

Implementation Statement

Diodes Zetex Pension Scheme

For the period 1 April 2024 – 31 March 2025

DB Section

The purpose of the Implementation Statement is for us, the Trustees of the Diodes Zetex Pension Scheme, to explain what we have done during the year ending 31 March 2025 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”).

It includes:

1. A summary of any review and changes made to the SIP over the year;
2. How our policies in the SIP have been followed during the year; and
3. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

We delegate the management of the Scheme’s assets to our fiduciary manager, Aon Investments Limited (“AIL”). Based on the information we have been provided with, we are comfortable with the management and the monitoring of ESG integration and stewardship of the underlying managers that has been carried out on our behalf, and that this aligns with our policies and expectations.

We have also reviewed the stewardship activities of the material underlying investment managers appointed by AIL. In our view, most of the Scheme’s material investment managers were able to disclose good evidence of voting and/or engagement activity. However, there are areas where we would like to see additional details in future years, as set out in our engagement action plan.

Changes to the SIP during the year

We have a policy to review the SIP formally at least every three years, or after any significant change in investment policy or member demographics.

The SIP was updated after the scheme year end following the decision to restructure the Scheme's growth allocation and update the target liability hedge ratios for the DB section.

We sought input on these changes from our investment adviser, AIL, and the Sponsoring Employer.

The Scheme's latest SIP can be found here:

<https://schemes.vidett.com/diodes-zetex-pension-scheme/>

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which ESG issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

How the policies in the SIP have been followed

In the table below we set out what we have done during the year to meet the policies in the SIP.

Policies and objectives related to the Scheme's DB investment objectives and strategy.

The Trustees have set a target investment objective for the Scheme's assets, which the Trustees believe to be appropriate for the Scheme.

The investment strategy was discussed in early 2025, following a material improvement in the Technical Provisions funding deficit. During this review, the appropriate level of risk and return to be taken was considered, including the target investment objective, target liability hedging ratios and the Scheme's growth allocation.

Investment monitoring takes place on a quarterly basis with quarterly investment reports ("QIRs") being provided to the Trustees by AIL, which monitor the performance, strategic asset allocation and hedging levels of the Scheme. Included in the QIRs are:

- Absolute performance and performance relative to the benchmark and investment objective over the quarter, one year, three year, five year and since inception periods
- Asset allocation relative to the previous quarter
- Detailed commentary on performance and any relevant manager and portfolio developments, including strategic changes
- Interest rate and inflation hedging levels and collateral cover for the liability hedging portfolio

Policies and objectives related to risk management.

The Trustees have identified a number of key risks within the investment strategy, which they monitor through different means. Further details on

each risk, and how the Trustees have met their objective of managing these risks are outlined below:

- To manage mismatching risk, the Trustees have implemented a Liability Driven Investment strategy, where the assets aim to move in line with the liabilities. This is monitored by the quarterly investment reports provided to the Trustees by AIL.
- The Trustees and their advisers manage the cashflow requirements to ensure that there is sufficient liquidity to meet ongoing cashflow requirements. The appointed administrator for the Scheme, Barnett Waddingham, monitors and manages ongoing cashflow requirements. Collateral requirements in relation to the liability hedging portfolio are managed by AIL and monitored by the quarterly investment reports provided to the Trustees by AIL.
- Investment manager risk is monitored by the quarterly investment reports provided to the Trustees by AIL. The Trustees supplement this by meeting with their fiduciary manager at least annually.
- The Trustees have delegated decisions about the implementation of their investment strategy to their fiduciary manager, AIL, and expect AIL to ensure that the assets are sufficiently diversified. Asset allocation is monitored by the quarterly investment reports provided to the Trustees by AIL.
- Covenant risk is considered as part of triennial investment strategy reviews.
- The Trustees have sought to minimise operational risk by ensuring that all advisers and third-party service providers are suitably qualified and experienced, and that suitable liability and compensation clauses are included in all contracts for professional services received. The Trustees have provided their investment advisor with a set of strategic objectives that are scored and revisited on an annual basis to ensure they remain relevant for the coming year.

Policies and objectives related to investment managers, including environmental, social and governance (“ESG”) considerations

The Trustees have delegated the management of the Scheme's assets, including the ongoing monitoring of underlying asset managers, to their fiduciary manager, AIL.

During the year, the Trustees met virtually and in person with AIL at Trustee meetings and engaged with them on a number of areas including performance, strategy, underlying investments, risk, ESG considerations and stewardship.

The Trustees received the 2023 AIL Annual Stewardship Report in November 2024 and discussed this at their December 2024 Trustee meeting. This report included details of voting and engagement activities taken by the Scheme's underlying asset managers and engagements from AIL itself. The Trustees have reviewed AIL's latest Annual Stewardship Report and believe it shows that AIL is using its resources to effectively influence positive outcomes in the funds in which it invests. The Trustees will continue to receive and review this report on an annual basis.

More details regarding AIL's engagement activities over the reporting year can be found in the section titled "Our fiduciary manager's engagement activity".

Policies relating to costs and charges associated with the Scheme

The Trustees discussed the cost disclosure statement covering the 2023 calendar year at their December 2024 Trustee meeting. The statement provided a consolidated summary of all the investment costs incurred by having assets invested with AIL over 2023. A breakdown of the costs into their various component parts was also provided, including the costs of

buying and selling assets (transaction costs) incurred by the underlying managers. This disclosure was produced in line with the requirements of the Competition and Markets Authority on fiduciary management cost disclosures. The Trustees will continue to receive and review this report on an annual basis.

Policies and objectives related to the Scheme's DB investment objectives and strategy.

The Trustees have set a target investment objective for the Scheme's assets, which the Trustees believe to be appropriate for the Scheme.

Following a material improvement in the Technical Provisions funding deficit the investment strategy was reviewed. During this review, the appropriate level of risk and return to be taken was considered, including the target investment objective, target liability hedging ratios set for the Scheme and the Scheme's growth allocation.

Investment monitoring takes place on a quarterly basis with quarterly investment reports ("QIRs") being provided to the Trustees by ALL, which monitor the performance, strategic asset allocation and hedging levels of the Scheme. Included in the QIRs are:

- Absolute performance and performance relative to the benchmark and investment objective over the quarter, one year, three year, five year and since inception periods
- Asset allocation relative to the previous quarter
- Detailed commentary on performance and any relevant manager and portfolio developments, including strategic changes
- Interest rate and inflation hedging levels and collateral cover for the liability hedging portfolio

Our Engagement Action Plan

Based on the work we have done for the IS, we have decided to take the following steps over the next 12 months:

- 1 We will continue to invite our fiduciary manager, ALL, to meetings to get a better understanding of how it is monitoring voting practices and engaging with underlying managers on our behalf, and how these help us fulfil our Responsible Investment policies.
- 2 We will undertake more regular ESG monitoring of our managers.

Our fiduciary manager's engagement activity

We delegate the management of the Scheme's defined benefit assets to our fiduciary manager, AIL. AIL manages the Scheme's assets in a range of funds which can include multi-asset, multi-manager, and liability matching funds. AIL selects the underlying investment managers on our behalf.

We delegate monitoring of ESG integration and stewardship of the underlying managers to AIL. We have reviewed AIL's latest annual Stewardship Report and we believe it shows that AIL is using its resources to effectively influence positive outcomes in the funds in which it invests.

Over the year, AIL held several engagement meetings with many of the underlying managers in its strategies. AIL discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the investment managers. AIL provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

Over the year, AIL engaged with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations.

AIL has a net zero commitment to deliver UK delegated investment portfolios and default strategies which have a net zero carbon emissions profile by 2050.

AIL also successfully renewed its signatory status to the 2020 UK Stewardship Code, which is a voluntary code established by the Financial Reporting Council that sets high standards on stewardship for asset owners, investment managers and service providers.

What is fiduciary management?

Fiduciary management is the delegation of some, or all, of the day-to-day investment decisions and implementation to a fiduciary manager. But the trustees still retain responsibility for setting the high-level investment strategy.

In fiduciary management arrangements, the trustees will often delegate monitoring ESG integration and asset stewardship to its fiduciary manager.

Our managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. We believe that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Scheme's investments is an important factor in deciding whether a manager remains the right choice for the Scheme.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Scheme's equity-owning investment managers to responsibly exercise their voting rights.

Voting statistics

The table below shows the voting statistics for the Scheme's material funds with voting rights for the year to 31 March 2025.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
Legal & General Asset Management ("L&G") - Multi-Factor Equity Fund (Hedged)	11,446	99.8%	20.8%	0.4%
UBS Global Asset Management ("UBS") - Global Emerging Markets Equity Climate Transition Fund ¹	7,747	85.0%	6.6%	4.3%
UBS - Global Equity Climate Transition Fund ¹	12,234	93.0%	8.1%	0.1%

Source: Managers. Please note that the 'abstain' votes noted above are a specific category of vote that has been cast and are distinct from a non-vote.

¹We engaged with UBS to understand why the % of resolutions voted was lower than the other equity managers. UBS confirmed that there are markets, including emerging markets, where it does not exercise voting rights due to the local market restrictions.

Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay, and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Scheme's managers use proxy voting advisers.

Managers	Description of use of proxy voting advisers (in the managers' own words)
L&G	L&G's Investment Stewardship team uses Institutional Shareholder Services' ("ISS") 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues.

Source: UN PRI

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

UBS

UBS retains the services of ISS for the physical exercise of voting rights and for supporting voting research. UBS retains full discretion when determining how to vote at shareholder meetings.

Source: Managers

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Scheme's investment managers to provide a selection of what they consider to be the most significant votes in relation to the Scheme's funds. A sample of these significant votes can be found in the appendix.

Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Scheme's material managers. The managers have provided information for the most recent calendar year available.

Funds	Number of engagements		Themes engaged on at a fund level
	Fund level	Firm level	
Aberdeen – Climate Transition Bond Fund	104	1,868	Environment - Climate; Other Environment Related Social - Human Rights & Stakeholders; Labour Management Governance - Corporate Governance; Corporate Behaviour
Aegon Asset Management (“Aegon”) – European ABS Fund	115	422	Environment - Climate Change Social - Human and Labour Rights; Public Health Governance - Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting) Other - General Disclosure
Ardea – Global Alpha UCITS Fund**	40	40	Environment - Climate Change Other - Market Development of Green Government Bonds
Arrowstreet – ESG Global Equity Long/Short Fund*	<i>Not provided</i>	159	Environment - Water Quality; Water Security Social - Human and Labour Rights; Community Relations Governance - Business Ethics; Accounting and Taxation
Caius Capital – International Fund	>30	>30	Governance - Board Effectiveness - Other; Leadership - Chair/CEO Strategy, Financial & Reporting - Strategy/Purpose; Financial Performance
L&G – Diversified Credit Fund	326	4,399	Environment - Climate Change; Antimicrobial Resistance; Natural Resource Use/Impact Social - Human and Labour Rights; Human Capital Management; Inequality Governance – Remuneration; Board Effectiveness – Diversity; Board Effectiveness – Independence/Oversight Strategy, Financial & Reporting – Strategy/Purpose; Financial Performance; Reporting
L&G – Multi-Factor Equity Fund (Hedged)	682	4,399	Environment - Climate Change; Natural Resource Use/Impact; Pollution, Waste Social - Human and Labour Rights; Human Capital Management; Inequality Governance – Remuneration; Board Effectiveness – Diversity; Board Effectiveness – Independence/Oversight Strategy, Financial & Reporting – Strategy/Purpose; Financial Performance; Risk Management
M&G – Sustainable Total Return Credit Investment Fund	12	406	Environment - Net Zero/Decarbonisation; Climate Action 100+ Engagements; Climate Change; Nature & Biodiversity Social - Diversity & Inclusion
Man Group – Alternative Risk Premia Fund*	<i>Not provided</i>	66	Environment - Climate Change; Natural Resource Use/Impact

			Social - Human and Labour Rights; Human Capital Management Governance - Remuneration
Marshall Wace – Market Neutral ESG Tops Fund*		<i>Not provided</i>	Environment - Climate Change; Natural Resource Use/Impact
UBS – Global Emerging Markets Equity Climate Transition Fund	38	425	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights Governance - Remuneration; Board Effectiveness - Other Strategy, Financial and Reporting - Capital Allocation
UBS – Global Equity Climate Transition Fund	174	425	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights Governance - Remuneration; Board Effectiveness - Other; Leadership - Chair/CEO Strategy, Financial & Reporting - Capital Allocation

Source: Managers.

*Arrowstreet, Man Group and Marshall Wace did not provide fund level themes; themes provided are at a firm-level.

**Ardea engagement activities are conducted centrally, and no additional strategy-specific engagements occurred during the reporting period, thus responses at both the firm and strategy level reflect the same data.

Data limitations

At the time of writing, the following managers did not provide all the information we requested:

1. L&G has provided complete engagement information. We note that the total number of engagements above refers specifically to the total number of interactions L&G held with individual companies as opposed to the number of engagements on specific engagement themes. Each interaction may cover multiple themes.
2. Marshall Wace, Arrowstreet and Man Group did not provide all of the engagement information requested. This is because the assets managed by these managers are held tactically over a short period of time and/or indirectly through derivative exposures, meaning that engagement is less applicable to these assets given the long-term nature of engagements.
 - Marshall Wace provided limited engagement information but did provide detailed illustrative examples of its engagement activity at a firm level and stated that the manager undertakes engagement initiatives at the firm rather than strategy level.
 - Arrowstreet and Man Group provided detailed engagement information at a firm level only.

This report does not include commentary on certain asset classes such as liability driven investments, gilts, commodities, or cash because of the limited materiality of stewardship to these asset classes.

Appendix – Significant Voting Examples

In the table below is a significant vote example provided by the Scheme’s material manager with voting rights. Our definition of a significant vote is broadly consistent with the manager’s definition, therefore, the example given below is also aligned with our definition of a significant vote. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the example below:

L&G – Multi-Factor Equity Fund (Hedged)	Company name	Wells Fargo & Company
	Date of vote	30 April 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.5%
	Summary of the resolution	Resolution 7: Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining Rights
	How you voted?	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an Annual General Meeting (“AGM”) as our engagement is not limited to shareholder meeting topics.
	Rationale for the voting decision	Shareholder Resolution - Labour rights: A vote in favour is applied as L&G supports proposals that are set to improve human rights standards and employee policies because we consider this issue to be a material risk to companies.
	Outcome of the vote	Fail
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	L&G will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
	On which criteria have you assessed this vote to be most significant?	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.
UBS – Global Emerging Markets Equity Climate Transition Fund	Company name	Samsung C&T Corp
	Date of vote	15 March 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	<i>Not provided</i>
	Summary of the resolution	Approve Appropriation of Income (KRW 4,500 per Common Share and KRW 4,550 per Preferred Share) (Shareholder Proposal)
	How you voted?	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
	Rationale for the voting decision	Given the company’s robust balance sheet, improving operational performance and strong cash flow generation, support for proposals for a higher dividend and share buyback is warranted.

	Outcome of the vote	Fail
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	We shall continue to monitor the company's income distribution strategy.
	On which criteria have you assessed this vote to be most significant?	Voting escalation action linked to engagement outcome.
UBS – Global Equity Climate Transition Fund	Company name	Gecina SA
	Date of vote	25 April 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	<i>Not provided</i>
	Summary of the resolution	Approve Company's Ambition to Reduce Greenhouse Gas Emissions from its Operating Buildings (Advisory)
	How you voted?	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
	Rationale for the voting decision	The proposal would further enable shareholders to determine the strength of company policy, strategy and actions in regard to climate change.
		Outcome of the vote
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	We are not planning future steps in regard to the outcome, as the scheme was approved by a majority of shareholders.
	On which criteria have you assessed this vote to be most significant?	93.8% of shareholders voted in support of the proposal.

Source: Managers

DC Section

Purpose of this statement

This implementation statement has been produced by the Trustees of the **Diodes Zetex Pension 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;



The voting activity undertaken by the Scheme’s investment managers on behalf of the Trustees over the year, including information regarding the most significant votes;



A summary of any changes to the Statement of Investment Principles (SIP) over the period;



A description of how the Trustees’ policies, included in their SIP, have been followed over the year.



Conclusions

In reviewing the activities of the past year, the Trustees believe that the policies set out in the Statement of Investment Principles (“SIP”) have been effectively implemented. The Scheme’s investment manager has demonstrated transparency in their voting and engagement activities, and the Trustees believe that these activities reasonably align with the with the stewardship priorities of the Scheme.

The Trustees are supportive of the key voting actions taken by their investment manager over the period to encourage positive governance changes in the companies in which the investment manager holds shares.

Stewardship policy

The Trustees' Statement of Investment Principles (SIP) in force at 31 March 2023 describes the Trustees' stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in November 2023 and has been made available online here:

<https://schemes.vidett.com/wp-content/uploads/Diodes-Zetex-SIP-update-August-2025.pdf>

No changes were made to the Statement of Investment Principles over the year.

The Trustees' stewardship policy is set out in the Scheme's policies on voting and engagement, which forms part of the SIP. To enable the Trustees to make high quality decisions, the fact-finding and analysis of their investment managers is delegated to the Trustees' investment advisor. The Trustees have aligned their Stewardship Priorities with L&G and have selected the following themes as the stewardship priorities of the Scheme:

- People
- Nature
- Health Technology
- Governance
- Climate

How voting and engagement/stewardship policies have been followed

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

- The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers.
- Annually the Trustees of this Scheme receive and review voting information and engagement policies from their asset managers, which they review to ensure alignment with the Trustees' stewardship policies/priorities. The Trustees believe that the voting and engagement activities undertaken by the asset managers on their behalf have been in the members' best interests.
- As part of ongoing monitoring of the Scheme's investment managers, the Trustees use ESG ratings information available within the pensions industry or provided by its investment consultant, to assess how the Scheme's investment managers take account of ESG issues.

How the SIP has been followed over the year

In the Trustees' opinion, the Statement of Investment Principles has been followed over the year in the following ways:

Policies on investment strategy

- *To offer a suitable default strategy for members and a selection of core funds for members to self-select.*

The Trustees reviewed both the default strategy and the self-select options last year. The Trustees receive annual monitoring from their investment consultant to aid with assessing the default and self-select strategy and were satisfied that the default strategy remains fit for purpose.

- *To take advice on the strategy from their advisors and consult with the employer before making any changes.*

The Trustees' advisors and an employer representative attend Trustee meetings, so that advice is provided as required and the employer is consulted on any changes.

- *To review the investment strategy's suitability on an ongoing basis;*

As noted above, the Trustees reviewed the investment strategy last year and after reviewing the contents of, and discussing, their annual monitoring, the Trustees were satisfied with the Scheme's strategy.

- *To consider the merits of both active and passive management for the various elements of the Scheme's portfolio and may select different approaches for different asset classes.*

The Trustees considered the merits of passive and active management as part of the investment strategy. Over the period, no changes were made to the funds within the default and self-select strategy.

Policies on monitoring manager and advisor performance

- *To review manager performance*

The Trustees monitor the performance of the managers funds annually to ensure that the funds are meeting their stated objectives. The Scheme produces an investment monitoring report as at 31 March annually which is discussed at the relevant meeting. The Trustees also discuss performance using quarterly performance reporting from L&G at Trustee meetings.

- *To meet managers as appropriate.*

The Scheme's manager is invited to the Trustees meeting at least once a year. L&G attended the June Trustee meeting to discuss relevant matters with the Trustees, including ESG and stewardship.

- *Scheme advisors provide feedback to managers*

Barnett Waddingham's research team regularly meet with managers to rate their performance and feedback on any client issues. There have been no specific issues relating to this Scheme over the year.

- *To monitor the Scheme's advisors*

The Trustees have set objectives for their investment advisors in line with DWP requirements. These have been reviewed over the year and feedback provided to Barnett Waddingham.

Policies on ESG

- *To consider ESG risks when selecting new funds and managers*

The Scheme offers an ESG focussed fund in the default strategy. ESG risks are specifically considered as part of any review of the default and self-select strategy.

- *To review the manager's ESG policies periodically by requesting ESG reports and asking managers to cover ESG when at meetings.*

The Trustees receive the L&G Quarterly Impact Reporting at each quarterly Trustee meeting. These reports include the stewardship policies, voting and engagement activity of L&G over the quarter. L&G also spoke on their stewardship activities when attending the June Trustee meeting.

Policies on voting and engagement

- *To monitor and engage with managers on stewardship by requesting ESG reports and asking managers to cover ESG when at meetings.*

The L&G Quarterly Impact Reporting includes details of L&G's stewardship policies and activities each quarter and this is noted at each quarterly Trustee meeting. The Trustees also receive an Active Ownership annual report, which provides details on L&G's engagement and the impact of their engagement over the year.

The Trustees also review the voting data provided by L&G as part of this IS process. The Trustees' advisors requested voting and engagement data from the Scheme's manager using the template provided by Pensions UK. The manager has provided data as shown further in this Statement. Having reviewed the voting and engagement data provided by L&G, the Trustees are comfortable with the actions of the fund manager.

Policies on manager arrangements

- *To review manager conflicts of interest policies*

The Scheme invests in pooled funds with L&G with set investment objectives and fixed pricing. As such the Trustees consider manager conflicts to be low risk for the Scheme.

- *Monitor portfolio turnover costs*

The Trustees consider total costs of the investments as part of the Value for Member assessment annually.

- *Advisors to review fees when appointing new managers*

No managers or funds have been added over the year.

**Prepared by the Trustees of the Diodes Zetex Pension Scheme
August 2025**

Voting Data

A summary of the voting activity carried out on behalf of the Scheme over the year to 31 March 2025 is as follows. The Scheme invests entirely in pooled funds provided by Legal & General (L&G) Asset Management, which consists of default and self-select options. The Trustees have considered voting and engagement activity for equity and diversified growth funds within the self-select and default range. There is limited scope for engagement activities within the remaining funds, which mainly consist of cash and government bonds.

Manager	L&G			
Fund name	Diversified Fund	UK Equity Index	FTSE4Good UK Equity Index Fund	UK Small Companies Fund
Structure	Pooled	Pooled	Pooled	Pooled
No. of eligible meetings	10,796	717	257	272
No. of eligible votes	107,020	10,134	4,434	3,215
% of resolutions voted	99.77%	100.00%	100.00%	100.00%
% of resolutions abstained	1.10%	0.00%	0.00%	0.00%
% of resolutions voted with management¹	76.53%	93.79%	94.38%	92.94%
% of resolutions voted against management¹	22.37%	6.21%	5.62%	7.06%
Proxy voting advisor employed	L&G's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to vote clients' shares. All voting decisions are made by L&G and they do not outsource any part of the strategic decisions.			
% of resolutions voted against proxy voter recommendation	13.71%	5.29%	4.89%	5.66%

¹ As a percentage of the total number of resolutions voted on. Totals may not add up to 100%. Numbers are subject to rounding.

Note: segregated mandates allow the Trustees to engage with managers and influence their voting behaviour. Pooled fund structures result in limited scope for the Trustees to influence managers' voting behaviour.

Manager		L&G			
Fund name	North America Equity Index Fund	Europe (ex-UK) Equity Index Fund	Japan Equity Index Fund	Asia Pacific (ex-Japan) Equity Index Fund	
Structure	Pooled	Pooled	Pooled	Pooled	
No. of eligible meetings	629	504	493	638	
No. of eligible votes	8,278	8,539	5,970	4,871	
% of resolutions voted	98.88%	100.00%	100.00%	100.00%	
% of resolutions abstained	0.64%	0.41%	0.00%	0.14%	
% of resolutions voted with management¹	63.45%	81.54%	89.87%	78.03%	
% of resolutions voted against management¹	35.92%	18.05%	10.13%	21.82%	
Proxy voting advisor employed	L&G's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to vote clients' shares. All voting decisions are made by L&G and they do not outsource any part of the strategic decisions.				
% of resolutions voted against proxy voter recommendation	30.63%	8.77%	9.10%	11.64%	

Manager		L&G		
Fund name	World Emerging Markets Equity Index Fund	Global Equity Fixed Weights (50:50) Index Fund	Future World Global Equity Index Fund	
Structure	Pooled	Pooled	Pooled	
No. of eligible meetings	4,366	2,981	5,515	
No. of eligible votes	34,789	37,792	55,096	
% of resolutions voted	99.94%	99.75%	99.80%	
% of resolutions abstained	2.51%	0.25%	1.11%	
% of resolutions voted with management¹	80.37%	81.77%	81.00%	

¹ As a percentage of the total number of resolutions voted on. Totals may not add up to 100%. Numbers are subject to rounding.

Note: segregated mandates allow the Trustees to engage with managers and influence their voting behaviour. Pooled fund structures result in limited scope for the Trustees to influence managers' voting behaviour.

Manager	L&G		
% of resolutions voted against management¹	17.12%	17.98%	17.89%
Proxy voting advisor employed	L&G's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to vote clients' shares. All voting decisions are made by L&G and they do not outsource any part of the strategic decisions.		
% of resolutions voted against proxy voter recommendation	6.28%	13.00%	9.71%



Significant votes

The Trustees are required to describe the voting undertaken on their behalf, including the most significant votes cast. The guidance does not currently define what constitutes a "significant" vote. The Trustees have set stewardship priorities which align with L&G's strategic engagement topics as set out in the Stewardship Policy section above, and significant votes have been selected that align with these themes.

L&G have provided a selection of votes for each fund which they believe to be significant and align with their engagement themes, and their rationale for selecting that vote. The Trustees have reported on three significant votes outlined by L&G which align with the Scheme's stewardship priorities, and of which the Fund has significant exposure. We have shown three significant votes for the default strategy funds with voting rights, and three significant votes to represent the self-select L&G equity funds, below.

A summary of the significant votes provided is set out below.

Note: segregated mandates allow the Trustees to engage with managers and influence their voting behaviour. Pooled fund structures result in limited scope for the Trustees to influence managers' voting behaviour.

Significant votes

L&G Diversified Fund

	Vote 1	Vote 2	Vote 3
Company name	Prologis, Inc.	Shell Plc	Toyota Motor Corp.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.37%	0.33%	0.31%
Summary of the resolution	Elect Director Hamid R. Moghadam	Approve the Shell Energy Transition Strategy	Elect Director Toyoda, Akio
How the manager voted	Against	Against	Against
Rationale for the voting decision	Joint Chair/CEO: A vote against is applied as L&G expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.	A vote against is applied as L&G seek more clarity regarding the expected lifespan the assets. Additionally, they would benefit from further transparency regarding lobbying activities in regions where hydrocarbon production is expected to play a significant role, guidance on capex allocated to low carbon beyond 2025 and the application of responsible divestment principles involved in asset sales.	A vote against is applied due to the lack of independent directors on the board. L&G would like to see all companies have a third of the board comprising truly independent outside directors.
Criteria on which the vote is considered "significant"	Board Leadership: L&G considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO.	Climate: L&G is publicly supportive of so called "Say on Climate" votes. L&G 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.	Diversity: L&G views gender diversity as a financially material issue for clients, with implications for the assets they manage on their behalf.

Outcome of the vote	Pass	Pass	Pass
Implications of the outcome	L&G will continue to engage with investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management.		
Relevant stewardship priority	Governance	Climate	Governance and People

L&G Future World Global Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Microsoft Corporation	Amazon.com, Inc.	Broadcom Inc.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	4.87%	1.81%	0.97%
Summary of the resolution	Report on AI Data Sourcing Accountability	Report on Customer Due Diligence	Elect Director Henry Samuelli
How the manager voted	For	For	Against
Rationale for the voting decision	A vote for this resolution is warranted as the shareholders would benefit from greater attention to risks related to how the company uses third-party	Shareholder Resolution Human Rights: A vote for is applied as enhanced transparency over material risks to human rights is key to	Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards regarding climate risk management.

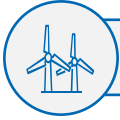
	information to train its large language models.	understanding the company's functions and organisation.	
Criteria on which the vote is considered "significant"	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.	Pre-declaration and High-Profile Meeting: This shareholder resolution is considered significant as enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation.	Climate: L&G considers this vote to be significant as it is applied under the Climate Impact Pledge, their flagship engagement programme targeting companies in climate-critical sectors.
Outcome of the vote	Fail	Fail	Pass
Implications of the outcome	L&G will continue to engage with investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management.		
Relevant stewardship priority	Governance and Technology	People	Climate

L&G, Self-select Passive Equity Funds

	Vote 1	Vote 2	Vote 3
Company name	Unilever Plc (UK Equity Index Fund)	Westpac Banking Corporation (Asia Pacific (ex Japan) Equity Index Fund)	Holcim Ltd. (Europe (ex UK) Equity Index Fund)
Approximate size of fund's holding as at	4.23%	1.62%	0.47%

the date of the vote
(as % of portfolio)

Summary of the resolution	Approve Climate Transition Action Plan	Elect Margaret Seale as Director	Approve Climate Report
How the manager voted	For	For	For
Rationale for the voting decision	Climate change: A vote for the CTAP is applied as the Plan meets L&G's minimum expectations. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short, medium and long-term GHG emissions reduction targets consistent with a 1.5°C Paris goal.	Diversity: A vote in favour is applied despite the proportion of women on the Board having fallen below one-third of board members as at the 2024 AGM. Support is warranted given the Company exceeded its goal of 40% female directors by the 2024 year-end.	Climate Change: A vote for is applied as L&G are supportive of progress made this year and improvements made to the report, namely expanding the scope of the 2050 net zero target to include all categories of scope 3 emissions, and the upgrading of 2030 scope 1 and 2 targets
Criteria on which the vote is considered "significant"	Climate: L&G is publicly supportive of so called "Say on Climate" votes. 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.	Diversity: L&G views gender diversity as a financially material issue for clients, with implications for the assets they manage on their behalf.	Climate: L&G is publicly supportive of so called "Say on Climate" votes. 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.
Outcome of the vote	Pass	Pass	N/A
Implications of the outcome	L&G will continue to engage with investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management.		
Relevant stewardship priority	Climate	People and Governance	Climate



Engagement

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme's LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

	L&G	L&G
Fund name	Diversified Fund	Future World Global Equity Index Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	3694	1944
Number of entities engaged on behalf of the holdings in this fund in the year	2711	1274
Number of engagements undertaken at a firm level in the year		4459



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

Environment – Deforestation

L&G expect companies in 'deforestation-critical' sectors with exposure to forest-risk commodities within their portfolios, for which they have data, to have a public deforestation policy and a programme of actions to deliver on that policy. L&G also assess how robust the policies and plans are, including whether there is a commitment to zero deforestation exposure; inclusion of targets related to deforestation management; and development and adoption of traceability systems. Continuing their deforestation campaign from 2023, they wrote to companies again in April 2024 to inform the companies of L&G's deforestation assessment results and potential sanctions. Through their Climate Impact Pledge, they engaged through their written campaign with half of the 5,000+ companies assessed quantitatively, and also directly with several 'dial-mover' companies in sectors where deforestation is critical, such as apparel, food, and forestry. The letters outlined a call to action to implement appropriate policies and programmes along with recommended actions outlined in L&G's deforestation policy; encouragement to engage with data providers such as Sustainalytics, CDP, Forest500, SPOTT, Trase, and referencing the Accountability Framework as a potentially useful guidance

Social (People) – Human rights campaign

As set out in their human rights policy, L&G believe that human rights is financially material for investors, and that managing the business elements of human rights within operations is essential for companies to minimise the risks to their business of human rights violations. The aim of L&G's human rights letter campaign is to communicate their expectations, and to seek companies' own views and more information about their approach to these risks, by asking them to complete a survey. The campaign is focussed on the high-risk sectors outlined in L&G's human rights policy, namely: utilities, energy, mining and minerals, apparel and textiles, technology and automotives. A letter was drafted for each sector, addressed to the chair of the company, sharing why L&G believe human rights are fundamentally important within that sector, along with L&G's human rights expectations (as set out in their human rights policy). Additionally, L&G have asked companies to provide information and feedback about their human rights practices through a questionnaire. Having begun the campaign in the beginning of the third quarter of 2024, L&G have sent the letters in stages, completing by the end of the quarter. Based on the collected results in the questionnaires, they plan to conduct further one-on-one, direct engagements. They will also plan to publish their findings and observations. Further, based on the feedback, they will look into further updating their human rights policy with detailed expectations on a number salient human rights topics that they identified that are material to L&G.

Governance – HKEX corporate governance code update consultation

In June, HKEX (Hong Kong Exchange and Clearing Ltd) published a consultation paper on corporate governance code enhancements. Key proposals included improvement of board effectiveness, strengthening board independence, promoting diversity, enhancing risk management and internal control, and enhancing capital management disclosure. Through L&G's membership of the Asian Corporate Governance Association (ACGA), L&G participated in this consultation. Their key contributions included: 'over boarding': a maximum of four or five directorships, and counting the role of chair or CEO as two directorships given the extra complexity, oversight, and time commitment it entails, director training: that training is more formal and structured. An additional way for directors to develop relevant competencies and awareness is to meet regularly with investors to gain fresh knowledge and different perspectives, board diversity: a 30% target would strengthen board diversity expectations in line with L&G's diversity policy, and board evaluation: that external evaluations be conducted by independent third parties on the board, board committees, and individual directors L&G believe

that responding to such consultations is an important mechanism for feeding into the improvement of corporate governance standards around the world.