

Limagrain UK Pension Scheme

Implementation Statement

Purpose of this statement

This implementation statement has been produced by the Trustees of the **Limagrain UK Pension Scheme (“the Scheme”)** to set out the following information over the year to **30 June 2024**:

- 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 Plan’s investment managers on behalf of the Trustees over the year, including information regarding the most significant votes.

The data shown is not given over the Scheme year end to 31 July 2024 because investment managers only report on this data quarterly, we have therefore given the information over the year to 30 June 2024.

How voting and engagement 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 investment managers.
- At the Scheme year-end, the Scheme’s investment managers were Baillie Gifford, Legal & General Investment Management (“LGIM”) and Partners Group. The Trustees meet three times a year to discuss performance of the funds and update on important issues (and arrange additional meetings where appropriate).
- Baillie Gifford and LGIM have both confirmed that they are signatories to both the Financial Reporting Council’s UK Stewardship Code 2012 and UK Stewardship Code 2020. In August 2023, Partners Group became a signatory to the UK Stewardship Code 2020.
- With input from their investment consultant, the Trustees annually receive and review (through their Implementation Statement) the voting information and engagement policies of their investment managers to ensure alignment with their own policies. The Trustees believe that the voting and engagement activities undertaken by the investment managers on their behalf have been in the members’ best interests.
- Having reviewed the above and the data presented below, the Trustees are comfortable the actions of the investment managers are in alignment with the Scheme’s stewardship policies.

Stewardship policy

The Trustees’ Statement of Investment Principles (SIP) describes the Trustees’ stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in November 2024 and has been made available online here: <https://lgseeds.co.uk/legal/>

There have been no changes to the Trustees’ stewardship policy over the year to 31 July 2024. The Trustees have delegated the exercise of rights attaching to investments, including voting rights, and in undertaking engagement activities to the Scheme’s investment managers.

The Trustees decided not to set stewardship priorities for the Scheme because the Scheme solely invests through pooled investment vehicles where the Scheme's asset only represents a small proportion of the capital invested in the funds. The Trustees understand that they are constrained by the policies of the managers. Given improvements in the Scheme's funding position, the Trustees have taken steps to de-risk the Scheme and subsequently reduced the allocation of assets with voting rights attached. As at 30 June 2024, around 28% (i.e. £14.7m) of the Scheme assets were invested in assets with voting rights attached. Further de-risking has taken place since and as at 31 October 2024, this has reduced to around 18% (i.e. £9.4m) of the Scheme assets. Given the strengthening of the Scheme's funding position, reducing risk (and hence the allocation to assets with voting rights attached) is the likely direction of travel for the Scheme.

The Trustees take stewardship priorities, climate risk, and ESG factors into account at manager selection. The Trustees also review the stewardship and engagement activities of the investment managers annually through their Implementation Statement.

**Prepared by the Trustees of the Limagrain UK Pension Scheme
November 2024**

Voting data

This section provides a summary of the voting activity undertaken by the investment managers within the Scheme's Growth Portfolio on behalf of the Trustees over the year to **30 June 2024**.

Voting is not applicable to the Partners Group Multi-Asset Credit ("MAC") Funds and the Liability Driven Investment ("LDI") holdings with LGIM as these funds invest only in fixed income assets, which do not have voting rights. Therefore, no voting data for the Partners Group MAC Funds or LGIM LDI is presented for the purpose of this Implementation Statement.

The Baillie Gifford Diversified Growth Fund and Partners Group Partners Fund, which invest across a diverse range of asset classes, and the LGIM Global Equity 70:30 Index Fund are included below as the equity holdings of these funds carry voting rights.

Manager	Baillie Gifford	LGIM	Partners Group
Fund name	Baillie Gifford Diversified Growth Fund	LGIM Global Equity 70:30 Index Fund	Partners Group Partners Fund
Structure	Pooled		
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.		
No. of eligible meetings	62	7,288	57
No. of eligible votes	680	73,103	799
% of resolutions voted	94.9%	99.8%	100.0%
% of resolutions abstained¹	1.1%	0.8%	1.0%
% of resolutions voted with management¹	95.3%	80.7%	89.0%
% of resolutions voted against management¹	3.6%	18.6%	8.0%
Proxy voting advisor employed²	No	Yes – ISS's ProxyExchange	Yes – Glass Lewis
% of resolutions voted against proxy voter recommendation	n/a	10.1%	3.0%

Source: Legal & General Investment Management, Baillie Gifford and Partners Group

Totals may not sum due to rounding.

¹As a percentage of the total number of resolutions voted on

²Baillie Gifford do not delegate/ outsource any stewardship activities and all client voting decisions are made in-house in line with their policy. LGIM use a proxy adviser, ISS, which enables them to vote electronically but ultimately, all voting decisions are made by LGIM and based on LGIM's voting policies. Partners Group use Glass Lewis & Co, who have been instructed to vote in line with Partners Group's Proxy Voting Directive.

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustees over the year to be set out. The guidance does not currently define what constitutes a “significant” vote. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme’s stewardship priorities/ themes. The Trustees have not set stewardship priorities/ themes and therefore for this Implementation Statement, the Trustees have asked the investment managers to determine what they believe to be a “significant vote”. The Trustees have not communicated voting preferences to their investment managers over the period, as the Trustees are yet to develop a specific voting policy.

Baillie Gifford, LGIM and Partners Group have provided a selection of votes which they believe to be significant, and in the interest of concise reporting the tables below show 3 of these votes for each fund.

A summary of the significant votes provided to 30 June 2024 is set out below.

Baillie Gifford Diversified Growth Fund

	Vote 1	Vote 2	Vote 3
Company name	MP Materials Corp	Nextera Energy, Inc	American Tower Corporation
Date of vote	11 June 2024	23 May 2024	22 May 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.9%	1.0%	0.9%
Summary of the resolution	Remuneration	Shareholder Resolution - Climate	Shareholder Resolution - Governance
How the manager voted	Abstain	For	For
Rationale for the voting decision	Baillie Gifford abstained on the executive compensation because they do not believe an increase in the annual bonus correlates with the company's financial performance, and the absence of sufficient disclosure to assess the rigour of targets.	Baillie Gifford supported the resolution on climate lobbying as they believe that clear and transparent support for Paris-aligned goals through lobbying is one-way shareholders look to demonstrate consistency with their climate targets.	Baillie Gifford supported a shareholder resolution to provide a right to call special meetings with a lower threshold, as they believe that the requested level would strike an appropriate balance between attainability for shareholders and protecting the company from inappropriate use of this right.

	Vote 1	Vote 2	Vote 3
Outcome of the vote	Pass	Fail	Fail
Implications of the outcome	Having engaged with the company on compensation last year, Baillie Gifford were disappointed by poor disclosure of targets for the executive pay plan. They were also concerned by the mismatch between company performance and CEO pay. On this basis, they decided to abstain with a view to engaging on the issues above. They have organised a post-AGM to communicate their concerns in relation to the issues highlighted above.	Baillie Gifford reached out to the Company to explain why they decided to support the resolution. While Baillie Gifford welcomed the real zero target set, they believe that the lobbying reporting could be improved with identification of misalignment between the company's lobbying activities and its Net Zero goal.	Following the AGM Baillie Gifford explained their rationale to the company. They explained that this reflects changes to their firm-wide approach on the appropriate threshold for shareholders to call special meetings and is not specific to the company. While the proposal received significant support, the company stated they have currently no intention to lower the threshold given they recently introduced the right to call a special meeting with a threshold of 25%. Baillie Gifford will continue to monitor the evolution of their governance practices.
Criteria on which the vote is considered "significant"	This resolution is significant because it received greater than 20% opposition.	This resolution is significant because it received greater than 20% opposition.	This resolution is significant because it was submitted by shareholders and received greater than 20% support.

LGIM Global Equity 70:30 Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Shell Plc	Unilever Plc	Microsoft Corporation
Date of vote	21 May 2024	1 May 2024	7 December 2023
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	5.4%	3.0%	1.4%
Summary of the resolution	Approve the Shell Energy Transition Progress	Approve Climate Transition Action Plan	Elect Director Satya Nadella – Joint Chair/CEO
How the manager voted	Against	For	Against
Rationale for the voting decision	LGIM acknowledge the substantive progress the company has made in respect of climate related disclosure over recent years, and they view	LGIM voted in favour as it meets LGIM's minimum expectations. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions	A vote against was applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.

	Vote 1	Vote 2	Vote 3
	<p>positively the commitments made to reduce emissions from operated assets and oil products, the strong position taken on tackling methane emissions, as well as the pledge of not pursuing frontier exploration activities beyond 2025. Nevertheless, considering the revisions made to the Net Carbon Intensity targets, coupled with the ambition to grow its gas and LNG business this decade, LGIM expect the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050. LGIM sought more clarity regarding the expected lifespan of the assets Shell is looking to further develop, the level of flexibility in revising production levels against a range of scenarios and tangible actions taken to deliver customer decarbonisation. Additionally, LGIM believe 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, given portfolio changes form a material lever in Shell's decarbonisation strategy.</p>	<p>and short, medium and long-term GHG emissions reduction targets consistent with a 1.5°C Paris goal. Despite the Science Based Targets initiative ("SBTi") recently removing their approval of the Unilever's long-term scope 3 target, LGIM note that the company has recently submitted near term 1.5 degree aligned scope 3 targets to the SBTi for validation and therefore at this stage believe the company's ambition level to be adequate. LGIM remain supportive of the net zero trajectory of the company at this stage.</p>	
Outcome of the vote	Pass	Pass	N/A
Implications of the outcome	LGIM will continue to engage with the company and monitor progress.	LGIM will continue to engage with the company and monitor progress.	LGIM will continue to engage with the company and monitor progress.
Criteria on which the vote is considered "significant"	LGIM 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 1.5°C scenario. Given the high-profile of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.	LGIM 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 of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.	LGIM 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.

Partners Group Partners Fund

	Vote 1	Vote 2	Vote 3
Company name	Gren	Breitling	Wedgewood Pharmacy
Approximate size of fund's holding as at the date of the vote (as % of portfolio)		n/a	
Summary of the resolution	As Partners Group control the Board, please see below the ESG efforts of the portfolio company.		
How the manager voted	Board representation		
Rationale for the voting decision	Gren is a direct private infrastructure investment in Partners Group's portfolio of companies, where Partners Group invest directly to obtain control and influence over their operations.	Breitling is a direct private equity investment in Partners Group's portfolio of companies, where Partners Group invest directly to obtain control and influence over their operations.	Wedgewood Pharmacy is a direct private equity investment in Partners Group's portfolio of companies, where Partners Group invest directly to obtain control and influence over their operations.
Outcome of vote	Not applicable		
Implications of the outcome	<p>Gren is a leading Northern European green energy company that provides sustainable heating, cooling, and electricity across Estonia, Latvia, Lithuania, Finland, and the UK. The company's investment aligns with Partners Group's thematic investing and decarbonisation approach. The company aims to reduce GHG emissions by at least 50% by 2035 and is working towards 100% sustainably sourced biomass by 2025. Gren is also developing EV charging infrastructure at its European facilities.</p> <p>Gren is committed to sustainable urban development, offering district heating and cooling solutions that enhance energy efficiency and reduce emissions. Their aim is to help property owners achieve carbon neutrality by improving energy efficiency and reducing operating costs.</p>	<p>On the People side, the company is focused on improving working environments for its employees by taking action on equal pay and providing training, coaching, and volunteering opportunities. It has received recognition for its efforts in these areas with awards such as the "Top Employer – Certified Excellence in Employee Conditions" award for Switzerland and the global "Universal Fair Pay" award for equal pay.</p> <p>Furthermore, the company is committed to reducing its environmental footprint by working towards fewer carbon emissions, reducing energy consumption, shifting to clean energy, eliminating plastic waste, and addressing biodiversity and water impacts. It aligns its efforts with key international frameworks and supports projects aimed at reducing or removing greenhouse gas emissions.</p>	<p>Wedgewood Pharmacy completed its 2022 Scope 3 footprint assessment to measure its environmental impact and align with its Greenhouse Gas Reduction objectives. The company also identified sustainable materials and packaging alternatives.</p> <p>The company has implemented waste and cost reduction measures in Arizona and New Jersey and is conducting energy efficiency audits in California. Wedgewood is collaborating with Partners Group portfolio companies Budderfly and VelocityEHS to strengthen sustainability initiatives. Budderfly's analysis suggests that new solar and HVAC/LED units could significantly reduce GHG emissions for the business.</p> <p>On the social front, Wedgewood Pharmacy has met its goals for recordable incidents and</p>

Vote 1	Vote 2	Vote 3
	<p>Finally, on the 'prosperity' pillar, the company transparently reports on its sustainability progress in an annual Sustainability Mission Report aligned with the WEF IBC Stakeholder Capitalism Metrics. It creates shared value with local communities globally through partnerships to support social inclusion and environmental recovery.</p>	<p>completed over 95% of its Active Shooter training. The company has also participated in community initiatives and is developing a more inclusive employment strategy.</p> <p>From a governance perspective, Wedgewood has a draft Corporate Health & Safety Policy pending review and approval. They have also enhanced cybersecurity measures and are integrating marketing and R&D departments for sustainable packaging initiatives. Additionally, they are expanding their ESG team to focus on multiple aspects, including enhanced cybersecurity measures.</p>
<p>Criteria on which the vote is considered "significant"</p>	<p>Size of holding in the fund</p>	

Engagement data

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 to 30 June 2024 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. The two main components of LDI are gilts and derivatives. Given that the UK government has no human rights violations and has shown a willingness to engage on climate change issues, engagement is not a major concern when investing in gilts.

Derivatives are contracts which the scheme or LDI pooled fund will trade with banks and ESG factors can be applied to banks. However, choosing which bank to trade derivatives with is a distinctly different decision to deciding which bank to buy shares in, whereby ESG factors would be an important consideration. This is because the derivatives that the pension scheme or LDI fund holds are collateralised and/or centrally cleared which reduces the risk that if a bank defaults, there is an adverse effect on the scheme or LDI fund. Engagement therefore has a largely limited impact on the holdings.

Manager	Baillie Gifford*	LGIM	LGIM	LGIM	LGIM	Partners Group
Fund name	Baillie Gifford Diversified Growth Fund	LGIM Global Equity 70:30 Index Fund	LGIM Buy and Maintain Credit Fund	LGIM Absolute Return Bond Fund	LGIM Sterling Liquidity Fund	Partners Group Multi Asset Credit IV / VI Funds
Number of engagements undertaken on behalf of the holdings in this fund in the year	32	2,470	405	398	42	4 / 14
Number of entities engaged on behalf of the holdings in this fund in the year	21	1,608	180	200	23	4 / 14
Number of engagements undertaken at a firm level in the year	744	5,003	5,003	5,003	5,003	Not available
Top five engagement examples:						
Examples of engagement undertaken	See below	Climate Impact Pledge, Remuneration, Corporate Strategy, Deforestation and Climate Change	Climate Impact Pledge, Corporate Strategy, Capital Management, Climate Change and Remuneration	Climate Impact Pledge, Remuneration, Capital Management, Deforestation and Climate Change	Climate Impact Pledge, Capital Management, Regulation, Board Composition and Climate Change	See below

Source: Legal & General Investment Management, Baillie Gifford and Partners Group. Data for the Partners Group Partners Fund is not available given the nature of private markets investments.

*Engagement data for Baillie Gifford provided to 31 December 2023.

LGIM Global Equity 70:30 Index Fund

APA

APA is Australia's largest energy infrastructure business. Under LGIM Climate Impact Pledge campaign, they have been engaging with the company directly since 2022; as one of their selected 'dial mover' companies, LGIM believe it has the scale and influence across its industry and value chain for its actions to have positive reverberations beyond its direct corporate sphere. In LGIM's engagements with APA, which are guided by their qualitative assessment criteria as set out in their multi-utilities sector guide, in terms of 'red lines' the company was identified as lagging LGIM's expectations on climate-related lobbying activities.

LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of Scope 1, 2 and material Scope 3 GHG emissions and short, medium and long-term greenhouse gas ("GHG") emissions reduction targets consistent with the 1.5°C goal. When APA Group brought its climate transition plan to a vote, LGIM were unable to support it as although the plan presented Scope 1 and 2 goals for the medium and long term on a path to achieving net zero emissions by 2050, no Scope 3 targets were included. The company noted that these would be finalised no later than 2025. LGIM initiated engagement with the company after this vote and met with them for the first time in early 2023 as part of LGIM's Climate Impact Pledge engagement, and they have continued to build the relationship, setting out their expectations as per LGIM's net zero guide, and working with the company to understand the hurdles it faces and the challenges to meeting these expectations.

LGIM were very pleased that, in the meeting with APA in early 2024, APA confirmed that they will include a Scope 3 goal in the 2025 refresh of their Climate Transition Plan, and they outlined their proposed Scope 3 reduction pathway. The company noted that feedback from the 20% of investors, including LGIM, who voted against their proposed Climate Transition Plan in 2022, had solidified their decision to commit to a Scope 3 target.

Baillie Gifford Diversified Growth Fund

China Longyuan

Baillie Gifford arranged an engagement with management to discuss three climate-related matters. Firstly, Baillie Gifford reached out to commend the company for its first-time Scope 1 and 2 emissions disclosure in its 2022 ESG Report, increasing transparency. Secondly, Baillie Gifford engaged to request details around Scope 3 emissions disclosure timelines. Thirdly, Baillie Gifford urged the company to make a formal commitment to an emissions reduction target to increase accountability.

Decarbonising the power sector is vital in achieving global climate ambitions, and while China Longyuan is the largest wind power operator in the world, the company still emitted >10 million tons of carbon dioxide from its coal power generation during 2022. Baillie Gifford's discussion centred around the company's environmental disclosure and what its intentions are regarding the establishment of emission reduction targets. Although the meeting confirmed that the company seems to be making progress in improving its environmental management and disclosure, this is slow and short-term in nature, given the environmental materiality of its operations. To complement the short-term coal disposal commitment (three years from IPO in 2022), Baillie Gifford would have also expected more to have been done to link the company's strategic ambitions to be a wind power leader and China's overarching and longer-term net zero ambition. Nevertheless, the coal disposal will be a game-changer for China Longyuan's emissions.

Learnings from Baillie Gifford's engagements are feeding into the ongoing review of the investment case for China Longyuan holding.

Partners Group Multi Asset Credit IV Fund

Independent Vetcare

Partners Group engaged with the company on the realisation of second lien investment.

In February 2024, Program received proceeds from the full repayment of its second lien debt investment in Independent Vetcare, a leading veterinary platform based in the UK. The full realisation generated a gross internal rate of return of 7.3% and a gross total value paid-in (gTVPI) of 1.24x.

Partners Group Multi Asset Credit VI Fund

AGS Health

Partners Group engaged with the company on the refinancing of a senior secured debt investment.

Partners Group initially provided unitranche debt financing (a hybrid loan) to AGS Health in September 2021 to support the acquisition of ezDI, a provider of artificial intelligence-based clinical documentation and medical coding technology. The Program provided an add-on senior secured debt investment in AGS Health. Founded in 2011, AGS Health is a provider of revenue cycle management services, serving healthcare providers across the US.