

Sea Containers 1990 Pension Scheme

Engagement Policy Implementation Statement for the year ending 31 December 2024

Introduction

The Trustees of the Sea Containers 1990 Pension Scheme (the 'Scheme') have a fiduciary duty to consider their approach to the stewardship of the investments, to maximise financial returns for the benefit of members and beneficiaries over the long term. The Trustees can promote an investment's long-term success through monitoring, engagement and/or voting, either directly or through their investment manager.

This statement sets out how, and the extent to which, in the opinion of the Trustees, the policies (set out in the Statement of Investment Principles) on the exercise of rights (including voting rights) attaching to the investments, and engagement activities have been followed during the year ending 31 December 2024. This statement also describes the voting behaviour by, or on behalf of, the Trustees.

The Trustees, in conjunction with their investment consultant, appoint their investment managers and choose the specific pooled funds to use in order to meet specific Scheme policies. They expect their investment manager, where appropriate, to have taken account of financially material considerations, potentially including environmental, social and governance (ESG) factors as part of their investment analysis and decision-making process. Given the Scheme's investment strategy, the Trustees do not expect that ESG factors will be financially material in the investment manager's investment decisions.

The Trustees have decided not to take non-financial matters into account when considering their policy objectives.

Stewardship - monitoring and engagement

The Trustees recognise that their investment manager's ability to influence the companies in which they invest will depend on the nature of the investment.

Given the Scheme's investment strategy, the Trustees do not have the opportunity to influence the investments' long-term success through monitoring, engagement and/or voting.

The Trustees seek to appoint managers that have strong stewardship policies and processes and are supportive of their investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting

Council's UK Stewardship Code 2020. Details of the signatory status of the investment manager is shown below:

Investment manager	UN PRI Signatory	UK Stewardship Code Signatory
LGIM	Yes	Yes

Investment manager engagement policies

The Scheme's investment manager is expected to have developed and publicly disclosed an engagement policy. This policy, amongst other things, provides the Trustees with information on how the investment manager engages in dialogue with the companies it invests in and how it exercises voting rights. It also provides details on the investment approach taken by the investment manager when considering relevant factors of the investee companies, such as strategy, financial and non-financial performance and risk, and applicable social, environmental and corporate governance aspects.

A link to the investment manager's engagement policy is provided in the Appendix.

Exercising rights and responsibilities

The investment manager is expected to disclose annually a general description of its voting behaviour, an explanation of the most significant votes cast and report on the use of proxy voting advisers.

The investment manager publishes online the overall voting records of the firm on a regular basis.

The investment manager uses proxy advisers for the purposes of providing research, advice or voting recommendations that relate to the exercise of voting rights.

The Trustees do not carry out a detailed review of the votes cast by or on behalf of their investment manager but rely on the requirement for their investment manager to provide a high-level analysis of their voting behaviour.

The Trustees consider the proportion of votes cast, and the proportion of votes against management to be an important (but not the only) consideration of investor behaviour.

Trustees' assessment

The Trustees review the investment manager's policies in respect of financially material considerations, stewardship, engagement and voting from time to time and are satisfied that they are consistent with the Trustees' policies.

The Trustees recognise that engagement and voting policies, practices and reporting will continue to evolve over time and are supportive of their investment manager being a

signatory to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020.

Appendix

A Link to the engagement policy for the investment manager can be found here:

Investment manager	Engagement policy
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Legal & General Investment Management	https://www.lgim.com/landg-assets/lgim/document-library/capabilities/lgim-engagement-policy.pdf
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Information on the most significant engagement case studies LGIM participated in during the year ending 31 December 2024 is shown below.

LGIM Firm-Level	Case Study 1	Case Study 2	Case Study 3
Name of entity engaged with	BHP Group	Yara International	Nippon Steel Corp
Topic	Environment: climate change	Environmental: climate change	Environmental: climate change (Climate Impact Pledge)
Rationale	The mining and diversified metals sector is an essential part of the energy transition. In order to support its	LGIM has been a member of the ShareAction's Chemical Decarbonisation Investor Coalition	Nippon Steel Corporation is the largest steel maker in Japan and one of the largest globally in terms of

<p>transition plans, LGIM wants companies within the sector to meet their minimum expectations. BHP Group is the world's largest mining company. LGIM's expectations are centred around setting robust decarbonisation strategies, with tangible milestones and appropriate allocation of capital, emissions disclosure and targets, meaningful actions across the company's value chain to support decarbonisation levers, as well as disclosure of approach to 'just transition' and lobbying activities mining and diversified metals sector produces minerals that are essential to the energy transition they believe that long-term, responsible investors, such as LGIM, can support</p>	<p>since 2021, a collaboration aiming to engage with 13 leading European chemical companies, to encourage them to align their decarbonisation strategies with the goal of limiting global warming to 1.5C. The chemicals sector is responsible for over 6% of global GHG emissions and is crucial to a multitude of manufactured goods and industrial processes with 95% of manufactured products relying on this sector. Objectives The collaborative engagement has been focused on the following objectives:</p> <ol style="list-style-type: none"> 1. Set out and disclose a plan over the short, medium, and long term, with time-bound targets, to: <ol style="list-style-type: none"> a. phase in electrified chemical production processes b. increase energy consumption from 	<p>production. Traditional steelmaking processes are highly carbon intensive, and a shift to green steel will require a policy environment that supports a sufficient supply of low-carbon alternatives. Assessments undertaken by third-party data providers have demonstrated that Nippon Steel lags its peers on climate policy engagement disclosures, and in 2022 InfluenceMap named Nippon Steel as one of the most influential companies blocking climate policy action globally. Under LGIM's Climate Impact Pledge, they publish their minimum expectations for companies in 20 climate-critical sectors. LGIM selects roughly 100 companies for 'in-depth' engagement - these companies are influential in</p>
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<p>these companies as they decarbonise. For their engagements with BHP Group, LGIM's specific objectives are as follows:</p> <p>-Engage with BHP on its Climate Action Transition Plan before publication as part of LGIM's 'Say on climate' votes at mining companies and what they expect company transition plans to demonstrate in order for LGIM to support them.</p> <p>UN SDG 13: Climate action</p>	<p>renewable energy sources</p> <p>c. transition to emissions-neutral feedstocks</p> <p>d. phase out woody biomass from energy generation</p> <p>2. Set scope 3 targets that are aligned with 1.5C (covering all relevant upstream and downstream emissions).</p> <p>3. Explicitly commit to align capital expenditure plans with the objective of limiting global warming to 1.5C; and disclose future capital spending on new and existing assets.</p> <p>Engagement has been through a combination of letters outlining key requests from the coalition (which they have co-signed over the years), followed by direct engagements with selected companies. As part of this coalition, LGIM also provided a joint submission to the SBTi on consultation</p>	<p>their sectors, but in LGIM's view are not yet leaders on sustainability; by virtue of their influence, their improvements would be likely to have a knock-on effect on other companies within the sector, and in supply chains. LGIM's in-depth engagement is focused on helping companies meet these minimum expectations, and understand the hurdles they must overcome. For in-depth engagement companies, those which continue to lag LGIM's minimum expectations may be subject to voting sanctions and/ or divestment (from LGIM funds which apply the Climate Impact Pledge exclusions). Under LGIM's Climate Impact Pledge, LGIM expects companies to disclose their climate-related</p>
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		for draft guidance for the chemical industry contributing to the development of the Chemicals Sector Target-Setting Criteria. UN SDG 13: Climate action	lobbying activities, including trade association memberships, and explain the action they will take if the lobbying activities of these associations are not in line with the Paris Agreement. This has been LGIM's primary objective with Nippon Steel. UN SDG 13: Climate action
What the investment manager has done	BHP Group is one of the biggest mining companies in the world. In 2021, the company put its first Climate Transition Action Plan (CTAP) to the vote. LGIM voted against the approval of this plan, as it did not meet their expectations. However, since then, LGIM have met with BHP several times (six times in 2024 alone), including with the company CEO, CFO and Chair. The aim of LGIM's engagements was to provide feedback	Following a three-year engagement, in December 2024, LGIM met (as part of the coalition) with Yara International's CEO for the first time to discuss their upcoming transition plan and capex strategy. This engagement was in response to a shareholder resolution filed by ShareAction and four coalition investors, which LGIM voted in favour of at Yara's 2024 AGM. The objective of the engagement was to continue dialogue with the company to	LGIM have been engaging with Nippon Steel for many years and specifically through LGIM's Climate Impact Pledge since early 2022, the same year in which they added the 'red line' related to climate-related lobbying. The company failed to meet this criterion, so LGIM made it the focus of their engagement with them for 2023, and expanded their engagement to work collaboratively with other investors to increase their influence. Despite

<p>on BHP's 2024 CTAP and ensure that it met the requirements of their updated assessment framework. Having published their updated expectations of mining company transition plans in Q3 2024, LGIM made their expectations clear. In line with LGIM's methane strategy objective, a letter has been sent to the chairman of BHP group addressing BHP's coal methane emissions. Levels of individual typically engaged with include the Chair and CEO. LGIM welcomed the robust and constructive engagement they enjoyed with BHP this year. It was clear that BHP had made significant strides in improving its CTAP since it put the inaugural one to the vote in 2021. Its plan demonstrates substantial</p>	<p>include ambitious scope 3 targets and implementation plans in its upcoming Transition Plan, which is due to be published in 2025. The aim was to clearly convey the coalition's expectations to Yara's leading executive during a pivotal period of planning. In terms of escalation, in the company's 2024 AGM, LGIM voted in favour of a shareholder resolution requesting that the company set science-based goals to cut scope 3 emissions in line with limiting global warming to 1.5 degrees.</p>	<p>several meetings with the company, the disclosures provided so far have not met LGIM's expectations. Given the significant role that Nippon Steel has in influencing Japanese policy, as well as LGIM's intention to increase focus on demand-side engagement, LGIM co-filed, together with the Australasian Centre for Corporate Responsibility ('ACCR'), a shareholder proposal asking the company to: Disclose annually, climate-related and decarbonisation-related policy positions and lobbying activities globally, including its own direct lobbying and industry association memberships, and review these for alignment with the Company's goal of carbon neutrality by 2050 and explain the actions it will</p>
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	<p>alignment with LGIM's assessment framework, and they believe that it's important that investors recognise progress when it occurs.</p> <p>LGIM was able to vote in favour of the CTAP at the company's 2024 AGM, and they pre-declared their support.</p>	<p>take if these activities are determined to be misaligned.</p> <p>Levels of individual typically engaged with at the company include head of investor relations and the head of sustainability.</p>	
Outcomes and next steps	<p>That they were able to support BHP Group's Climate Transition Action Plan demonstrates the progress the company has made, and how far it aligns with LGIM's expectations.</p> <p>Going forwards, LGIM will assess the disclosure of progress on BHP's plans for development of a more targeted methane measurement, management and mitigation strategy, as well as plans to execute to support the decarbonisation of steelmaking.</p> <p>They will also</p>	<p>In terms of next steps, LGIM will monitor Yara's progress in this regard and analyse their forthcoming Transition Plan. This will determine the future direction and objectives of their engagement.</p> <p>LGIM considers the objectives set out above to be in progress.</p>	<p>LGIM was pleased to see that their shareholder resolution (Resolution 8) achieved 27.98% support, sending a strong message to the company's board that investors expect greater transparency on climate-related policy engagement activity. This was also one of the highest levels of support recorded for a climate-related shareholder resolution in Japan.</p> <p>2024 (and Q1 2025) was pivotal for Japan as the country is scheduled to update</p>

continue to engage with BHP to ensure resilience whilst navigating the dynamic market for metallurgical coal.

its key climate and energy policies. The choices made will determine the direction of its mid-term decarbonisation strategy and the results underscore the scale of investor attention on politically influential companies like Nippon Steel. LGIM will continue engaging with the company and expect to see their board address investor expectations and enhance accountability and transparency in its efforts to influence these policies as they take shape. In terms of LGIM's objective for this engagement, having undertaken the engagements and escalations set out above, LGIM would describe the status as "in progress".
