covering the Plan Year from 1 April 2024 to 31 March 2025 (the “Plan Year”)*

The Trustee of The Philip Morris Group Pension Plan (the “Plan”) is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed the voting and engagement policies in its Statement of Investment Principles (“SIP”) during the Plan Year. This is provided in Section 1 below.

The Statement is also required to include a description of the voting behaviour during the Plan Year by, and on behalf of, Trustee (including the most significant votes cast by Trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 3 below.

In preparing the Statement, the Trustee has had regard to the [guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions \(“DWP’s guidance”\) in June 2022.](#)

## **1. Introduction**

No changes were made to the voting and engagement policies in the SIP during the Plan Year. The last time these policies were formally reviewed was June 2023.

The Trustee has, in its opinion, followed the Plan’s voting and engagement policies during the Plan Year. Investment objectives

## **2. Voting and engagement**

The Trustee has delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. However, the Trustee takes ownership of the Plan’s stewardship by monitoring and engaging with managers and escalating as necessary as detailed below.

As part of its advice on the selection and ongoing review of the investment managers, the Plan’s investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers’ approaches to voting and engagement. Under LCP’s advice, the Trustee invested in a new pooled fund, the SSGA Sterling Non-Gilts Bond All Stocks Screened Index Sub-Fund in October 2024.

Following the introduction of DWP’s guidance, the Trustee agreed to set stewardship priorities to focus monitoring and engagement with their investment managers on specific ESG factors. The Trustee selected climate change as it’s priority. This priority was selected as a key market-wide risk where the Trustee believes that good stewardship and engagement can improve long-term financial outcomes for the Plan’s members.

The Trustee is conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustee aims to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

## **3. Description of voting behaviour during the Plan Year**

Over the Plan Year to 31 March 2025, the Plan did not hold any listed equities either directly or via pooled funds.

Over the Plan Year, the Plan held assets with State Street in a range of gilt funds, bond funds, and a liquidity fund, none of which held listed equities.

We are therefore not including a description of our managers’ voting processes, summary of behaviour or most significant votes as the Plan’s investment manager confirmed there were no such voting opportunities during the Plan Year for funds which don’t hold listed equities.