USDAW Staff Superannuation Fund
Implementation Statement
Year Ending 31 December 2025

Glossary

ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
L&G	Legal & General Investment Management
Scheme	USDAW Staff Superannuation Fund
Scheme Year	1 January 2025 to 31 December 2025
SIP	Statement of Investment Principles
UNPRI	United Nations Principles for Responsible Investment

Introduction

This Implementation Statement reports on the extent to which, over the Scheme Year, the Trustees have followed their policy relating to the exercise of rights (including voting rights) attaching to the Scheme's investments. In addition, the Implementation Statement summarises the voting behaviour of the Scheme's investment managers and includes details of the most significant votes cast and the use of the services of proxy voting advisers.

In preparing this statement, the Trustees have considered guidance from the Department for Work & Pensions which was updated on 17 June 2022, as well as the expectations set out in the General Code of Practice.

Relevant investments

The Scheme's assets are invested in pooled funds and some of those funds include an allocation to equities. Where equities are held, the investment manager has the entitlement to vote.

At the end of the Scheme Year, the Scheme invested in L&G Funds and a Columbia Threadneedle fund which included an allocation to equities.

The Trustees’ policy relating to the exercise of rights

<u>Summary of the policy</u>

The Trustees’ policy in relation to the exercise of rights (including voting rights) attaching to the investments is set out in the SIP. The SIP was updated during the Scheme year to reflect changes made to the Scheme’s investment strategy, but wording relating to the exercise of rights was not revised. A summary of this wording is as follows:

- The Trustees believe that good stewardship can help create, and preserve, value for companies and markets as a whole.
- The Trustees invest in pooled investment vehicles and therefore accept that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by an investment manager’s own policies on such matters. However, the Trustees also expect that each investment manager will take ESG considerations into account when exercising the rights attaching to investments.
- When selecting a fund, the Trustees consider amongst other things, the investment manager’s policy in relation to the exercise of the rights (including voting rights) attaching to the investments held within the fund.
- When considering the ongoing suitability of an investment manager, the Trustees (in conjunction with their Investment Adviser) will take account of any particular characteristics of that manager’s engagement policy that are deemed to be financially material.
- The Trustees will normally select investment managers who are signatories to the UN Principles for Responsible Investment (UNPRI).
- If it is identified that a fund’s investment manager is not engaging with companies the Trustees may look to replace that fund. However, in the first instance, the Trustees would normally expect their Investment Adviser to raise the Trustees’ concerns with the investment manager. Thereafter, the Trustees, in conjunction with their investment adviser, would monitor the performance of the fund to assess whether the situation improves.

Has the policy been followed during the Scheme Year?

The Trustees' opinion is that their policy relating to the exercise of rights (including voting rights) attaching to the investments has been followed during the Scheme Year. In reaching this conclusion, the following points were taken into consideration:

- There has been no change to the Trustees' belief regarding the importance of good stewardship.
- The Scheme's invested assets remained invested in pooled funds over the period.
- During the Scheme Year, the Trustees introduced an allocation to some new funds. As the Insight Liability Driven Investment funds and M&G Total Return Credit Investment Fund do not include an allocation to equities, consideration of the exercise of voting rights was not relevant.

The investment managers' voting records

A summary of the investment managers' records is shown in the table below

Investment Manager	Number of votes	Split of votes:	
		In line with management	Against management
Columbia Threadneedle	71,000	90%	10%
L&G	130,000	77%	23%

Notes

These voting statistics are based on each managers' full voting record over the 12 months to 31 December 2025 rather than votes related solely to the funds held by the Scheme.

These statistics do not incorporate votes where the managers did not instruct a vote.

Use of proxy voting advisers

Investment Manager	Who is their proxy voting adviser?	How is the proxy voting adviser used?
Columbia Threadneedle	Several advisers	Uses ISS for research and adminstration. May also use research from Glass Lewis and IVIS (part of the Investment Association). However, voting decisions ultimately remain in-house.
L&G	Several advisers	Uses ISS for research and voting administration. May also use research from Glass Lewis and IVIS (part of the Investment Association). However, voting decisions ultimately remain in-house.

The investment managers' voting behaviours

The Trustees have reviewed the voting behaviours of the investment Managers by considering the following:

- broad statistics of their voting records such as the percentage of votes cast for and against the recommendations of boards of directors (i.e. "with management" or "against management");
- the votes they cast in the year to 31 December 2025 on the most contested proposals in nine categories across the UK, the US and Europe;
- the investment managers' policies and statements on the subjects of stewardship, corporate governance and voting.

The Trustees have also compared the voting behaviour of the investment Managers with their peers over the same period.

Further details of the approach adopted by the Trustees for assessing voting behaviours are provided in the Appendix.

The Trustees' key observations are set out below.

Voting in significant votes

Based on information provided by the Trustees' Investment Adviser, the Trustees have identified significant votes in nine separate categories. The Trustees consider votes to be more significant if they are closely contested. i.e. close to a 50:50 split for and against. A closely contested vote indicates that shareholders considered the matter to be significant enough that it should not be simply "waved through". In addition, in such a situation, the vote of an individual investment manager is likely to be more important in the context of the overall result.

The five most significant votes in each of the nine categories based on shares held by the Scheme's investment Managers are listed in the Appendix. In addition, the Trustees considered each investment managers' overall voting record in significant votes (i.e. votes across all stocks not just the stocks held within the funds used by the Scheme).

Analysis of voting behaviour

The Net Zero Asset Managers initiative ("NZAM") brings together asset managers committed to the goal of achieving net-zero greenhouse gas emissions by 2050 as per the Paris Climate Agreement. In January 2025, following announcements of some managers exiting the agreement, NZAM announced a review of their overarching policies, which is now complete.

Previous signatories have now received the updated 'Commitment Statement' and the updated list of signatories has been released. The Trustees have considered their managers' approach to NZAM following the review outcome as part of this analysis.

<u>Columbia Threadneedle</u>

The Trustees recognise that Columbia Threadneedle is generally supportive of shareholder proposals in its attempt to tackle governance issues, however, is less supportive of shareholder proposals looking to tackle social issues.

Columbia Threadneedle has also stated that, due to regulatory developments in the US, it has chosen to stop publishing its rationales online.

The Trustees note that following the NZAM review, the manager has confirmed its commitment to the NZAM initiative.

<u>L&G</u>

The Trustees note that L&G's voting record continues to compare very favourably with its peers.

As in previous years, analysis of L&G’s voting record identifies clear evidence that the manager is supportive of shareholder proposals designed to tackle ESG matters and is willing to vote against company directors on a broad range of issues. It is unsurprising that the manager has committed to remaining a member of NZAM.

Conclusion

Based on the analysis undertaken, the Trustees have no material concerns regarding the voting record of L&G.

The Trustees will keep the voting actions of Columbia Threadneedle under review, noting that in some instances there are areas that could still be improved.

Signed: ………………………………………………………….. Date: …………………….

For and on behalf of the Trustees of the USDAW Staff Superannuation Fund

Significant votes

The table below records how the Scheme's investment Managers voted in the most significant votes identified by the Trustees.

Company	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	L&G	Columbia Threadneedle
Audit & Reporting						
HERALD INVESTMENT TRUST PLC	24/03/2025	Receive the Annual Report	63	37	For	Not held
SWISS LIFE HOLDING	14/05/2025	Appoint the Auditors	78	21	Against	Not held
JPMORGAN GLOBAL CORE REAL ASSETS LIMITED	28/08/2025	Appoint the Auditors and Allow the Board to Determine their Remuneration	81	18	For	Not held
FORTIVE CORPORATION	03/06/2025	Appoint the Auditors	82	18	For	Not Held
DIGITAL 9 INFRASTRUCTURE PLC	10/06/2025	Receive the Annual Report	75	18	Against	Not held
Shareholder Capital & Rights						
IMPAX ENVIRONMENTAL MARKETS PLC	20/05/2025	Authorise Share Repurchase	49	50	Against	Not held
BAILLIE GIFFORD US GROWTH TRUST PLC	02/10/2025	Issue Shares with Pre-emption Rights	53	47	For	Not held
PLAYTECH PLC	21/05/2025	Issue Shares with Pre-emption Rights	45	55	For	Not held
EDINBURGH WORLDWIDE I.T. PLC	14/02/2025	Issue Shares for Cash	58	41	For	Not held
PHAROS ENERGY PLC	22/05/2025	Issue Shares for Cash	59	41	For	Not held
Pay & Remuneration						
PLUS500 LTD	06/05/2025	Approve the Remuneration Report	49	51	Against	Not held
XP POWER LTD	24/04/2025	Approve the Remuneration Report	45	48	Against	Not held
SIMON PROPERTY GROUP INC.	14/05/2025	Advisory Vote on Executive Compensation	47	52	Against	Not held
BAILLIE GIFFORD US GROWTH TRUST PLC	02/10/2025	Approve the Remuneration Policy	53	47	For	Not held
PALO ALTO NETWORKS	09/12/2025	Advisory Vote on Executive Compensation	46	53	Against	For
Constitution of Company, Board & Advisers						
BAILLIE GIFFORD US GROWTH TRUST PLC	02/10/2025	Re-Elect Tom Burnet - Chair (Non Executive)	51	49	For	Not held
ACCOR HOTELS GROUP	28/05/2025	Elect Nicolas Sarkozy - Non-Executive Director	52	47	Against	Not held
KBC GROEP NV	30/04/2025	Elect Philippe Vlerick - Vice Chair (Non Executive)	57	43	Against	Not Held
EDINBURGH WORLDWIDE I.T. PLC	14/02/2025	Re-elect Jane McCracken - Senior Independent Director	57	42	For	Not held
PHAROS ENERGY PLC	22/05/2025	Elect John Martin - Chair (Non Executive)	59	41	For	Not held
Merger, Acquisition, Sales & Finance						
VIETNAM ENTERPRISE INVESTMENTS LTD	18/06/2025	Approve the Winding up of the Company	41	59	Against	Not held
HERALD INVESTMENT TRUST PLC	24/03/2025	Approve the Continuation of the Company	65	35	For	Not held
POLLEN STREET LIMITED	12/06/2025	Approve the Waivers of Mandatory Offer Provisions set out in Rule 9 of the Code for Share Buybacks	73	27	Against	Not held
FORESIGHT GROUP HOLDINGS LIMITED	31/07/2025	Approve the Waiver of Rule 9	75	25	Against	Not held
THE BIOTECH GROWTH TRUST PLC	17/07/2025	Approve the Continuation of the Company	77	23	For	Not held
Climate Related Proposals						
PENNON GROUP PLC	24/07/2025	Climate-Related Financial Disclosures	79	12	Against	For
RIO TINTO PLC	03/04/2025	Approve the Climate Action Plan	85	6	For	For
CENTRICA PLC	08/05/2025	Approve the Centrica plc Climate Plan	83	6	For	Not held
EQUINOR ASA	14/05/2025	Say on Climate	94	4	Against	For
FERROVIAL S.A.	24/04/2025	Say on Climate	91	4	For	Not held
Other Company Proposals						
IMPAX ENVIRONMENTAL MARKETS PLC	20/05/2025	Meeting Notification-related Proposal	49	49	For	Not held
AKAMAI TECHNOLOGIES INC	14/05/2025	To adjourn the Annual Meeting to a later date or dates, if necessary, to solicit additional proxies to establish a quorum or if there are insufficient votes to adopt any proposal (other than Proposal 8).	52	48	Against	Not held
MONCLER SPA	16/04/2025	Appointment of the Board: Possible Authorisations pursuant to Art. 2390 of the Italian Civil Code	58	41	Against	Not held
PHAROS ENERGY PLC	22/05/2025	Notice of General Meetings	60	40	For	Not held
HERALD INVESTMENT TRUST PLC	24/03/2025	Meeting Notification-related Proposal	65	35	For	Not held
Governance & Other Shareholder Proposals						
TERADYNE INC.	09/05/2025	Political Donations	51	49	For	Not held
CDW CORP	20/05/2025	Written Consent	51	49	For	Not held
ABBVIE INC	09/05/2025	Simple Majority Voting	49	50	For	Not held
BOOKING HOLDINGS INC.	03/06/2025	Right to Call Special Meetings	49	51	For	For
AKAMAI TECHNOLOGIES INC	14/05/2025	Right to Call Special Meetings	51	49	For	Not held
Environmental & Socially Focussed Shareholder Proposals						
GILEAD SCIENCES INC	07/05/2025	Human Rights Policy and Human Rights Due Diligence Process	36	61	For	Against
DEERE & COMPANY	26/02/2025	Civil Rights Audit	29	70	For	Not held
GENERAL MILLS INC	30/09/2025	Regenerative Agriculture Practices Within Supply Chain	28	71	For	Not held
NEXT PLC	15/05/2025	Disclosure on Company's Approach to Pay and the Real Living Wage	26	71	For	Against
PULTEGROUP INC	30/04/2025	Paris-aligned Emission Reduction Goals	24	75	For	For/Against

Note

In the table above, reliance is placed on periodic stock holding information to identify votes relevant to the Scheme. This means it is possible that some of the votes listed above may relate to companies that were not held within a pooled fund at the date of the vote. Equally, it is possible that there are votes not included above which relate to companies that were held within a fund at the date of the vote.

Methodology for determining significant votes

The methodology used to identify significant votes for this statement uses an objective measure of significance: the extent to which a vote was contested - with the most significant votes being those which were most closely contested.

The Trustees believe that this is a good measure of significance because, firstly, a vote is likely to be contentious if it is finely balanced, and secondly, in voting on the Trustees' behalf in a finely balanced vote, an investment manager's action will have more bearing on the outcome.

If the analysis were to rely solely on identifying closely contested votes, there is a chance many votes would be on similar topics which would not help to assess an investment manager's entire voting record. Therefore, the assessment incorporates a thematic approach; splitting votes into nine separate categories and then identifying the most closely contested votes in each of those categories.

A consequence of this approach is that the number of significant votes is large. This is helpful for assessing a manager's voting record in detail but it presents a challenge when summarising the significant votes in this statement. Therefore, for practical purposes, the table on the previous page only includes summary information on each of the significant votes.

The Trustees have not provided the following information which DWP's guidance suggests could be included in an Implementation Statement:

- Approximate size of the Scheme's holding in the company as at the date of the vote.
- If the vote was against management, whether this intention was communicated by the investment manager to the company ahead of the vote.
- An explanation of the rationale for the voting decision, particularly where: there was a vote against the board; there were votes against shareholder proposals; a vote was withheld; or the vote was not in line with voting policy.
- Next steps, including whether the investment manager intends to escalate stewardship efforts.

The Trustees are satisfied that the approach used ensures that the analysis covers a broad range of themes and that this increases the likelihood of identifying concerns about a manager's voting behaviour. The Trustees have concluded that this approach provides a more informative assessment of an investment manager's overall voting approach than would be achieved by analysing a smaller number of votes in greater detail.

Investment managers' voting policies

For more information concerning the investment managers' voting policies and rationales, please visit the below hyperlinks.

Columbia Threadneedle
https://docs.columbiathreadneedle.com/documents/Responsible%20Investment%20-%20Proxy%20voting%20policy.pdf?inline=true

L&G https://am.landg.com/en-uk/institutional/responsible-investing/investment-stewardship/