AVON RUBBER RETIREMENT AND DEATH BENEFITS PLAN

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Scheme Registration Number: 10000086

Contents

Trustee, Sponsoring Employer and Advisers

Trustee

Avon Rubber Pension Trust Limited

Employer-nominated Trustee Directors

M Ingrey-Counter - Chairman
M Harral
Z Holland
R Wills (resigned 31 December 2023)
The Law Debenture Pension Trust Corporation P.L.C. (appointed 19 July 2024)

Member-nominated Trustee Directors

E Fielding
D Little

Sponsoring Employer

Avon Technologies plc (formerly Avon Protection plc)

Plan Actuary

S Hoare, F.I.A.
Aon

Independent Auditor

KPMG LLP

Administrators

Defined Benefit Section

Mercer Limited (until 31 December 2023)
Aptia UK Limited (from 1 January 2024)

Defined Contribution Section

Standard Life Assurance Limited

Investment Managers

Defined Benefit Section

JP Morgan
BlackRock Investment Management (UK) Limited
Europa
CQS Management Limited
ARES (resigned 29 September 2023)
Ruffer LLP

Defined Contribution Section

Standard Life Assurance Limited

Investment Advisers

Defined Benefit Section

Mercer Limited

Defined Contribution Section

Aon

Trustee, Sponsoring Employer and Advisers

Annuity Providers

Assicurazioni Generali
Legal & General Assurance Society Annuities
Aviva
Standard Life Assurance Limited

Additional Voluntary Contribution (AVC) Provider

Defined Benefit Section
Standard Life Assurance Company

Bank

Barclays Bank Plc

Legal Adviser

Burges Salmon

Governance Advisers

Aon

Contact for further information and complaints about the Plan

Natalie Few
Aon
1 Redcliffe Street
Bristol
BS1 6NP
Telephone: +44 (0)117 900 4428
Email: natalie.few@aon.com

Introduction

The Trustee of the Avon Rubber Retirement and Death Benefits Plan (the Plan) is pleased to present its report together with the audited financial statements for the year ended 31 March 2024. The Plan is a hybrid scheme, comprising a Defined Benefit Section and a Defined Contribution Section.

Constitution

The Avon Rubber Retirement and Death Benefit Plan (the Plan) is an occupational pension scheme established in the United Kingdom under trust and according to the law in England.

The Plan was established on 1 April 1947 and is governed by a definitive trust deed and subsequent amendments. The registered address is Avon Protection plc, Corporate Headquarters, Hampton Park West, Semington Road, Melksham, Wiltshire SN12 6NB.

Management of the Plan

Trustee

The Trustee of the Plan, Avon Rubber Pension Trust Limited, is a corporate Trustee. Directors of the Trustee who served during the year are listed on 1

In accordance with the Occupational Pension Schemes (Member-nominated Trustees and Directors) Regulations 2006, members have the option to nominate and vote for Member-nominated Trustee Directors.

The two Member-nominated Trustee Directors, as shown on page 1, are nominated by the members under the rules notified to the members of the Plan. They may be removed before the end of their term only by agreement of all the remaining Trustee Directors, although their appointment ceases if they cease to be members of the Plan.

In accordance with the trust deed, the Sponsoring Employer, Avon Protection plc, has the power to appoint and remove the Trustee of the Plan. The Directors of Avon Rubber Pension Trust Limited are appointed and removed in accordance with the Company's Articles of Association.

Statement of Trustee's Responsibilities

The Statement of Trustee's Responsibilities is set out on page 13 and forms part of this Trustee's Report.

Governance and risk management

The Trustee has in place a business plan which sets out its objectives in areas such as administration, investment and communication. This, together with a list of the main priorities and timetable for completion, helps the Trustee run the Plan efficiently and serves as a useful reference document.

The Trustee receives regular reports on the Plan’s funding level, assets and liabilities and the Plan’s asset allocation and performance.

A wider risk register is also maintained which sets out a comprehensive list of the Plan's risks coupled with the control measures in place to mitigate these risks. Each risk is ranked according to its likelihood and impact (this subsequent score determining which risks are 'key'). The full risk register is regularly reviewed and updated by the Trustee.

Trustee knowledge and understanding

The Pensions Act 2004 requires trustees to have sufficient knowledge and understanding of pensions and trust law and be conversant with scheme documentation. In March 2024, the Pensions Regulator published their new General Code of Practice to assist trustees on these matters, combining ten existing codes and introducing new obligations not covered by the existing codes, intending to improve scheme governance and administration. The Trustee has started ti develop plan to enable it to meet these requirements.

Sponsoring Employer

The Plan is provided for all eligible employees of the Sponsoring Employer whose registered address is Avon Technologies plc (formerly Avon Protection plc), Corporate Headquarters, Hampton Park West, Semington Road, Melksham, Wiltshire, SN12 6NB.

Financial development

The financial statements on pages 17 to 29 have been prepared and audited in accordance with the Regulations made under Section 41 (1) and (6) of the Pensions Act 1995. They show that the value of the fund decreased from £269,040,000 at 31 March 2023 to £258,563,000 at 31 March 2024.

The decrease shown above comprised net withdrawals from dealings with members of £11,142,000 together with net returns on investments of £665,000.

Late payment of contributions in the year

Contributions were required to be paid during the year per the Schedules of Contributions certified by the Actuary on 21 September 2020 (until August 2023) and 31 August 2023 (from September 2023). The Schedules require that Defined Contribution (“DC”) normal employer and employee contributions are paid within 19 days of the end of the calendar month to which the contributions relate. During the year, DC normal employer contributions totaling £1,115,587 and DC normal employee contributions totaling £30,289 in respect of the months of April 2023 to August 2023 and January 2024 to March 2024 were paid between 1 and 11 days later than required by the Schedules of Contributions in force at that time.

In legislation there is a requirement for Defined Contribution (DC) contributions deducted from pay to be paid over to the Scheme within 22 days of the end of the calendar month to which they relate (or 19 days where the payment is not being taken electronically).

As the DC section is part of the wider plan the DC contributions are also documented in the Plan’s Schedule of Contributions which specify that contributions must be received within a shorter period of 19 days of the end of the calendar month to which they relate.

This difference in expected payment dates was brought to the Trustee’s attention in September 2023 when the Trustee’s Report and Accounts for the year ended 31 March 2023 were received for review. By complying with the longer 22 day deadline, the Company has been in breach of the Schedule of Contributions for 3 of the 12 months in the 2023/24 Scheme year.

In addition, for a further 5 of the 12 months during the 2023/24 Scheme year, DC contributions were paid to the DC provider Standard Life after the 22 day deadline. The payments were between 4 and 11 days late (from the 19 day deadline).

The reason for this was human error due to the lack of an embedded payroll process and/or failure by payroll personnel to act in time to meet the deadlines (which were also not properly understood).

We acknowledge that a more robust process should have been put in place to prevent this happening. Since April 2024 the process for paying over pension contributions to Standard Life has been fully documented and payroll personnel have been trained so there should be no further issues with the timing of contributions going forwards.

The Trustee has established a DC working group to oversee DC related matters and this group will monitor contribution payment dates closely to ensure any issues are addressed proactively.

As a result the auditor has qualified it’s Statement about Contributions on page 30 of this Report.

Report on actuarial liabilities

Under Section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefits members are entitled to based on pensionable service to the valuation date. This is assessed using the assumptions agreed between the Trustee and the Sponsoring Employer and set out in the Statement of Funding Principles, which is available to Plan members on request.

The most recent full actuarial valuation of the Plan was carried out as at 31 March 2022. This showed:

	31 March 2022
The value of Technical Provisions was	£372.7 million
The value of assets was	£337.5 million
Percentage of Technical Provisions	91%

The triennial actuarial valuation as at 31 March 2022 was agreed and signed on 31 August 2023, shortly after the agreed deadline. The actuarial valuation was required to be completed by 30 June 2023, within 15 months from the effective date 31 March 2022. The actuarial valuation was delayed due to a delay in receiving data from the administrator, the Executive Directors (CEO and CFO) of Avon Protection requiring advice and a delay in receiving financial forecasts from the Company. The Trustee wrote to The Pension Regulator to inform them of the delay.

The method and the main actuarial assumptions used to determine the technical provisions are set out below (all assumptions adopted are set out in the Appendices to the Statement of Funding Principles).

Method

The actuarial method to be used in the calculation of the technical provisions is the Projected Unit Method.

The derivation of these key assumptions and an explanation of the other assumptions to be used in the calculation of the technical provisions are set out below.

Assumption	Valuation as at 31 March 2022
Pre-retirement discount rate	Fixed-interest gilt yield curve plus 2.6% p.a.
Post-retirement discount rate	Fixed-interest gilt yield curve plus 0.5% p.a.
RPI inflation	The Bank of England RPI curve.
CPI inflation	RPI curve less 1.0% p.a. before 2030 and 0.1% p.a. thereafter.
Pension increases	Consistent with inflation assumptions and allowing for Aon best-estimate of future inflation uncertainty.
Post-retirement mortality assumption - base table	Deferred members: 114% of standard S3PxA tables Pensioners: 104% of standard S3PxA tables
Post-retirement mortality assumption - projection	CMI 2022 core projections with Sk=7.0, A=0.5% and long-term improvement rate of 1.5% p.a.

The latest actuarial valuation is due as at 31 March 2025.

Membership

The membership movements of the Plan for the year are given below:

Defined Benefit Section

	Deferreds	Pensioners	Total
At 1 April 2023	1,040	1,964	3,004
Retirements	(69)	69	-
Deaths	(6)	(88)	(94)
Spouses and dependants	-	38	38
Trivial commutations	-	(22)	(22)
At 31 March 2024	965	1,961	2,926

Defined Contribution Section

	Actives	Deferreds	Total
At 1 April 2023	304	235	539
New entrants	37	-	37
Retirements	(1)	(3)	(4)
Leavers with deferred benefits	(30)	30	-
Transfers out	(7)	(9)	(16)
At 31 March 2024	303	253	556

Pensioners include 450 (2023: 456) spouses and dependants receiving a pension.

Included within the above pensioner numbers are 175 (2023: 180) annuitants.

These membership figures do not include movements notified to the Administrator after the completion of the annual renewal.

Pension increases

Pre 2005 pensions in payment as at April 2023 were increased by 5.0% (2022: 4.9%). Post 2005 pensions in payment were increased by 2.5% (2022: 2.5%). Increases on any Guaranteed Minimum Pension (GMP) for service after 6 April 1988 were increased by 3.0% (2022: 3.0%). Increases do not apply to any GMP which was earned in respect of service before April 1988.

Deferred pensions are increased in line with statutory requirements.

Calculation of transfer values

Transfer values paid during the year were calculated and verified in the manner required by the Regulations made under Section 97 of the Pension Schemes Act 1993 and do not include discretionary benefits. None of the transfer values paid was less than the amount provided by the Regulations.

Scheme Administrator

On 1 January 2024, the Mercer Limited UK pension administration business was acquired by Aptia UK Limited. As a result, Aptia UK Limited is now the pension administration service provider for the Plan.

Investment management

General

All investments have been managed during the year under review by the investment managers, annuity providers and AVC provider detailed in the list of Plan advisers on pages 1 to 2.

The day-to-day management of the Plan's asset portfolio, which includes full discretion for selecting underlying investments, is the responsibility of the investment managers.

Investment principles

The Trustee has produced a Statement of Investment Principles (SIP) in accordance with Section 35 of the Pensions Act 1995. A copy of the Defined Benefit section SIP can be found online at https://www.avon-protection-plc.com/pensions/defined-benefit-scheme/. The Defined Contribution section SIP can be found at https://www.avon-protection-plc.com/pensions/defined-contribution-scheme/. The main priority of the Trustee when considering the investment policy for the Defined Benefit Section is to ensure that the promises made about members' pensions may be fulfilled. The main priority of the Trustee when considering the investment policy for the Defined Contribution Section is to make available investment funds which serve to meet the varying investment needs and risk tolerances of the members.

Responsible investment and corporate governance

The Trustee believes that good stewardship and environmental, social and governance (ESG) issues may have a material impact on investment returns. The Trustee has given the investment managers full discretion when evaluating ESG issues and in exercising rights and stewardship obligations attached to the Plan's investments.

Similarly, the Plan's voting rights are exercised by its investment managers in accordance with their own corporate governance policies, and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code.

Equity managers who are regulated by appropriate UK (or other relevant) authorities are expected to report on their adherence to the UK Stewardship Code on an annual basis.

The Trustee recognises the importance of offering a suitable range of investment options for members and, where applicable, will consider member feedback on updating the default strategy and self-selecting fund range. The funds that make up the default strategy and other investment options do not apply purely ethical or moral judgements as the basis of investment decisions.

ESG, Stewardship, and Climate Change

The Trustee believes that environmental, social, and corporate governance (ESG) factors are important and may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration.

Given the investments are in pooled funds, the Trustee has given appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights obligations attached to the Plan’s investments.

With regards to stewardship, the Trustee wishes to encourage best practice in terms of corporate activism. It therefore encourages its investment managers to discharge their responsibilities in respect of investee companies in accordance with relevant legislation and codes.

The Trustee has delegated the exercise of voting rights to the Plan’s appointed investment managers, where relevant, on the basis that voting powers will be exercised by them with the objective of preserving and enhancing long term shareholder value. Accordingly, the investment managers have produced written guidelines of their process and practice in this regard.

ESG, Stewardship, and Climate Change - continued

The Trustee wishes to encourage best practice in terms of active engagement with entities in which they invest. The Trustee has given the investment managers full discretion when undertaking such engagement activities and therefore encourages the Plan's investment managers to discharge their responsibilities in respect of investee companies in accordance with the principles underlying the UK Corporate Governance Code and the UK Stewardship Code, in respect of all resolutions at annual and extraordinary meetings. The Trustee will review the investment managers' policies and engagement activities (where applicable) on an appropriate basis.

The strategic rationale of different asset classes that help the Trustee to achieve the Plan's investment objectives remains the primary driver behind the Plan's investment strategy. However, within this context, the Trustee is increasingly working to integrate ESG, climate change and stewardship within the Plan's investment processes in appointing new investment managers and monitoring existing investment managers.

Member views

Member views are not explicitly sought or taken into account in the selection, retention and realisation of investments. However, the Trustee has agreed to include a statement on its ESG beliefs in annual newsletters and members are welcome to provide feedback on this.

Investment Restrictions

The Trustee has not set any investment restrictions on the appointed investment managers in relation to particular products or activities, but may consider this in future. However, the Trustee has agreed that for future investment manager selections, a minimum ESG rating of ESG3 will be set as a pre-requisite as part of the selection process for asset classes where ESG considerations are considered to have a material impact on investment performance. The Trustee makes use of the investment consultant's ESG ratings.

Investment Managers monitoring and engagement

Aligning Manager Appointments with Investment Strategy

Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class for which the Trustee has appointed them.

The Trustee looks to their investment consultant (Mercer) for their forward looking assessment of a manager's ability to outperform over a full market cycle. This view will be based on the consultant's assessment of the manager's idea generation, portfolio construction, implementation and business management, in relation to the particular investment fund that the Plan invests in. The consultant's manager research ratings assist with due diligence and questioning managers during presentations to the Trustee. These ratings are used in decisions around selection, retention and realisation of manager appointments.

If the investment objective for a particular manager's fund changes, the Trustee will review the manager's appointment to ensure it remains appropriate and consistent with the Trustee's wider investment objectives.

Some portfolios are actively managed and the managers are incentivised through remuneration and performance targets (an appointment will be reviewed following periods of sustained underperformance or significant outperformance). The Trustee will review the appropriateness of using actively managed funds (on an asset class basis) as part of each strategic review.

As the Trustee invests in pooled investment vehicles, they accept that they have no ability to specify the risk profile and return targets of the manager, but believe appropriate mandates can be selected to align with the overall investment strategy.

Encouraging long-termism and consideration of ESG issues:

As per the ESG, Stewardship and Climate change section of this SIP, the Trustee considers the investment consultant's assessment of how each investment manager embeds ESG issues into its investment process and how the manager's responsible investment philosophy aligns with the Trustee's responsible investment policy. This includes the investment managers' policies on voting and engagement. The Trustee will use these assessments in decisions around selection, retention and realisation of manager appointments.

The Trustee meets with the investment managers as required and can challenge decisions made including voting history and engagement activity, and can challenge such decisions to try to ensure the best performance over the medium to long term.

Investment managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed. If the Trustee is dissatisfied, then the manager may be replaced.

ESG, Stewardship, and Climate Change - continued

Monitoring manager appointments

The Trustee receives performance reports from the investment consultant each quarter, which present performance information over 3 months, 6 months, 1 year, since latest actuarial valuation and since investment inception periods. The Trustee reviews absolute performance and relative performance against a suitable index used as a benchmark, and against the manager's stated target performance (over the relevant time period) on a net of fees basis. The Trustee's focus is primarily on long term performance but short term performance is also reviewed.

If a manager is not meeting performance objectives, or their investment objectives for the mandate have changed, the Trustee may ask the manager to review their fees. The Trustee may meet with investment managers if they are dissatisfied with their performance or engagement activity, and may choose to terminate the relationship with the manager if they see fit.

Monitoring portfolio turnover costs

The Trustee does not explicitly monitor portfolio turnover costs across the whole portfolio but this is considered by Mercer and forms part of their research views.

However, the Trustee will continue to monitor industry improvements concerning the reporting of portfolio turnover costs. In future, the Trustee may ask managers to report on portfolio turnover cost. They may assess this by comparing portfolio turnover across the same asset class, on a year-on-year basis for the same manager fund, or relative to the manager's specific portfolio turnover range in the investment guidelines or prospectus.

Manager Turnover

The Trustee is a long-term investor and is not looking to change investment arrangements on a frequent basis. There is therefore no set duration for manager appointments. The Trustee will retain an investment manager unless:

- There is a strategic change to the overall strategy that no longer requires exposure to that asset class or manager;
- The manager appointment is reviewed and the Trustee decides to terminate for a more suitable appointment.

Code of Best Practice

The principles set out in the Code of Best Practice are high level principles which aid trustees in their investment and governance decision making. While they are voluntary, pension scheme trustees are expected to consider their applicability to their own scheme and report on a 'comply or explain' basis how they have used them.

The principles emphasise the essentials of investment governance, notably the importance of effective decision making, clear investment objectives and a focus on the nature of each scheme's liabilities. The principles also require that trustees include a statement of the scheme's policy on responsible ownership in the Statement of Investment Principles and report periodically to members on the discharge of these responsibilities.

The Trustee considers that its investment policies and their implementation are in keeping with these principles.

Review of investment performance

The performance of the Plan's investments is shown in the table below:

Defined Benefit Section

	1 Year ended 31/03/2024		3 Years ended 31/03/2024		5 Years ended 31/03/2024	
	Fund (%)	*B'mark (%)*	Fund (%)	*B'mark (%)*	Fund (%)	*B'mark (%)*
Ruffer - Absolute Return	-6.3	*9.2*	-0.4	*6.5*	4.2	*4.5*
CQS - Multi-Asset Credit	13.6	*9.2*	3.3	*6.5*	-	-
JP Morgan - Infrastructure Eq	10.3	*8.0*	-.1	*8.0*	-	-
Europa - Private Debt	--6.1	6.0	-4.1	6.0	-	-
Total Growth	**4.9**	***8.4***	**3.3**	***6.8***	**3.7**	***4.9***
Total LDI	-13.9	*-13.8*	-32.7	*-32.6*	-20.4	*-20.3*
Total Matching	**13.9**	***-13.8***	**-28.7**	***-29.9***	**-17.3**	***-18.1***
Total	**-0.8**	***0.9***	**-6.8**	***-6.9***	**-2.6**	***-3.9***

Figures shown are net of fees and based on performance provided by the Investment Managers, Mercer estimates and Refinitiv.
Ares Secured Finance is not included as a separate row as the allocation was less than 0.5% of Plan assets as at 31 March 2024 ahead of full redemption in April 2024.

Defined Contribution Section

	1 Year ended 31/03/2024		3 Years ended 31/03/2024		5 Years ended 31/03/2024	
	Fund	*B'mark*	Fund	*B'mark*	Fund	*B'mark*
	%	*%*	%	*%*	%	*%*
SL BlackRock ACS Continental European Eq Trk Pn Fd	13.3	10.68	28.54	19.95	60.33	47.05
SL BlackRock ACS World ex UK Equity Tracker Pn Fd	24.97	23.30	38.98	40.42	86.49	88.10
SL abrdn UK Smaller Companies Pension Fund	5.27	9.00	-17.73	-0.71	11.11	21.82
SL Vanguard US Equity Pension Fund	28.10	27.13	50.01	51.37	104.84	107.92
SL At Retirement Universal (PP 10 Year) Pension Fd	9.95	9.42	9.85	9.51	17.52	17.32
Standard Life Money Market Pension Fund	5.01	5.05	6.79	7.56	7.60	8.36
SL iShares Pacific ex Japan Equity Index Pn Fd	8.67	9.19	8.44	10.26	42.94	45.18
SL Schroder Global Emerging Markets Pension Fund	4.57	6.29	-12.30	-5.40	16.90	17.34
SL iShares Corporate Bond Index Pension Fund	6.04	6.07	-10.79	-9.73	-3.46	-1.88
SL iShares UK Gilts All Stocks Index Pension Fd	-0.28	-0.04	-21.57	-20.55	-18.70	-17.50
SL iShares UK Equity Index Pension Fund	7.97	8.39	23.86	25.99	28.27	30.08
SL Sustainable Multi Asset (PP) Pension Fund	15.22	15.14	18.24	17.89	30.45	32.13
Standard Life At Retirement Universal Pension Fund	10.29	9.76	6.82	7.50	-	-
Standard Life Sustainable Multi Asset Growth Pn	16.52	16.69	21.39	24.10	-	-
SL Sustainable Multi Asset Pre Retirement Pn	13.63	13.35	15.84	17.41	-	-

Custodial arrangements

The custodians are responsible for the safe keeping, monitoring and reconciliation of documentation relating to the ownership of listed investments. Investments are held in the name of the custodians' nominee companies in line with common practice for pension scheme investments. The Investment Managers have appointed the following:

Investment Manager	Custodian(s)
Defined Benefit Section	
Ruffer - Absolute Return Fund	Bank of New York Mellon
	RBC Investor Services
CQS - Multi Asset Credit Fund	JP Morgan Hedge Fund Services (Ireland)
BlackRock - LDI	JP Morgan Bank (Ireland) plc
JP Morgan - Infrastructure Equity Fund	Citco Fund Services
Europa - Alternative Debt Fund	Sanne Group Administration Services (UK) Limited
Defined Contribution Section	
Standard Life Assurance Limited	Citibank N.A.

Barclays Bank PLC has been appointed by the Trustee as custodian of the cash held in connection with the administration of the Plan .

GMP equalisation

On 26 October 2018, the High Court ruled that benefits provided to members who had contracted out of their Plan must be recalculated to reflect the equalisation of state pension ages between 17 May 1990 and 6 April 1997. Following the ruling, it is expected that the Trustee will need to equalise guaranteed minimum pensions between men and women and this will result in an additional liability for the Plan. In November 2020 the High Court further ruled that GMP equalisation adjustments may be needed to historic transfers out of pension schemes. Any back payments and related interest will be accounted for in the year of payment. However, based on initial assessments completed for the employer's financial statements, the Trustee does not believe the back payments and related interest are material to these financial statements.

During the year, payments were made to equalise pensions in relation to the Barber judgement. These payments are included in the pensions in note 7.

The Money and Pension Service

The Money and Pension Service (formerly called the Single Financial Guidance Body) can give you information about matters relating to workplace and personal pensions. Its website is currently: https://singlefinancialguidancebody.org.uk.

The Pensions Regulator

The statutory body that regulates occupational pension schemes is the Pensions Regulator and it can be contacted at:

The Pensions Regulator
Telecom House
125 - 135 Preston Road
Brighton
BN1 6AF
Telephone: 0345 600 0707
Email: customersupport@tpr.gov.uk
Website: www.thepensionsregulator.gov.uk

Pensions tracing

A pension tracing service is carried out by the Department for Work and Pensions. This service can be contacted as follows:

Pension Tracing Service
Post Handling Site A
Wolverhampton
WV98 1AF
Telephone: 0800 731 0193

Pensions Ombudsman

Any concerns connected with the Plan should be referred to M Ingrey-Counter, at the address detailed on page 2, who will try to resolve the problem as quickly as possible. Members and beneficiaries of pension schemes who have problems concerning their scheme which are not satisfied by the information or explanation given by the administrators or the Trustee can consult with the Pensions Ombudsman for them to investigate and determine any complaint or dispute of fact or law involving occupational pension schemes. The address is:

The Office of the Pensions Ombudsman
10 South Colonnade
Canary Wharf
London
E14 4PU
Telephone: 0800 917 4487
Email: enquiries@pensions-ombudsman.org.uk
Website: www.pensions-ombudsman.org.uk

The Pension Protection Fund

The Pension Protection Fund (PPF) was established to pay compensation to members of eligible defined benefit pension schemes, when there is a qualifying insolvency event in relation to the employer and where there are insufficient assets in the pension scheme to cover PPF levels of compensation. The pension protection levy is one of the ways that the PPF funds the compensation payable to members of schemes that transfer to the PPF.

Approval

The Trustee's Report on pages 3 to 12, and the Implementation Statements on pages 33 to 44 and pages 45 to 60, were approved on behalf of Avon Rubber Pension Trust Limited and signed on its behalf by:

E. Fielding

.... Trustee Director

.... Trustee Director

Date: 31 October 2024

Statement of Trustee's Responsibilities

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (FRS 102) are the responsibility of the Trustee. Pension scheme regulations require, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Plan during the Plan year and of the amount and disposition at the end of the Plan year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging the above responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Plan will not be wound up.

The Trustee is also responsible for making available certain other information about the Plan in the form of an Annual Report.

The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Plan and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Trustee is responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary revising a Schedule of Contributions showing the rates of contributions payable towards the Plan by or on behalf of the employer and the active members of the Plan and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Plan and for adopting risk-based processes to monitor whether contributions are made to the Plan by the employer in accordance with the Schedule of Contributions. Where breaches of the Schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

The Trustee is responsible for the maintenance and integrity of the Plan and financial information included on the Scheme's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Trustee of the Avon Rubber Retirement and Death Benefits Plan

Opinion

We have audited the financial statements of the Avon Rubber Retirement and Death Benefits Plan ("the Plan") for the year ended 31 March 2024 which comprise the Fund Account and the Statement of Net Assets (available for benefits) and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Plan during the Plan year ended 31 March 2024 and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Plan in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Trustee has prepared the financial statements on the going concern basis as it does not intend to wind up the Plan, and as it has concluded that the Plan's financial position means that this is realistic. It has also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Trustee's conclusions, we considered the inherent risks to the Plan and analysed how those risks might affect the Plan's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Trustee's assessment that there is not a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Plan's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Plan will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Trustee as to the Plan's high-level policies and procedures to prevent and detect fraud, as well as enquiring whether it has knowledge of any actual, suspected or alleged fraud.
- Reading Trustee minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that the Trustee (or its delegates including the Plan's administrators) may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as the valuation of Level 3 investments. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue in a pension scheme relates to contributions receivable as paid under an agreed schedule or pre-determined by the Trustee; there are no subjective issues or judgements required.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted after the first draft of the financial statements have been prepared.
- Assessing whether the judgment made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Trustee and its delegates (as required by auditing standards), and from inspection of the Plan's regulatory and legal correspondence and discussed with the Trustee and its delegates the policies and procedures regarding compliance with laws and regulations.

As the Plan is regulated by The Pensions Regulator, our assessment of risks involved gaining an understanding of the control environment including the Plan's procedures for complying with regulatory requirements and reading the minutes of Trustee meetings.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Plan is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related pensions legislation), and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Plan is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation, or the loss of the Plan's registration. We identified the following areas as those most likely to have such an effect: pensions legislation and data protection legislation, recognising the financial and regulated nature of the Plan's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and its delegates and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

We have reported separately on contributions payable under the Schedule of Contributions in our statement about contributions on page 30 of the annual report. The Trustee's report explains the implications of late contributions in the year on compliance with the relevant requirements of pensions regulations.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Trustee is responsible for the other information, which comprises the Trustee's report, the Report on actuarial liabilities, the Summary of Contributions and the actuarial certification of the schedule of contributions. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon in this report.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on this work we have not identified material misstatements in the other information.

Trustee's Responsibilities

As explained more fully in its statement set out on page 13, the Plan Trustee is responsible for: supervising the preparation of financial statements which show a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to wind up the Plan, or has no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at: www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Plan Trustee in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Plan Trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Plan Trustee, for our audit work, for this report, or for the opinions we have formed.

IKDelay

Iryndeep Kaur-Delay
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

Date: 31 October 2024

Fund Account

	Note	Defined Benefit Section £000	Defined Contribution Section £000	2024 Total £000	Defined Benefit Section £000	Defined Contribution Section £000	2023 Total £000
Employer contributions		**6,800**	**1,728**	**8,528**	3,500	1,574	5,074
Employee contributions		**-**	**36**	**36**	-	25	25
Total contributions	4	**6,800**	**1,764**	**8,564**	3,500	1,599	5,099
Transfers in	5	**-**	**41**	**41**	-	148	148
Other income	6	**361**	**-**	**361**	-	-	-
		7,161	**1,805**	**8,966**	3,500	1,747	5,247
Benefits paid or payable	7	**(18,352)**	**(68)**	**(18,420)**	(17,051)	(112)	(17,163)
Payments to and on account of leavers	8	**(38)**	**(755)**	**(793)**	(394)	(1,149)	(1,543)
Administrative expenses	9	**(895)**	**-**	**(895)**	(776)	-	(776)
		(19,285)	**(823)**	**(20,108)**	(18,221)	(1,261)	(19,482)
Net (withdrawals)/ additions from dealings with members		**(12,124)**	**982**	**(11,142)**	(14,721)	486	(14,235)
Returns on investments							
Investment income	10	**16,034**	**-**	**16,034**	11,462	-	11,462
Change in market value of investments	11	**(17,001)**	**2,481**	**(14,520)**	(82,084)	(226)	(82,310)
Investment management expenses	12	**(849)**	**-**	**(849)**	(728)	-	(728)
Net returns on investments		**(1,816)**	**2,481**	**665**	(71,350)	(226)	(71,576)
Net (decrease)/ increase in the fund during the year		**(13,940)**	**3,463**	**(10,477)**	(86,071)	260	(85,811)
Transfers between sections		**21**	**(21)**	**-**	18	(18)	-
Net assets at 1 April		**251,812**	**17,228**	**269,040**	337,865	16,986	354,851
Net assets at 31 March		**237,893**	**20,670**	**258,563**	251,812	17,228	269,040

The notes on pages 19 to 29 form part of these financial statements.

Statement of Net Assets available for benefits

	Note	Defined Benefit Section £000	Defined Contribution Section £000	2024 Total £000	Defined Benefit Section £000	Defined Contribution Section £000	2023 Total £000
Investment assets							
Pooled investment vehicles	14	**232,219**	**20,509**	**252,728**	239,736	17,100	256,836
AVC investments	15	**158**	**-**	**158**	346	-	346
Cash		**1,027**	**-**	**1,027**	473	-	473
Other investment balances	16	**782**	**-**	**782**	1,310	-	1,310
Total investments	11	**234,186**	**20,509**	**254,695**	241,865	17,100	258,965
Current assets	21	**4,209**	**161**	**4,370**	12,274	128	12,402
Current liabilities	22	**(502)**	**-**	**(502)**	(2,327)	-	(2,327)
Net assets at 31 March		**237,893**	**20,670**	**258,563**	251,812	17,228	269,040

The financial statements summarise the transactions of the Plan and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Plan year. The actuarial position of the Plan, which takes into account such obligations for the Defined Benefit Section, is dealt with in the report on actuarial liabilities on page 5 of the annual report and these financial statements should be read in conjunction with this report.

The notes on pages 19 to 29 form part of these financial statements.

The financial statements on pages 17 to 29 were approved on behalf of Avon Rubber Pension Trust Limited and signed on its behalf by:

E. Fielding
.... Trustee Director

.... Trustee Director

Date: 31 October 2024

1. Identification of the financial statements

The Avon Rubber Retirement and Death Benefit Plan (the Plan) is an occupational pension scheme established in the United Kingdom under trust and according to the law in England.

The Plan was established on 1 April 1947 to provide retirement benefits to certain groups of employees of Avon Protection plc. The address of the Plan's principal office is Corporate Headquarters, Hampton Park West, Semington Road, Melksham, Wiltshire, SN12 6NB.

The Plan is a hybrid scheme, comprising a Defined Benefit Section and a Defined Contribution Section.

Please refer to page 2 of the Annual Report for contact details and enquiries about the Plan.

2. Basis of preparation

The individual financial statements of the Avon Rubber Retirement and Death Benefits Plan have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 (FRS 102) - The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council (FRC) and the guidance set out in the Statement of Recommended Practice (SORP) (Revised June 2018).

The financial statements are prepared on a going concern basis, which the Trustee believes to be appropriate as they believe that the Plan has adequate resources to realise its assets and meet benefit obligations in the normal course of affairs (continue to operate) for at least the next twelve months. In reaching this conclusion, the Trustee has considered the funding level of the Plan, the financial position of the sponsoring employer Avon Rubber plc and the Group and has taken into account the impact on investments, future income and capital growth, portfolio liquidity and cashflow requirements. This assessment, gives the Trustee confidence to prepare the financial statements on a going concern basis.

3. Accounting policies

The principal accounting policies are set out below. Unless otherwise stated, they have been applied consistently year on year.

3.1 Accruals concept

The financial statements have been prepared on an accruals basis.

3.2 Currency

The Plan's functional currency and presentational currency is Pounds Sterling (GBP).

3.3 Contributions

Employee contributions, including AVCs, are accounted for by the Trustee when they are deducted from pay by the Employer.

Employer normal contributions which are expressed as a rate of salary are accounted for on the same basis as the employees' contributions, in accordance with the Schedule of Contributions in force during the year.

Employer deficit funding contributions are accounted for in the period to which they relate, in accordance with the Schedule of Contributions, or on receipt if earlier, with the agreement of the employer and Trustee.

Employer other contributions are accounted for in accordance with the agreement under which they are payable or, in the absence of an agreement, on a receipts basis.

Additional contributions are accounted for in accordance with the agreement under which they are payable, with additional expense contributions becomeing due within one month of the Trustee requesting payment of such amounts.

3.4 Transfers

Individual transfers in or out of the Plan are accounted for when member liability is accepted or discharged which is normally when the transfer amount is received or paid.

3.5 Other income

Income is accounted for in the period in which it falls due on an accruals basis.

3.6 Payments to members

Benefits, and any associated tax liabilities, are accounted for in the period in which they fall due for payment. Where there is a choice, benefits are accounted for on the later of the date of leaving, retirement or death and the date on which any option or notification is communicated to the Trustee. If there is no choice, they are accounted for on the date of retirement or leaving.

The Plan has purchased annuity policies to cover certain pensions in payment. The cost of acquiring these policies is included in the fund account in the year of purchase and represents the cost of discharging the obligations of the Plan to the relevant members at the time of purchase.

3.7 Administrative and other expenses

Administrative expenses are accounted for in the period in which they fall due on an accruals basis.

Investment management expenses are accounted for in the period in which they fall due on an accruals basis.

3.8 Investment income

Income from pooled investment vehicles is accounted for when declared by the investment manager.

Receipts from annuity policies are accounted for as investment income on an accruals basis.

3.9 Change in market value of investments

The changes in investment market values are accounted for in the year in which they arise and include profits and losses on investments sold as well as unrealised gains and losses in the value of investments held at the year end.

3.10 Valuation of investments

Investments are included at fair value as follows:

Pooled investment vehicles which are not traded on active markets, but where the investment manager has provided a daily/weekly trading price, are valued using the last bid/single price, provided by the investment manager at or before the year end.

The Trustee holds insurance policies that secure pensions payable to specified beneficiaries. These policies remain assets of the Trustee, but, as the value of these policies is not material, under current regulations and accounting practice, the Trustee has decided that these policies need not be included in the Statement of Net Assets.

The AVC investments comprise policies of assurance. The market value of these policies has been taken as the surrender values of the policies at the year end, as advised by the AVC providers. The AVC investments comprise unitised funds and policies of assurance.

4. Contributions

	Defined Benefit Section £000	Defined Contribution Section £000	2024 Total £000	Defined Benefit Section £000	Defined Contribution Section £000	2023 Total £000
Employer contributions:						
Normal	-	1,728	1,728	-	1,574	1,574
Other	600	-	600	600	-	600
Deficit funding	6,200	-	6,200	2,900	-	2,900
	6,800	1,728	8,528	3,500	1,574	5,074
Employee contributions:						
Normal	-	36	36	-	25	25
	6,800	1,764	8,564	3,500	1,599	5,099

In accordance with the Schedule of Contributions certified on 31 August 2023, the Sponsoring Employer will pay contributions to cover expenses and include an allowance for the PPF Levy. If the PPF Levy exceeds £200k in any one year, the Sponsoring Employer will pay the difference up to a maximum of £100k p.a. As the PPF Levy for the year was £85k (2023: £74k) there were no additional contributions payable. From 1 October 2020, if the actual expenses incurred in any one year exceed £600k, the Sponsoring Employer will pay additional contributinons of the difference up to a maximum of £250k for the year ended 31 March 2023 and £300k p.a. thereafter. The additional payment will be determined based on the actual expenses as set out in the Plan's audited financial statements with a pro-rata amount being due in the first year. The additional contributions will be paid within one month of the Trustee requesting such amounts.

During the prior Plan year, the Employer chose to accelerate the payments due under the Deficit Recovery Plan for the DB section and a single contribution of £3.65m was received on 30 September 2022. This represented (i) the remainder of the monthly contributions payable up to 31 March 2023 of £1.75m; and (ii) 50% of the annual contribution due for the year ending 31 March 2024 of £3.2m plus £0.6m expenses, which is a sum of £1.9m.

In accordance with the Schedule of Contributions certified on 31 August 2023, a total of £4.6m contributions were received between 1 October 2023 and 31 December 2023 in order to satisfy the recovery plan.

5. Transfers in

	Defined Benefit Section £000	Defined Contribution Section £000	2024 Total £000	Defined Benefit Section £000	Defined Contribution Section £000	2023 Total £000
Individual transfers in from other schemes	-	41	41	-	148	148

6. Other income

	Defined Benefit Section £000	Defined Contribution Section £000	2024 Total £000	Defined Benefit Section £000	Defined Contribution Section £000	2023 Total £000
Interest on cash deposits held by the Trustee	361	-	361	-	-	-

7. Benefits paid or payable

	Defined Benefit Section £000	Defined Contribution Section £000	2024 Total £000	Defined Benefit Section £000	Defined Contribution Section £000	2023 Total £000
Pensions	15,210	-	15,210	15,233	-	15,233
Commutation of pensions and lump sum retirement benefits	2,958	68	3,026	1,621	62	1,683
Lump sum death benefits	184	-	184	197	50	247
	18,352	68	18,420	17,051	112	17,163

Pensions include payments of £702k relating to Barber equalisation.

8. Payments to and on account of leavers

	Defined Benefit Section £000	Defined Contribution Section £000	2024 Total £000	Defined Benefit Section £000	Defined Contribution Section £000	2023 Total £000
Individual transfers out to other schemes	38	755	793	394	1,149	1,543

9. Administrative expenses

	Defined Benefit Section £000	Defined Contribution Section £000	2024 Total £000	Defined Benefit Section £000	Defined Contribution Section £000	2023 Total £000
Administration, actuarial & consultancy fees	748	-	748	625	-	625
Plan levies	85	-	85	96	-	96
Audit fees	30	-	30	20	-	20
Legal fees	24	-	24	25	-	25
Trustee fees	5	-	5	5	-	5
Miscellaneous expenses	2	-	2	3	-	3
Bank charges	1	-	1	2	-	2
	895	-	895	776	-	776

10. Investment income

	Defined Benefit Section £000	Defined Contribution Section £000	2024 Total £000	Defined Benefit Section £000	Defined Contribution Section £000	2023 Total £000
Income from pooled investment vehicles	15,943	-	15,943	11,381	-	11,381
Interest on cash deposits	25	-	25	16	-	16
Annuity income	66	-	66	65	-	65
	16,034	-	16,034	11,462	-	11,462

11. Reconciliation of investments

Defined Benefit Section

	Market value at 1 April 2023 £000	Cost of investments purchased £000	Proceeds of sales of investments £000	Change in market value £000	**Market value at 31 March 2024 £000**
Pooled investment vehicles	239,736	102,028	(92,526)	(17,019)	**232,219**
AVC investments	346	-	(206)	18	**158**
	240,082	102,028	(92,732)	(17,001)	**232,377**
Cash	473			-	**1,027**
Other investment balances	1,310			-	**782**
	241,865			(17,001)	**234,186**

Defined Contribution Section

	Market value at 1 April 2023 £000	Cost of investments purchased £000	Proceeds of sales of investments £000	Change in market value £000	**Market value at 31 March 2024 £000**
Pooled investment vehicles	17,100	1,771	(843)	2,481	**20,509**

11.1 Transaction costs

Indirect transaction costs are incurred through the bid-offer spread on investments within the pooled investment vehicles. The amount of indirect transaction costs is not separately provided to the Plan.

11.2 Defined contribution assets

Investments purchased by the Plan are allocated to provide benefits to the individuals on whose behalf corresponding contributions were paid. The investment manager holds the investment units on a pooled basis for the Trustee. The Plan administrator allocates investment units to members. The Trustee may hold investment units representing the value of employer contributions that have been retained by the Plan that relate to members leaving the Plan prior to vesting. All investments are allocated to members (2023: all allocated to members).

12. Investment management expenses

	Defined Benefit Section £000	**Defined Contribution Section £000**	**2024 Total £000**	Defined Benefit Section £000	Defined Contribution Section £000	2023 Total £000
Administration, management and custody fees	**849**	**-**	**849**	728	-	728

13. Taxation

The Plan is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax.

14. Pooled investment vehicles

	Defined Benefit Section £000	**Defined Contribution Section £000**	**2024 Total £000**	Defined Benefit Section £000	Defined Contribution Section £000	2023 Total £000
Bonds	**106,292**	**-**	**106,292**	85,663	-	85,663
Equities	**23,046**	**-**	**23,046**	23,904	-	23,904
Secure income fund	**-**	**-**	**-**	33,524	-	33,524
Multi-asset	**25,133**	**-**	**25,133**	18,972	-	18,972
Infrastructure Equity Fund	**53,853**	**-**	**53,853**	52,340	-	52,340
Alternative Debt Fund	**23,895**	**-**	**23,895**	25,333	-	25,333
Lifestyle funds	**-**	**16,677**	**16,677**	-	14,617	14,617
Other	**-**	**3,832**	**3,832**	-	2,483	2,483
	232,219	**20,509**	**252,728**	239,736	17,100	256,836

The pooled investments are held in the name of the Plan. Income generated by Ares Management LLC, BlackRock Investment Management (UK) Limited, CQS Management Limited, and Ruffer LLP is distributed, as shown in note 9. Income generated by the defined contribution units is not distributed, but retained within the pooled investments and reflected in the market value of the units.

15. AVC investments

The Trustee holds assets within the main fund and also holds assets which are separately invested from the main fund in the form of unitised funds and policies of assurance. These secure additional benefits, on a money purchase basis, for those members who have elected to pay additional voluntary contributions. Members participating in this arrangement receive an annual statement made up to 31 March each year, confirming the amounts held to their account and the movements during the year.

The total amount of AVC investments at the year end is shown below:

	Defined Benefit Section £000	**Defined Contribution Section £000**	**2024 Total £000**	Defined Benefit Section £000	Defined Contribution Section £000	2023 Total £000
Standard Life Assurance Company	**158**	**-**	**158**	346	-	346

16. Other investment balances

Defined Benefit Section

	Assets £000	**Liabilities £000**	**2024 £000**	Assets £000	Liabilities £000	2023 £000
Investment income receivable	**782**	**-**	**782**	1,310	-	1,310

17. Fair value hierarchy

The fair value of financial instruments has been disclosed using the following fair value hierarchy:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities which the reporting entity can access at the assessment dates.
Level 2	Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly or indirectly. Observable inputs are inputs which reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity.
Level 3	Unobservable inputs for the asset or liability. Unobservable inputs are inputs which reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

A fair value measurement is categorised in its entirety on the basis of the lowest level input which is significant to the fair value measurement in its entirety.

The Plan's investment assets fall within the above hierarchy as follows:

	2024 Level 1 £000	**2024 Level 2 £000**	**2024 Level 3 £000**	**2024 Total £000**
Defined Benefit Section				
Pooled investment vehicles	**-**	**154,471**	**77,748**	**232,219**
AVC investments	**-**	**-**	**158**	**158**
Cash	**1,027**	**-**	**-**	**1,027**
Other investment balances	**782**	**-**	**-**	**782**
	1,809	**154,471**	**77,906**	**234,186**
Defined Contribution Section				
Pooled investment vehicles	**-**	**20,509**	**-**	**20,509**
	-	**20,509**	**-**	**20,509**
	1,809	**174,980**	**77,906**	**254,695**

Analysis for the prior year end is as follows:

	2023 Level 1 £000	2023 Level 2 £000	2023 Level 3 £000	2023 Total £000
Defined Benefit Section				
Pooled investment vehicles	-	128,539	111,197	239,736
AVC investments	-	-	346	346
Cash	473	-	-	473
Other investment balances	1,310	-	-	1,310
	1,783	128,539	111,543	241,865
Defined Contribution Section				
Pooled investment vehicles	-	17,100	-	17,100
	-	17,100	-	17,100
	1,783	145,639	111,543	258,965

18. Investment risks

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk, interest rate risk and other price risk.

Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.

Interest rate risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.

Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Plan has exposure to these risks because of the investments it makes to implement its investment strategy described in the Trustee's Report for the Defined Benefit Section (DBS) and Defined Contribution Section (DCS). The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Plan's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Plan's investment managers and monitored by the Trustee by regular reviews of the investment portfolios.

The Plan invests in sterling denominated pooled investment vehicles (PIVs). The Plan therefore has direct credit risk to the PIV provider and indirect credit and market risks arising from the underlying investments of the PIVs. The Trustee selects the PIVs based on their investment mandates and monitor the PIV at the fund level. The investment managers are responsible for managing the underlying credit and market risks within the PIVs.

The Plan has exposure to indirect currency risk as some of its investments are held in overseas markets through PIVs.

Further information on the Trustee's approach to risk management and the Plan's exposures to credit and market risks are set out below. This does not include AVC investments or legacy annuity policies as these are not considered significant in relation to the overall investments of the Plan.

Direct Credit risk

The Plan is subject to direct credit risk with the pooled investment managers. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. The Trustee carries out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the regulatory and operating environment of the pooled manager. A summary of pooled investment vehicles by type of arrangement is as follows:

	2024 £000's	2023 £000's
Open Ended Investment Companies: Defined Benefit Section	102,135	-
Unit Linked Insurance Contracts: Defined Benefit Section	33,838	-
Authorised unit trusts: Defined Benefit Section	72,091	128,539
Shares of Limited Partnerships	23,895	111,197
Unitised insurance contract: Defined Contribution Section	20,509	17,100
	252,468	**256,836**

Source: Investment Managers and Mercer.
Figures may not sum to total due to rounding.
Ares holdback amount which was released on 3 April 2024, Blackrock cash and pending transaction are excluded from the above table.
Differences in classification between 2023 and 2024 are due to a change in the categorisation process. This year each investment manager has been asked to confirm the vehicle type of its fund(s).

Cash is held within financial institutions which are at least investment grade credit rated.

All the pooled investment vehicles are unrated.

18. Investment risks continued

Indirect credit and market risks

The table below summarises which PIVs have significant exposure to indirect credit and market risks.

Defined Benefit section

	Credit risk	Foreign exchange risk	Interest rate risk	Other price risk
Ruffer Absolute Return	✓	✓	✓	✓
CQS - Multi Asset Credit	✓	✓	✓	✓
Ares - Secured Finance	✓	✓	✓	
JP Morgan infrastructure Fund	✓		✓	✓
Europa Real Estate Debt	✓		✓	✓
BlackRock - Fixed Interest Gilts	✓		✓	
BlackRock - Index-Linked Gilts	✓		✓	✓
BlackRock - Liquidity	✓		✓	

As the JP Morgan infrastructure fund is denominated in US Dollars the Plan is also subject to direct currency risk in respect of its valuation of $67,713k (£53,570) as at 31 March 2024 ($64,664k (£52,340) as at 31 March 2023).

Due to the full redemption of the Ares Secured Finance fund during the Plan year, there were no risks in relation to this fund at 31 March 2024.

Defined Contribution section

The Defined Contribution Section is subject to direct credit risk in relation to Standard Life Assurance Limited through its holding in Unitised insurance contracts provided by Standard Life.

Standard Life Assurance Limited is regulated by the Financial Conduct Authority and maintains separate funds for its policy holders. The Trustee monitors the creditworthiness of Standard Life Assurance Limited by reviewing published credit ratings. Standard Life Assurance Limited invests all the Plan's funds in its own investment unit linked funds and it does not use any other investment funds or reinsurance arrangements. In the event of default by Standard Life Assurance Limited, the Plan is protected by the Financial Services Compensation Scheme.

The table below summarises which PIVs have significant exposure to indirect credit and market risks.

	Credit risk	Foreign exchange risk	Interest rate risk	Other price risk
SL BlackRock ACS Continental European Eq Trk Pn Fd		✓		✓
SL BlackRock ACS World ex UK Equity Tracker Pn Fd		✓		✓
SL abrdn UK Smaller Companies Pension Fund		✓		✓
SL Vanguard US Equity Pension Fund		✓		✓
SL Sustainable Multi Asset At Ret (PP Univ) Pn Fd	✓	✓	✓	✓
Standard Life Money Market Pension Fund				
SL iShares Pacific ex Japan Equity Index Pn Fd		✓		✓
SL Schroder Global Emerging Markets Pension Fund		✓		✓
SL Sustainable Multi Asset (PP) Pension Fund	✓	✓	✓	✓
SL Sustainable Multi Asset At Retirement P	✓	✓	✓	✓
Standard Life Sustainable Multi Asset Growth Pn	✓	✓	✓	✓
SL Sustainable Multi Asset Pre Retirement Pn	✓	✓	✓	✓

The above funds are shown here on the basis of materiality. Disclosures are not made in respect of smaller funds.

19. Concentration of investments

The following investments each account for more than 5% of the Plan's net assets at the year end:

	2024		2023	
	£000	**%**	£000	%
JP Morgan infrastructure Fund	**53,852**	**20.8**	52,340	19.5
CQS - Multi-Asset Credit	**25,133**	**9.7**	18,972	7.1
Europa	**23,895**	**9.2**	30,801	11.4
Ruffer Absolute Return	**23,046**	**8.9**	23,904	8.9
Ares - Secured Finance	**N/A**	**N/A**	33,524	12.5
BlackRock LMF GBP 2032	**N/A**	**N/A**	13,987	5.2

20. Employer-related investments

There was no employer-related investment as at 31 March 2024 (31 March 2023: none).

21. Current assets

	Defined Benefit Section £000	**Defined Contribution Section £000**	**2024 Total £000**	Defined Benefit Section £000	Defined Contribution Section £000	2023 Total £000
Contributions due from the employer in respect of:						
- Employer	**-**	**160**	**160**	-	127	127
- Employees	**-**	**1**	**1**	-	1	1
Interest accrued on cash deposits	**361**	**-**	**361**	-	-	-
Cash deposits held with the Plan Administrator	**3,848**	**-**	**3,848**	12,274	-	12,274
	4,209	**161**	**4,370**	12,274	128	12,402

The cash deposits held with the Plan Administrator are held with Barclays Bank Plc.

22. Current liabilities

	Defined Benefit Section £000	**Defined Contribution Section £000**	**2024 Total £000**	Defined Benefit Section £000	Defined Contribution Section £000	2023 Total £000
Contributions received in advance						
- employer	**-**	**-**	**-**	1,900	-	1,900
Reimbursement of pensions received in advance	**4**	**-**	**4**	2	-	2
Lump sums on retirement payable	**133**	**-**	**133**	15	-	15
Death benefits payable	**-**	**-**	**-**	16	-	16
Taxation payable	**210**	**-**	**210**	173	-	173
Administrative expenses payable	**77**	**-**	**77**	186	-	186
Investment management expenses payable	**78**	**-**	**78**	35	-	35
	502	**-**	**502**	2,327	-	2,327

23. Related party transactions

(a) Key management personnel of the Plan or its parent (in aggregate)

Of the Trustee Directors in office during the year who are members of the Plan, benefits are in accordance with the Plan rules and on the same terms as normally granted to members. R Wills is a deferred member of the Plan. D Little and E Fielding are retired members of the Plan. Trustee fees and expenses were paid during the year as referenced in note 8. Trustee fees of £7k (2023: £5k) was payable to the Trustee members of the Plan and expenses of £Nil (2023: £Nil) were payable in respect of Trustee expenses. At the year end £Nil (2023: £2k) was payable.

24. Outstanding Capital Commitments

The Defined Benefit Section Investments in private equity funds involve giving an undertaking to subscribe to certain capital commitments. The managers gradually draw down money to invest as investment opportunities are identified over a period of time. The following capital commitment was outstanding at the year end.

Europa Real Estate Debt: As at 31 March 2024, the total capital commitment to the private equity was £35,000,000 (2023: £35,000,000) of which £7,176,987 remains undrawn at the year end (2023: £7,302,458).

25. Contingent Liability

On 26 October 2018, the High Court ruled that benefits provided to members who had contracted out of their Plan must be recalculated to reflect the equalisation of state pension ages between 17 May 1990 and 6 April 1997. Following the ruling, it is expected that the Trustee will need to equalise guaranteed minimum pensions between men and women and this will result in an additional liability for the Plan. A further High Court ruling on 20 November has provided clarification on the obligations of pension scheme trustees to equalise past transfer values. The Trustee will be reviewing the impact of this further judgment. Any back payments and related interest will be accounted for in the year of payment.

Independent Auditor's Statement about Contributions to the Trustee of the Avon Rubber Retirement and Death Benefits Plan

Qualified statement about contributions

We have examined the Summary of Contributions payable under the Schedules of Contributions to the Avon Rubber Retirement and Death Benefits Plan in respect of the year ended 31 March 2024 which is set out on page 30.

In our opinion contributions for the Scheme year ended 31 March 2024 as reported in the Summary of Contributions and payable under the Schedules of Contributions have, except for the departure described in the basis for qualified statement about contributions section of our report, in all material respects been paid:

- from 1 April 2023 to 30 August 2023 at least in accordance with the Schedule of Contributions certified by the Actuary on 21 September 2020; and
- from 31 August 2023 to 31 March 2024 at least in accordance with the Schedule of Contributions certified by the Actuary on 31 August 2023.

Basis for qualified statement about contributions

As explained in the Trustee's report on page 4, DC normal employer contributions totaling £1,115,587 and DC normal employee contributions totaling £30,289 in respect of the months of April 2023 to August 2023 and January 2024 to March 2024 were paid between 1 and 11 days later than required under the respective Schedules of Contributions.

Scope of work on Statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the Summary of Contributions have in all material respects been paid at least in accordance with the Schedules of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Plan and the timing of those payments under the Schedule of Contributions.

Respective responsibilities of Trustee and Auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 13, the Plan's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates and due dates of certain contributions payable towards the Plan by or on behalf of the employer and the active members of the Plan. The Trustee is also responsible for keeping records in respect of contributions received in respect of members of the Plan and for monitoring whether contributions are made to the Plan in accordance with the Schedules of Contributions.

It is our responsibility to provide a statement about contributions paid under the Schedules of Contributions to the Plan and to report our opinion to you.

The purpose of our work and to whom we owe our responsibilities

This statement is made solely to the Plan's Trustee in accordance with the Pensions Act 1995 and Regulations made thereunder. Our work has been undertaken so that we might state to the Plan's Trustee those matters we are required to state to it in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Plan's Trustee for our work, for this statement, or for the opinions we have formed.

IKDelay

Iryndeep Kaur-Delay
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

Date: **31 October 2024**

Summary of Contributions

As noted on page 4 of the Trustee's report, DC normal employer contributions totaling £1,115,587 and DC normal employee contributions totaling £30,289 in respect of the months of April 2023 to August 2023 and January 2024 to March 2024 were paid between 1 and 11 days later than required by the Schedules of Contributions in force at that time. The Trustee report explains the reasons for these late contributions. During the year ended 31 March 2024, the contributions payable to the Plan by the Employer were as follows:

	Defined Benefit Section £000	Defined Contribution Section £000	**2024 Total £000**
Contributions payable under the Schedule of Contributions:			
Employer contributions:			
Normal	-	1,728	**1,728**
Other	600	-	**600**
Deficit funding	5,933	-	**5,933**
	6,533	1,728	**8,261**
Employee contributions:			
Normal	-	36	**36**
Contributions payable under the Schedule of Contributions (as reported on by the Plan Auditor)	6,533	1,764	**8,297**
Other contributions:			
Employer additional deficit funding contributions	267	-	**267**
Total contributions reported in the financial statements	6,800	1,764	**8,564**

Statement of Trustee's Responsibilities in respect of Contributions

The Plan's Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates of contributions payable towards the scheme by or on behalf of the employer and the active members of the scheme and the dates on or before which such contributions are to be paid. The plan's Trustee is also responsible for keeping records of contributions received in respect of any member of the scheme and for monitoring that contributions are made to the scheme in accordance with the schedule.

Approved on behalf of Avon Rubber Pension Trust Limited and signed on its behalf by:

E. Fielding

.... Trustee Director

.... Trustee Director

Date: 31 October 2024

Certification of schedule of contributions

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective can be expected to be met by the end of the period specified in the recovery plan dated 31 August 2023.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 31 August 2023.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the scheme's liabilities by the purchase of annuities, if the scheme were to be wound up.

Signature	*Susan Hoare*
Scheme Actuary	Susan Hoare
Qualification	Fellow of the Institute and Faculty of Actuaries
Date of signing	31 August 2023
	Aon Solutions UK Limited
Address	1 Redcliff Street Bristol BS1 6NP

Annual statement regarding governance of the Defined Contribution Section of the Avon Rubber Retirement and Death Benefits Plan ('the Plan')

Background

The Occupational Pension Schemes (Scheme Administration) Regulations 1996 ("the Administration Regulations") require the Trustee Directors to prepare an annual statement regarding governance and include this in the annual Trustee's report and accounts. The governance requirements apply to all Defined Contribution (DC) pension arrangements and aim to help members achieve a good outcome from their pension savings.

Introduction

As the Trustee Chair, I am pleased to provide you with our annual statement which explains what steps have been taken by the Trustee Directors ('the Trustee'), with the help of our professional advisers, to meet the governance standards that apply to the DC Section of the Plan.

This statement issued by the Trustee covers the period from 1 April 2023 to 31 March 2024 and is signed on behalf of the Trustee by the Chair.

This statement covers governance and charge disclosures in relation to the following:

1. The Default arrangement
2. Net investment returns
3. Member borne charges and transaction costs
    1. Default arrangement
    2. Self-select funds
    3. Illustrations of the cumulative effect of these costs and charges
4. Value for members assessment
5. Processing of core financial transactions
6. Trustee knowledge and understanding

1. The Default Arrangement

The Trustee is required to design the default arrangement in members' interests and keep it under review. The Trustee needs to set out the aims and objectives of the default arrangement and take account of the level of costs and the risk profile that are appropriate for the Plan's membership.

The Plan is used as a Qualifying Scheme for auto-enrolment purposes.

The Trustee is responsible for the Plan's investment governance, which includes setting and monitoring the investment strategy for the Plan's default arrangement: the Standard Life Sustainable Multi Asset Universal Strategic Lifestyle Profile ('the Sustainable Multi Asset Strategy').

The Sustainable Multi Asset Strategy is primarily provided for members who join the Plan and do not choose an investment option for their contributions. It is intended to be appropriate regardless of how members take their benefits at retirement.

The objectives for the default arrangement are as follows:

- Aim for significant long term real growth while members are further away from retirement.
- Manage down volatility in fund values as members near retirement.
- Target an end point portfolio that is appropriate with how members may take their benefits when they retire.

Full details of the objectives and the Trustee's policies regarding the default arrangement can be found in a document called the 'Statement of Investment Principles' (SIP) which is attached to the end of this statement and is also available in the useful documents section on the DC section of the Company's website here: Avon Protection plc | Defined contribution scheme (avon-protection-plc.com).

Investment strategy review

The Trustee Directors are responsible for setting and monitoring the investment strategy for the Plan, including the default arrangement.

The default arrangement was not formally reviewed during the period covered by this statement.

The last review formally concluded on 23 March 2023. The review considered the Trustee's objectives and the suitability of the default arrangement and other fund options with reference to the membership demographics and how members access their benefits, as well as industry data and wider trends, and investment performance. The Trustee was supported in this exercise by the Plan's DC investment adviser, Aon.

The Trustee will continue to monitor the Plan's investments. The next formal review of the default arrangement is due to take place before 23 March 2026.

Specified performance based-fees

Where a fee is calculated by reference to a fund's performance and is not calculated by reference to the value of the member's DC pension savings, the Trustee must state the amount of any such performance-based fees in relation to each default arrangement.

During the Plan Year there have been no such performance-based fees payable.

Performance Monitoring

The Trustee also reviews the performance of the default arrangement against its aims and objectives as part of the investment strategy review and on a quarterly basis. Performance of the funds is reviewed in absolute terms and relative to comparable DC investment strategies.

The Trustee is satisfied that the default arrangement has performed in line with its aims and objectives as detailed in the SIP.

Default arrangement asset allocation

The Trustee is required to disclose their full asset allocations of investments for each default arrangement. The table below shows the percentage of assets allocated in the default arrangement to specified asset classes as at 31 March 2024.

	Asset allocation as at 31 March 2024			
Asset class	25 years old	45 years old	55 years old	65 years old
Cash	0.0%	0.0%	0.0%	4.9%
Bonds				
Corporate bonds	8.4%	8.4%	25.8%	40.8%
Fixed interest government bonds	0.7%	0.7%	1.1%	4.1%
Index-linked government bonds	0.7%	0.7%	2.2%	1.5%
Other bonds	4.6%	4.6%	8.6%	10.0%
Listed equities				
UK equities	8.0%	8.0%	5.7%	3.4%
Developed market equities (excluding UK)	67.0%	67.0%	48.0%	28.8%
Emerging markets	4.4%	4.4%	3.2%	1.9%
Private equity	0.0%	0.0%	0.0%	0.0%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property	6.2%	6.2%	5.4%	4.6%
Private debt	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%

2. Net investment returns

The Trustee is required to report on net investment returns for each default arrangement and for each non-default fund which members were invested in during the Plan year. Net investment returns refers to the returns on funds minus all member-borne transaction costs and charges.

The net investment returns have been prepared having regard to statutory guidance.

It is important to note that past performance is not a guarantee of future performance.

Performance has been shown at ages 25, 45 and 55 for members in the default arrangement and additional lifestyle arrangements in line with statutory guidance. For members in the lifestyle arrangements, members are assumed to have a target retirement age of 65.

(i) Default arrangement – (Standard Life Sustainable Multi Asset Universal SLP Lifestyle Strategy)

Performance to 31 March 2024	**Annualised returns (% p.a.)**
Age of member at start of reporting period	1 year
25	16.5
45	16.5
55	14.8

Source: Standard Life

Performance has not been shown over 5 years given members have only been invested in this strategy since October 2022.

(ii) Self-select investments

Standard Life Sustainable Multi Asset Universal (10 Year) Strategic Lifestyle Profile (closed to new investors)

Performance to 31 March 2024	**Annualised returns (% p.a.)**
Age of member at start of reporting period	1 year
25	15.2
45	15.2
55	15.2

Performance has not been shown over 5 years given members have only been invested in this strategy since October 2022.

Individual funds

Performance to 31 March 2024	**Annualised returns (% p.a.)**	
Fund name	**1 year**	**5 years**
SL BlackRock ACS World ex UK Equity Tracker Pension Fund	25.0	13.3
SL Blackrock ACS Continental European Equity Tracker Pension Fund	13.3	9.9
SL Schroder Global Emerging Markets Pension Fund	4.6	3.2
SL Vanguard US Equity Pension Fund	28.1	15.4
SL ASI UK Smaller Companies Pension Fund	5.3	2.1
SL iShares Pacific ex Japan Equity Index Pension Fund	8.7	7.4
SL iShares UK Equity Index Pension Fund	8.0	5.1
Standard Life Money Market Pension Fund	5.0	1.5
Sustainable Multi Asset Growth (10 Year) Pension Fund	15.2	5.5
Sustainable Multi Asset Pre Retirement (Universal 10 Year) Pension Fund	11.0	3.6

Sustainable Multi Asset At Retirement (Universal 10 Year) Pension Fund	10.3	3.2
Standard Life Sustainable Multi Asset Growth Pension Fund	16.5	-
Standard Life Sustainable Multi Asset Pre Retirement Pension Fund	13.6	-
Standard Life Sustainable Multi Asset At Retirement Pension Fund	10.3	-

Source: Standard Life

3. Member Borne Charges and Transaction costs

The Trustee should regularly monitor the level of charges borne by members through the investment funds. These charges comprise:

- **Charges: these are explicit, and represent the costs associated with operating and managing an investment fund. They can be identified as a Total Expense Ratio (TER), or as an Annual Management Charge (AMC), which is a component of the TER;**
- **Transaction costs: these are not explicit, and are incurred when the Plan's fund manager buys and sells assets within investment funds but are exclusive of any costs incurred when members invest in or sell out of funds.**

The Trustee is also required to confirm that the total costs and charges paid by any member in the default arrangement have not exceeded 0.75% p,a, (the charge cap) and produce an illustration of the cumulative effect of the overall costs and charges on members' retirement fund values as required by the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018.

The Total Expense Ratio (TER) is a measure of the total cost to the member associated with managing and operating a fund. These operating expenses may include management fees, legal fees, auditor fees and other administrative costs. In a lifestyle strategy, like the default arrangement, the TER payable is dependent on how far a member is from their selected retirement age.

Transaction costs are those costs incurred by the fund within the day-to-day management of the assets. They cover such things as the cost of buying and selling securities within the fund. These costs are incurred on an ongoing basis, are an inevitable consequence of managing the fund and are in addition to the TER.

Standard Life has provided transaction cost information for the period covered by this statement and this information is included in the tables below along with the TERs for each of the funds used by the Plan. Where transaction costs have been provided as a negative cost, these have been set to zero by the Trustee to avoid potentially understating the total level of costs and charges.

(i) Default arrangement - Standard Life Sustainable Multi Asset Universal Strategic Lifestyle Profile

	Total Expense Ratio (% p.a.)	Transaction Costs % p.a.	Total costs % p.a.
Sustainable Multi Asset Universal Strategic Lifestyle Profile			
Standard Life Sustainable Multi Asset Growth Pension Fund	0.29	0.06	0.35
Standard Life Sustainable Multi Asset Pre Retirement Pension Fund	0.28	0.11	0.39
Standard Life Sustainable Multi Asset At Retirement Pension Fund	0.28	0.16	0.44

The Standard Life Sustainable Multi Asset Universal Strategic Lifestyle Profile has been set up as a lifestyle arrangement which means that members' assets are automatically moved between different investment funds as they approach their target retirement date.

The TER that a member paid over the year depends on their term to retirement. The TER ranges from 0.28% p.a. to 0.29% p.a. which is below the 0.75% charge cap for schemes that are used for auto-enrolling their employees. Transaction costs ranged between 0.06% p.a. and 0.16% p.a. with the total cost associated with the Sustainable Multi Asset Universal Strategic Lifestyle Profile over the year between 0.35% p.a. and 0.44% p.a.

(ii) Self-select investment funds

In addition to the Sustainable Multi Asset Universal Strategic Lifestyle Profile members also have the option to invest in a further three[1] lifestyle strategies, and a range of individual funds. The TERs and transaction costs for each of the funds in which members' funds were invested during the year are shown in the following table. Members can also invest in either of the funds that form the default arrangement shown above on a self-select basis.

	Total Expense Ratio (% p.a.)	Transaction Costs % p.a.	Total costs % p.a.
Standard Life Sustainable Multi Asset Universal (10 Year) Strategic Lifestyle Profile			
Sustainable Multi Asset Growth (10 Year) Pension Fund	0.28	0.08	0.36
Sustainable Multi Asset Pre Retirement (Universal 10 Year) Pension Fund	0.28	0.13	0.41
Sustainable Multi Asset At Retirement (Universal 10 Year) Pension Fund	0.29	0.14	0.43
Individual funds			
Vanguard US Equity Pension Fund	0.31	0.00	0.31
Standard Life Money Market Pension Fund	0.30	0.00	0.30

	Total Expense Ratio (% p.a.)	Transaction Costs % p.a.	Total costs % p.a.
ASI UK Smaller Companies Pension Fund[2]	0.77	0.24	1.01
BlackRock ACS World ex UK Equity Tracker Pension Fund	0.31	0.06	0.37
iShares Pacific ex Japan Equity Index Pension Fund	0.32	0.10	0.42
Schroder Global Emerging Markets Pension Fund	1.26	0.32	1.58
Blackrock ACS Continental European Equity Tracker Pension Fund	0.31	0.02	0.33
iShares UK Equity Index Pension Fund	0.30	0.07	0.37

[1] *Standard Life do not offer reporting on funds that did not hold member assets during the year. Therefore, only funds that held member assets during the year are reported. As a result, reporting on some self-select funds offered to members and the following alternative lifestyles offered by the Plan has not been provided:*

- *Standard Life Sustainable Multi Asset Annuity Strategic Lifestyle Profile*
- *Standard Life Sustainable Multi Asset Lump Sum Strategic Lifestyle Profile*
- *Standard Life Sustainable Multi Asset Drawdown Strategic Lifestyle Profile*

[2] *The fund is closed to new contributions, but accrued assets are maintained; allowing for redemptions only.*

(iii) Illustration of the cumulative effect of costs and charges

From 6 April 2018 the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 introduced new requirements relating to the disclosure and publication of the level of costs by the trustees and managers of a relevant scheme. These changes are intended to improve transparency on costs.

The following tables set out an illustration of the effect of charges and transaction costs on the projection of an example member's pension savings.

The "before charges" figures represent the savings projection assuming an investment return with no deduction of member borne fees or transaction costs. The "after charges" figures represent the savings projection using the same assumed investment return but after deducting member borne fees and making an allowance for transaction costs. The "impact of charges" figures represent the difference between the before and after charges figures.

The transaction cost figures have been averaged over a two year period for funds forming the default arrangement and over four years for other funds in line with statutory guidance to reduce the level of volatility, and a floor of 0% p.a. has been used for the transaction costs if these were negative in any year so as not to potentially understate the effect of charges on fund values over time.

The illustration is shown for the following

- Sustainable Multi Asset Universal Strategic Lifestyle Profile (the default arrangement)
- Sustainable Multi Asset Growth (10 Year) Pension Fund (CCHD) (the lowest cost fund available on a self-select basis)
- SL Schroder Global Emerging Markets Pension Fund (the highest cost fund available on a self-select basis)

The illustrations have been prepared having regard to statutory guidance, selecting a suitable representative member on joining the Plan, and are based on a number of assumptions about the future which are set out following the illustrations.

Members should be aware that such assumptions may or may not hold true, so the illustrations do not promise what could happen in the future and fund values are not guaranteed. Furthermore, because the illustrations are based on a typical member of the Plan on joining the Plan, they are not a substitute for the individual and personalised illustrations which are provided to members in their Annual Benefit Statements.

Notes: The Projected pension pot values are shown in today's terms and do not need to be reduced further for the effect of future inflation.

- Example member starting age is: 18
- Annual salary growth and inflation: 2.5% each year
- Example member's starting fund size: £0
- Example member's starting salary: £25,000
- Example member's total contributions: 15% per year
- Age at which example member's benefits are taken: 65

Values shown are estimates and are not guaranteed.

Projected Pension Account in today's money									
Age	Sustainable Multi Asset Universal Strategic Lifestyle Profile (default investment arrangement)			Sustainable Multi Asset Growth (10 Year) Pension Fund (lowest cost self-select fund)			SL Schroder Global Emerging Markets Pension Fund (highest cost self-select fund)		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
18	0	0	0	0	0	0	0	0	0
20	7,590	7,570	20	7,590	7,560	30	7,590	7,480	110
25	28,240	27,930	310	28,240	27,880	360	28,240	26,850	1,390
30	51,540	50,540	1,000	51,540	50,400	1,140	51,540	47,190	4,350
35	77,820	75,640	2,180	77,820	75,350	2,470	77,820	68,570	9,250
40	107,470	103,520	3,950	107,470	103,000	4,470	107,470	91,030	16,440
45	140,910	134,480	6,430	140,910	133,640	7,270	140,910	114,620	26,290
50	178,630	168,870	9,760	178,630	167,590	11,040	178,630	139,410	39,220
55	221,190	206,850	14,340	221,190	205,210	15,980	221,190	165,460	55,730
60	269,190	248,510	20,680	269,190	246,890	22,300	269,190	192,830	76,360
65	323,340	294,280	29,060	323,340	293,080	30,260	323,340	221,580	101,760

Assumed Growth Rates:

Underlying funds	**Assumed growth rate (% p.a.)**
Sustainable Multi Asset Growth Pension Fund[1]	5.0%
Sustainable Multi Asset Pre Retirement Pension Fund[1]	5.0%

Underlying funds	Assumed growth rate (% p.a.)
Sustainable Multi Asset At Retirement Pension Fund[1]	5.0%
Sustainable Multi Asset Growth (10 Year) Pension Fund:	5.0%
SL Schroder Global Emerging Markets Pension Fund:	5.0%

[1] Funds underlying the Sustainable Multi Asset Universal Strategic Lifestyle Profile (default arrangement)

4. Value for Members assessment

The Trustee is required to make an assessment of charges and transactions costs borne by members and the extent to which those charges and costs represent good value for money for members.

The Trustee is required to make an annual assessment of charges and costs borne by the members and the extent to which they represent good value for members. To do this, the Trustee has developed a framework which looks at the member-borne charges and the benefits of membership so it can assess whether members are getting good value.

The costs have been identified as TER and transaction costs and are set out in section 3 of this statement. The Trustee has considered the benefits of membership under the following five categories: governance, investments, administration, retirement support and member communications. Benchmarking relative to other pension arrangements or industry best practice guidelines is also undertaken.

The Trustee's beliefs have formed the basis of the analyses of the benefits of membership. These are set out below along with the main highlights of their assessment.

Governance

The Trustee believes in having robust processes and structures in place to support effective management of risks and ensure members interests are protected, increasing the likelihood of good outcomes for members.

The Trustee has adequate processes and structures in place to support effective oversight and management of all aspects of the Plan.

The Trustee Directors undertake regular and appropriate training to ensure they can continue to fulfil their responsibilities.

Investments

The Trustee believes that a well-designed investment portfolio that is subject to regular performance monitoring and assessment of suitability for the membership will make a significant contribution to the delivery of good member outcomes.

The Plan offers a variety of strategies and funds covering a range of member risk profiles, asset classes and management styles. The investment strategy has been designed, following advice from the Trustee's investment adviser, with the specific needs of members in mind.

The investment strategy is subject to quarterly review to ensure its continued appropriateness. The Trustee is supported in this ongoing review by their investment adviser.

Administration

The Trustee believes that good administration and record keeping play a crucial role in ensuring that scheme members receive the retirement income due to them. In addition, that the type and quality of service experienced by members has a bearing on the level of member engagement.

The Trustee obtains information to help assess and monitor the quality of the administration service. This includes reviewing quarterly administration reports and having discussions with the administrator.

The administrator has reported satisfactory levels of service during the year.

Member Communications and Retirement Support

The Trustee believes that effective member communications and delivery of the right support and tools helps members understand and improve their retirement outcomes.

The Trustee provides members with annual briefings and workshops. Standard Life provide members with online tools and support as well as regular communications.

Other Benefits

The Trustee has considered other benefits offered by the Plan including its flexible employee contribution structure.

The Trustee's assessment concluded that the charges and transaction costs borne by Plan members represents good value for members relative to the benefits of Plan membership.

5. Processing of Core Financial Transactions

The Trustee has a specific duty to ensure that core financial transactions are processed promptly and accurately. Core financial transactions include the investment of contributions, transfer of member funds into and out of the Plan, transfers between different investments within the Plan and payments to and in respect of members/beneficiaries.

The Trustee is required to report to members the processes and controls in place in relation to core financial transactions, which include:

- investing contributions paid into the Plan;
- transferring assets related to members into or out of the Plan;
- switching assets between different investments within the Plan; and
- making payments from the Plan to, or on behalf of, members.

The Trustee has overall responsibility for ensuring transactions are processed promptly and accurately. In practice, the Plan administrator, Standard Life, implements all transactions in accordance with service standards agreed with the Trustee. Standard Life aim to have 90% of all requests completed within 10 working days. Over the Plan year, 92% of requests were completed within the 10 day target.

Over the Plan year, there was one complaint in which a member was displeased about incorrect information they had received. The member was given a turnaround timescale of

20 working days, but Standard Life were not informed that trustee authority was needed before payment of funds could be made. This was a human error. As a result, the complaint was upheld and £100 was paid to the member.

Standard Life provide quarterly reports summarising the service provided to members and the amount of time taken to process various tasks. Any mistakes or delays are investigated thoroughly and corrected as quickly as possible. The Trustee monitors and reviews the administrator's processes and are comfortable that all core financial transactions have been processed promptly and accurately under their remit as administrator. Key processes include:

- A full member and Plan reconciliation being undertaken annually as part of the annual preparation of the Trustee Report & Accounts.
- Provision of quarterly administration reports – enabling the Trustee to check core financial transactions and review processes.
- Monthly contribution checks and daily reconciliation of the Trustee's bank account.
- Checks for all investment and banking transactions prior to processing.
- Straight-through processing for joiners, contributions, leavers and information results. This avoids the need for manual intervention which significantly reduces the risk of error.

The Trustee is satisfied that over the Plan year:

- the administrator was operating appropriate procedures, checks and controls and operating within the agreed Service Level Agreements ('SLAs');
- there have been no material administration errors in relation to processing core financial transactions; and
- all core financial transactions have been processed promptly and accurately.

6. Trustee Knowledge and Understanding (TKU)

Sections 247 and 248 of the Pensions Act 2004 set out the requirement for trustees to have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational pension schemes, investment of scheme assets and other matters to enable them to exercise their functions as trustees properly.

The comments in this section relate to the Plan as a whole and not solely the DC Section.

At the start of the Plan Year there were six Trustee Directors; four Company nominated and two member nominated, thereby fulfilling the legal requirement that at least one-third of a pension scheme's trustee directors should be member nominated. During the Plan Year, one of the existing Company nominated Trustee Directors resigned with effect from 31 December 2023. The appointment of an Independent Professional Trustee as a replacement was completed following the end of the Plan Year.

The Trustee has processes and procedures in place to ensure the Trustee Directors meet the Pension Regulator's Trustee Knowledge and Understanding requirements; some of which are identified below:

- The Trustee met four times during the year at quarterly board meetings. These meetings were supported where appropriate by the Trustee's advisers who have provided specialist advice and updates on legislation, guidance and best practice developments. Trustee meeting minutes were compiled and circulated.

- The Trustee Directors are familiar with the Plan documentation, including the Trust Deed & Rules, Report & Accounts and SIP. In particular, the Trustee Directors refer to the Rules as appropriate when making decisions, reviews and discusses the Plan's Report & Accounts and reviews and updates the SIP as required.
- The Trustee Directors keep their knowledge of the law relating to pensions and trusts up to date through training provided at Trustee meetings and external seminars. Specifically, the Trustee Directors review quarterly updates from their advisers and receive legal training periodically. All training sessions (both external and at meetings) are recorded on their training logs.
- The Trustee Directors are familiar with the investment principles appropriate for DC schemes. The Trustee Directors review quarterly updates from their advisers and receive training and updates on markets and developing investment thinking. Furthermore, specific training is provided so as to ensure the Trustee Directors are able to make informed decisions in respect of the strategies and funds used by the Plan at the appropriate time.
- All of the existing Trustee Directors have completed the Pension Regulator's Trustee Toolkit.

In addition to the skills within the Trustee Board, the Trustee engaged with the appointed professional advisers regularly, throughout the year, to ensure that the Plan is well run and functions are exercised properly. The Trustee Directors reviewed quarterly governance reports from Standard Life (the administration and platform provider) to monitor SLAs and member complaints.

New Trustee Directors are asked to complete the Trustee Toolkit within six months of appointment and the Plan secretary ensures they have access to the key documents. Training is also provided to ensure any newly appointed Trustee Directors are familiar with the Plan, the relevant documentation and their duties.

The Trustee discusses training requirements each year and training logs are reviewed and updated as appropriate.

With support from their advisers, the Trustee identifies areas of training that are appropriate based on the Plan's business plan and developments within the pensions industry. These are addressed with training provided by the Trustee’s advisers.

The Trustee Directors believe they have sufficient knowledge and understanding of the law relating to pensions and trusts and the relevant principles relating to the funding and investment of occupational schemes.

The Trustee Directors consider that they meet the Pension Regulator's Trustee Knowledge and Understanding requirements and are confident that their combined knowledge and understanding, together with the support of their advisers, enables them to properly exercise their functions as the Trustee of the Plan.

Signed on behalf of the Trustee of the Avon Rubber Retirement and Death Benefits Plan by the Chair of Trustee

Name Keith Scott, The Law Debenture Pension Trust Corporation p.l.c.

Signature Keith Scott Date 31 October 2024

Avon Rubber Retirement and Death Benefits Plan ("The Plan")

Annual 2024 Implementation Statement for inclusion in the Trustee Report & Accounts

Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles ('SIP') produced by the Trustee of the Avon Rubber Retirement and Death Benefits Plan ("The Plan") has been followed during the year to 31 March 2024. This statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 (as amended), the subsequent amendment in The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the guidance published by the Pensions Regulator. This Implementation Statement covers the Defined Benefit ("DB") section of the Plan.

Investment Objectives of the Plan

The Trustee believes it is important to consider the policies in place in the context of the investment objectives they have set. The objectives of the Plan with respect to the DB Section included in the SIP are set out below.

DB Section

The aim of the Trustee is to invest the assets of the Plan to ensure that the benefits promised to members are provided. In setting the investment strategy, the Trustee first considered the lowest risk asset allocation that could be adopted in relation to the Plan's liabilities. An asset allocation strategy was then selected, designed to achieve a higher return than this lowest risk strategy, which at the same time still represented a prudent approach to meeting the Plan's liabilities.

These objectives were unchanged over the 12 months to 31 March 2024.

Assessment of how the policies in the SIP have been followed for the year to 31 March 2024

The Plan's SIP includes the Trustee's policy on Environmental, Social and Governance ('ESG') factors, stewardship and climate change. This policy sets out the Trustee's beliefs on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship. The Plan's SIP can be found at: Avon Protection plc | Defined Benefit Scheme (avon-protection-plc.com). In order to establish these beliefs and produce this policy, the Trustee undertook investment training provided by their Investment Consultant on responsible investment, which covered ESG factors, stewardship, climate change and ethical investing. The Trustee and Company undertook a review to assist the Trustee with establishing the policy in this area. The Trustee keeps the policy under regular review with the SIP subject to review at least triennially.

The information provided in this section highlights the work undertaken by the Trustee during the year, and longer term where relevant, and sets out how this work followed the Trustee's policies in the SIP, relating to the Plan as a whole.

DB Section

	Requirement	Summary of Relevant Policy	In the year to 31 March 2024
1	Securing compliance with the legal requirements about choosing investments	*The Trustee obtains advice from its investment advisor, who can provide expert advice enabling the Trustee to choose investment vehicles that can fulfil the Plan's investment objectives. In the Trustee's opinion this is consistent with the requirements of Section 36 of the Pensions Act 1995, the Occupational Pension Schemes (Investment) Regulations 2005 and any subsequent regulation.*	There were no further investments implemented over the period.
2	Kinds of investments to be held and balance between different kinds of risks	*The Trustee regards the choice of asset allocation as the decision which has most influence on the likelihood that it will achieve its investment objectives. In deciding the asset allocation, the Trustee has taken advice from Mercer and made its decisions in consultation with the Company. The Trustee is satisfied that the spread of assets provides adequate diversification of investment for risk purposes.* *The strategic asset allocation is set to achieve the expected return required within an acceptable level of risk.*	The Trustee reviewed the asset allocation during the year with the aim of improving liquidity and increasing diversification, whilst generating investment return and managing risk exposures. Discussions are ongoing.
3	Risks, including the ways in which risks are to be measured and managed	*The Trustee recognises risk (including investment, operational and funding) from a number of perspectives in relation to the DB section of the Plan.* *Should there be a material change in the Plan's circumstances, the Trustee will review whether and to what extent the investment arrangements should be*	As detailed under the "Risk Measurement and Management" section of the SIP, the Trustee considers risks in a qualitative manner when deciding investment policies, strategic asset allocation, and the choice of fund managers / funds /assets classes. The Trustee monitored exposures to risk during its quarterly meetings through reporting

		altered, in particular whether the current risk profile remains appropriate.	from its advisors. The Trustee reduced investment risk during the year by increasing the level of liability hedging.
4	Expected return on investments	*The Plan's investment strategy has been structured so that the investments aim to generate a level of return required to meet the overall objectives. In the case of active managers, a target has been agreed to exceed the relevant benchmark by a specific amount.*	The investment performance report has been reviewed by the Trustee on a quarterly basis. The investment performance report includes how each investment manager is delivering against their specific mandates. The Trustee may invite managers to present to the Trustee if there are any concerns on the performance or management team. Over the 1 year to 31 March 2024 the Plan has returned -0.9% relative to a benchmark of 0.9%, net of fees. The Trustee considered the under-performance of Ruffer and Europa relative to their respective targets over the year. The Trustee noted that the Ruffer performance was better over longer time periods and the outlook was reasonable and that the Europa performance had been impacted by underperformance from one of the underlying assets. The Trustee had regular engagement with its investment advisor and Europa during the year.

5	Realisation of investments	*The Trustee's administrators will realise assets following member requests on retirement or earlier where required.* *The Trustee considers the liquidity of the investments in the context of the likely needs of members.*	The Plan's assets are mostly pooled investment vehicles, which range from daily to quarterly liquidity. Assets held with the Secured Finance managers could be redeemed quarterly, after the two-year lock-up periods expire. Assets held with the Real Estate Debt manager are illiquid. During the Plan year, the Trustee disinvested from the Ares Secured Finance Fund in order to improve the Plan's liquidity position. The Trustee requested its advisor to report on the cashflow profile of the Plan and to propose an approach to cover the pension obligations under normal and stressed scenarios.
6	Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments	*The Trustee believes that environmental, social and governance ("ESG") factors may have a material impact on investment risk and return outcomes.* *The Plan's investment managers are expected to evaluate these factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code*	The investment performance report was reviewed by the Trustee on at least a quarterly basis – this includes ratings (both general and specific ESG) from the investment advisor, as well as information on how each investment manager is delivering against their specific mandates. The SIP includes the Trustee's policy on ESG factors, Stewardship and Climate Change. This policy sets out the Trustee's beliefs on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship. The Trustee reviewed the SIP during the year. The Trustee has not set any investment restrictions on the appointed investment managers in relation to particular products or activities but may consider this in future. However, the Trustee has agreed that for future investment manager selections, a robust approach to incorporating ESG considerations into the investment decision making process will be a pre-requisite as part of the selection process for asset classes where ESG considerations are considered to have a material impact on investment performance.

		The Trustee considers how ESG, Climate change and Stewardship is integrated within investment process in appointing new investment managers and monitoring existing investment managers.	
7	The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments	*Member views on non-financially material issues are not currently explicitly taken into account in the selection, retention and realisation of investments.*	Whilst members' views on non-financial issues are not currently explicitly factored in, the Trustee will continue to review its position on this policy.
8	The exercise of the rights (including voting rights) attaching to the investments	*Investment managers are expected to evaluate these factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.*	The Trustee has delegated its voting rights to the investment managers. As a result, the Trustee does not use the direct services of a proxy voter, although the investment managers may employ the services of proxy voters in exercising their voting rights on behalf of the Trustee. Investment managers are expected to provide voting summary reporting on a regular basis, at least annually. The voting policies of the funds that can invest in equities have been considered by the Trustee and the Trustee deemed them to be consistent with their investment beliefs. Over the prior 12 months, the Trustee has not actively challenged the managers on their voting activities however it may do so in future where it feels this is appropriate. Information around the significant votes undertaken by Ruffer over the Plan year has been provided in the voting activity section below.

9	Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the Trustee would monitor and engage with relevant persons about relevant matters)	*Investment managers are expected to evaluate these factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.* *Outside of those exercised by investment managers on behalf of the Trustee, no other engagement activities are undertaken.*	The Trustee requested that the investment managers confirm compliance with the principles of the UK Stewardship Code. BlackRock, CQS, JP Morgan and Ruffer have confirmed that they are signatories of the current UK Stewardship Code. The group of signatory investment managers corresponds to the majority of the Plan's investment managers (c.88% of assets under management as at 31 March 2024). Europa has chosen not to become signatories of the 2020 UK Stewardship Code at this stage as they provide investment and asset management on behalf of global clients and invest in assets both in the UK and overseas. Europa actively seeks to support the UK Stewardship Code principles of responsible allocation, management and oversight of capital to create long-term value for clients and will continue to review the Code's applicability and eligibility. The Trustee also received details of relevant engagement activity for the year from each of the Plan's investment managers. The Plan's investment managers provided examples of instances where they had engaged with companies they were invested in/about to invest in which resulted in a positive outcome. These engagement initiatives were driven mainly through regular engagement meetings with the companies that the managers invest in or by voting on resolutions at companies' Annual General Meetings, related to various environmental social or governance issues. More information around each of the Plan's investment managers engagement activities can be found under the "Engagement" section below.

10	How the arrangement with the asset managers incentivise the asset managers to align their investment strategies and decisions with the Trustee's policies in the SIP	*In line with the SIP, managers are chosen based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected.* *As the Trustee invests in pooled investment vehicles it accepts that there is no ability to specify the risk profile and return targets of the manager, but appropriate mandates can be selected to align with the overall investment strategy.*	The Trustee has continued to review the appropriateness of the funds in which the Plan invests to ensure that they remain aligned with the investment strategy being targeted. The Trustee meets with the investment managers when required to review and evaluate the ongoing performance of the Plan's investments, as well as to ensure that the investment managers' strategies and decisions continue to align with the Trustee's policies. The Trustee and its investment advisors met with Europa during the year to discuss market conditions and the performance of underlying assets within the Europa UK Debt III Real Estate Debt Fund.
11	How the arrangement incentivises the asset managers to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their	*The Trustee meets the Plan's investment managers from time to time to review their actions together with the reasons for and background behind the investment performance. The Investment Consultant supports the Trustee in fulfilling its responsibility for monitoring the investment manager.* *Managers are aware that their continued appointment is based on their success in delivering the*	Over the year under review, the Trustee was happy that the contractual arrangements in place continued to incentivise the managers to make decisions based on medium to long term financial and non-financial performance. At future monitoring meetings and when requesting monitoring information from managers, the Trustee will ask investment managers to incorporate a section on investment decisions taken over the recent period and their forward-looking assessment of market conditions.

	performance in the medium to long-term	*mandate for which they have been appointed to manage. If the Trustee is dissatisfied, then they will look to replace the manager.*	
12	How the method (and time horizon) of the evaluation of asset managers' performance and the remuneration for asset management services are in line with the Trustee's policies mentioned in the SIP	*The Trustee is a long term investor and is not looking to change investment arrangements on a frequent basis.* *Managers' performance is reviewed over both short and long time horizons.* *Remuneration is agreed upon prior to manager appointment, based on assets under management and is reviewed on a regular basis.*	The Trustee has received investment performance reports on a quarterly basis. The reports presented performance information and commentary in respect of the Plan's investments over a range of time periods. The Trustee has reviewed the absolute performance, relative performance against a suitable index used as the benchmark, and/or against the manager's stated target performance on a net of fees basis. The Trustee's focus is on long-term performance, but it will engage with investment managers if there are short-term performance concerns. The Plan's appointed investment managers are compensated via a fee based on the total assets under management, which incentivises long-term capital growth.
13	How the Trustee monitor portfolio turnover costs incurred by the asset managers and how they define and monitor targeted portfolio turnover or turnover range	*The Trustee does not explicitly monitor portfolio turnover costs. However, the Trustee will continue to monitor industry improvements concerning the reporting of portfolio turnover costs.*	Investment manager performance was reported and evaluated net of all fees and costs (including those incurred because of buying and/or selling underlying assets). In addition, where possible, performance objectives for investment managers have been set on a net basis. In this way, the investment managers were incentivised to keep portfolio turnover costs to the minimum required to meet or exceed their objectives. Portfolio turnover costs are also considered by Mercer as part of their manager research process. The Mercer ratings assigned to the Plan's investment managers as part of this process have been reviewed by the Trustee on a quarterly basis.

14	The duration of the arrangement with the asset managers	*There is no set duration for the manager appointment. However, appointments are regularly reviewed as to the continued suitability and could be terminated either because the Trustee is dissatisfied with the managers' ongoing ability to deliver the mandate promised or because of a change of investment strategy by the Trustee.*	During the Plan year, the Trustee disinvested from the Ares Secured Finance Fund. There were no other changes to the appointed asset managers.

Assessment of voting, stewardship and engagement activity for the year to 31 March 2024

The following section summarises the information reported by the Plan's investment managers to the Trustee in respect of voting, stewardship and engagement activities during the year. Engagement activity is provided at a firm-wide level whilst 12 month voting activity is for the specific mandates in which the Plan was invested as at 31 March 2024.

The Trustee and the investment advisor have analysed the voting policies of the Plan's Diversified Growth Fund manager, including how it has voted on key themes that align with the Trustee's ESG Investment Beliefs Statement. Further information on significant votes and the process to determine how and why votes are cast for each manager can be found under the "Voting Activity" section below.

Engagement

Ares (sold during the year)

- Ares Alternative Credit funds do not have a specific engagement policy due to the nature of each fund's investments (i.e. generally the Fund acts as a lender to, rather than an owner/operator of, its investments). Any engagement (whether ESG related or otherwise) with the company, its sponsor(s) or other stakeholders, is done on a case-by-case basis, if and when deemed necessary or appropriate, given that the opportunity to raise issues and engage with relevant parties will depend on materiality considerations, degree of control/influence and/or access, information quality/sources, agreed-to governance mechanisms and other factors that vary based on deal dynamics.

  Engagements are done on a case-by-case basis on various relevant topics, if and when deemed appropriate. The opportunity to engage on ESG issues is necessarily a function of Ares' degree of control and/or influence, which varies based on asset class and investment type (i.e. location within the capital structure). Prior to making an investment, members of the Ares' Team complete a comprehensive evaluation of prospective investments, taking into account all applicable considerations, ESG and otherwise. Illiquid investments are valued on a quarterly basis and re-underwritten where an ESG score is refreshed.
- Ares' general view is that ESG considerations provide additional opportunities for both risk identification and/or value creation, leading to more informed investment decisions and enhanced results for portfolio companies – ultimately benefitting investors.

BlackRock

- As part of their fiduciary duty, BlackRock's Investment Stewardship team (BIS) advocates for sound corporate governance and business practices that are aligned with long-term sustainable financial performance. This objective underpins all of its engagements and votes at company meetings.
- BlackRock engages company leadership on key topics emphasising governance practices including management of environmental and social factors that potentially have material economic, operational or reputational ramifications for the company. BlackRock determines its engagement priorities based on its observation of market developments and emerging governance themes and evolves them year over year as necessary. The BIS team's key engagement priorities include:
    1. Board quality and effectiveness
    2. Strategy, Purpose, and Financial Resilience
    3. Incentives Aligned with Financial Value Creation
    4. Climate-related risks and Natural Capital
    5. Company Impacts on People
- BlackRock participates in many regional and global industry initiatives across the spectrum of ESG topics, including the PRI and speaking at industry events, to contribute to industry education and dialogue. BlackRock's Government Affairs group takes an active approach to engage with regulators to represent investor interests in regulatory discussions, and related submissions are made public on BlackRock's website.
- The Stewardship team engages annually with approximately 1,500 companies globally on ESG issues, meets with executives and board directors, communicates with the company's advisors, and engages with other shareholders where appropriate. The team is also responsible for coordinating proxy voting policy.
- BlackRock is a signatory to the 2020 UK Stewardship Code.

CQS

- The assessment, integration and engagement of ESG factors is a crucial part of the responsible investment commitment across the CQS investment platform, both in public and privately held companies. ESG matters are key factors in CQS decision-making for all managed funds, as well as certain bespoke client mandates with similar commitments.
- CQS's approach to responsible investing is continually developing, taking into account national and international legal, regulatory and policy development, collaborating with industry bodies to identify and develop best practice and engaging with its clients. CQS believes that ESG factors introduce threats and opportunities which can impact their evaluation of probability of default and loss given default, as well as the need for active ownership.
- CQS engages with corporate issuers, banks to whom they provide regulatory capital relief, CLO managers, regulators and service providers. Over the last 12 months to 31 March 2024, CQS had a total of 107 engagements. This number covers corporate issuers, banks to whom they

provide regulatory capital relief and CLO managers. The numbers do not include regulators or service providers, though there may have been engagement with them over the period.

- CQS' four key engagement priorities are sustainable business practices (companies have established and appropriate ESG policies), good governance and financial disclosure, climate risk management and encouraging disclosure (in alignment with TCFD) and diversity within a company (with established and appropriate Diversity & Inclusion policies)
- CQS is a signatory to the 2020 UK Stewardship Code.

Europa

- Europa actively seeks to support the UK Stewardship Code principles of responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society. However, Europa provides investment and asset management on behalf of global clients and invests in assets both in the UK and overseas. Europa are not UK focused, and as such, have chosen not to become signatories of the Code at this stage. Members of Europa will continue to review the Code's applicability and eligibility.
- The Investment Manager has encouraged and supported the following initiatives regarding the Wavendon loan investment (Park MK) held by the Fund:
    - **Lifestyle Manager & Events** - Park MK has a dedicated community team which organises a wide range of food, entertainment and sporting events throughout the year – engaging with customers. The Q1 2024 programme included a second Wellness Week which involved a series of mindful lunchtime sessions (e.g. knitting, sketching and journaling), a fitness programme with a before-and-after body muscle/fat composition scanner, a visiting Stop Smoking advice service and ‘soul food’ provided by local food truck MethiLab. Weekly yoga classes started in February and national charity Wellness for Women ran a series of sessions on support and education around the menopause.
    - **Improvement Works** - The sponsor has commissioned EPC Plus reports to understand the interventions requirement to improve EPC ratings. In respect of one occupied area, the sponsor is obtaining costings for proposed interventions, the most impactful being LED lighting and replacement of the domestic-style gas-fired boilers with electric equivalents. The interventions should improve the EPC rating from C to B.

JPM

- The Fund recognises that financially material environmental, social and governance ("ESG") issues can have a significant impact on the risk-adjusted long-term performance of the companies in which it invests. Well-managed companies with an environmentally sustainable and socially responsible approach to operating, can significantly de-risk their business model, and therefore, deliver better performance and achieve greater profitability over the medium to long-term. The Fund believes that the focus on financially material ESG risks and opportunities is, in its simplest form, a focus on matters that are expected to have a financial impact over time. These issues are integral to the effective operation of an open-ended infrastructure fund.

- As an owner of critical infrastructure, the Fund must actively engage with its stakeholders on financially material ESG risks and opportunities. A focus on financially material ESG risks and opportunities aligns closely with the objectives of infrastructure investing and is expected to have a direct impact on risk and return in the short, medium and long-term. The Fund assesses the financially material ESG risks and opportunities in our acquisition process and throughout the life of an investment via active asset management and manages the portfolio with a long-term investment horizon and aligned stakeholder engagement. The Fund formally incorporates financially material ESG risks and opportunities in conjunction with traditional fundamental financial analyses in the acquisition process, which the Fund believes contributes to better investment decisions, improved identification and management of opportunities and risk, and ultimately, potential for enhanced investment returns over the long-term. In order to support ongoing ESG engagement with portfolio companies, create standardised reporting and the ability to track ESG results and progress over time, the Fund has designed and implemented its ESG in Action framework.

Ruffer

- Ruffer's engagement activities are usually conducted jointly by the ESG representative and the research analyst, with support from the responsible investment team. They consider this collaborative approach to engagement to be particularly powerful. It ensures detailed, well-informed discussions with companies on issues they deem to be material, helping to build relationships that enable to push for significant change.
- Ruffer recognises that ESG considerations are important drivers of investment performance, representing both sources of value and investment risks, and believes that investing responsibly will lead to better long-term outcomes for investors.
- Ruffer systematically integrates ESG considerations throughout its investment process, from top-down idea generation continuing through to bottom up stock selection.
- Ruffer frequently engages with companies on corporate governance issues, such as executive remuneration and mergers and acquisitions. Ruffer votes all proxies and subscribes to the Institutional Shareholder Service (ISS) but will not necessarily follow its recommendations. If an analyst does want to vote differently to an ISS recommendation, then he or she can escalate the decision to a more senior individual(s) for approval. Ruffer produces an annual ESG report which details its voting statistics and highlights specific engagements, as well as covering some of the broader ESG issues that have arisen during the year.
- There are occasions when collaboration with other investors may be the most productive way to engage and Ruffer is open to working alongside other investors on both policy and company-specific matters. This could be in situations where other investors share the same concerns or independent engagement has not produced a desirable outcome. The decision to collaborate on company specific matters will be judged on a case-by-case basis by the responsible investment team with input from research analysts and portfolio managers, as well as the legal and compliance teams. Examples of this include the several climate-change initiatives Ruffer is involved with, including the Institutional Investors Group on Climate Change (IIGCC), the Transition Pathway Initiative, Climate Action 100+, and Aiming for A.

- Ruffer is a signatory to the 2020 UK Stewardship Code.

Voting activity

The Department for Work and Pension (DWP) released a set of Implementation Statement requirements on 17 June 2022, "Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement: Statutory and Non-Statutory Guidance" to be adopted in all Implementation Statements for schemes with years on or after 1 October 2022. The most material change was that the Statutory Guidance provides an update on what constitutes a "significant vote".

- A significant vote is defined as one that is linked to the pension scheme's stewardship priorities/themes;
- A vote could also be significant for other reasons, e.g. due to the size of holding;
- Trustees are to include details on why a vote is considered significant and rationale for voting decision.

The Trustee defines a significant vote as one that relates to the Plan's stewardship priorities/themes of Climate Change, Pollution & Natural Resource Degradation, Human Rights, and Diversity, Equity and Inclusion (DEI), and one for an underlying company that entails at least 0.5% of the fund at the date of the vote. The votes outlined below have been provided to the investment advisor by the Plan's investment managers and have been tailored to prioritise those in which the underlying theme / topic is one that the Trustee has identified as being significant based on the above definition.

A summary of the key voting activity over the financial year can be found below. There is only one fund that includes equity holdings that have voting rights, the Ruffer Absolute Return Fund.

Ruffer (Absolute Return)

Ruffer's proxy voting advisor is Institutional Shareholder Services (ISS). Ruffer has developed its own internal voting guidelines, however it takes into account issues raised by ISS, to assist in the assessment of resolutions and the identification of contentious issues. Although Ruffer is cognisant of proxy advisers' voting recommendations, it does not delegate or outsource its stewardship activities when deciding how to vote on clients' shares.

Key votes undertaken over the prior year are summarised below:

- There have been 1,020 votable proposals over the year, all of which Ruffer has voted on.

- Ruffer voted with management on 94.9% of the proposals, against management on 3.1% and abstaining on 2.0%.

Significant vote examples:

During the year to 31 March 2024, only one vote was deemed to be significant for the Plan, based on the Trustee's definition of a significant vote, and this is provided below.

Date of vote	Company	Size of holding (%)	Summary of the Resolution	How Ruffer voted	Outcome	Next Steps	Rationale for the voting decision	Why Vote is Significant
27 April 2023	BP Plc	0.5	Approve Shareholder Resolution on Climate Change Targets	Against	The resolution failed with 83.3% votes against.	Ruffer will monitor how the company progresses and improves over time, and continue to support credible energy transition strategies and initiatives which are currently in place, and will vote against shareholder resolutions which deem as unnecessary.	BP has, in Ruffer's opinion, outlined a credible transition strategy with appropriate decarbonisation targets, that reflects demand for oil & gas energy whilst allocating capital to the 'transition growth engines'. Whilst BP has tightened & reduced its 2025 and 2030 aims, it has retained its 2050 net zero target. Further, it has committed additional capital to the transition which BP argues is uncertain and therefore, locking into one, fixed strategy (through investing or divesting the wrong asset) is not in the best interests of generating shareholder value. This resolution asks for "BP to align its 2030 Scope 3 aims with Paris". Firstly, this would require a wholesale shift in strategy, which Ruffer believe is unnecessary given the Board has opined on net zero and published a strategy. Secondly, BP in isolation has no control over what global scope 3 emissions should be under Paris,	The environmental nature of this resolution is aligned with the Trustee's key priority theme of "climate change".

Date of vote	Company	Size of holding (%)	Summary of the Resolution	How Ruffer voted	Outcome	Next Steps	Rationale for the voting decision	Why Vote is Significant
							given the world continues to emit carbon and one would expect the Scope 3 reduction will have to be steeper the nearer society gets to 2030. This burden is unfair, particularly in the context of BP making long-cycle investment decisions.	

Implementation Statement ("IS")

Avon Rubber Retirement and Death Benefits Plan (the "Plan")
DC Section

Plan Year End – 31 March 2024

The purpose of the Implementation Statement is for the Trustee of the Avon Rubber Retirement and Death Benefits Plan to explain what it has done during the year ending 31 March 2024 to achieve certain policies and objectives set out in the DC Section Statement of Investment Principles ("SIP"). It includes:

1. A summary of any review and changes made to the SIP over the year

2. How the Trustee's policies in the SIP have been followed during the year; and

3. How the Trustee has exercised its voting rights or how these rights have been exercised on its 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.

In our view, most of the Plan's material investment managers were able to disclose good evidence of voting and/or engagement activity, and the activities completed by our managers align with our stewardship expectations.

Changes to the SIP during the year

The SIP was reviewed during the Plan year and updated in June 2023 to reflect the default investment strategy review which concluded on 23 March 2023.

The changes made reflected:

- Updates to the default investment arrangement and;
- Adding the iShares Emerging Markets Equity Index Pension Fund to the self-select fund range.

The Plan's latest SIP can be found here: https://www.avon-protection-plc.com/pensions/defined-contribution-scheme/

How the policies in the SIP have been followed

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

Primary objectives ***• "To provide members with a range of investment options to meet their individual risk/return requirements and to monitor and review the range on a regular basis;*** ***• To ensure that the fund range recognises that members' investment needs change as they progress towards retirement age with younger members generally seeking real growth and older members' greater security;*** ***• To ensure that the individual fund options are managed to achieve a return commensurate with an acceptable level of risk given the stated aims of each fund."***	Over the year, the Trustee has made available a comprehensive selection of investment options including the lifestyle strategy and a range of standalone self-select funds. Supported by advice from the DC investment advisers, Aon, the Trustee is confident that the investment range caters for a range of risk and return requirements across the membership. The lifestyle options, in particular, provide younger members with greater growth potential and older members with greater security. The investment options were monitored throughout the year with quarterly reports on performance received from Aon. The investment options available to members have been designed to ensure that they continue to be managed to achieve a return commensurate with an acceptable level of risk given the stated aims of each fund and the needs of the membership. Information on the investment options available to members is provided by Standard Life on their website and in the member guides. The Trustee is comfortable that they have met their investment strategy objectives over the year.
Default investment objectives ***• Aim for significant long term real growth while members are further away from retirement.*** ***• Manage down volatility in fund values as members near retirement.***	The default arrangement used by the Plan is the Standard Life Sustainable Multi Asset Universal SLP Lifestyle Strategy. The strategy invests in assets with higher growth potential while members are further away from retirement. As members near retirement, it invests in a diversified portfolio of assets which, taken together, are expected to be lower risk than the earlier growth phase.

• Target an end point portfolio that is appropriate with how members may take their benefits when they retire.	The end portfolio of the default strategy is highly diversified and is designed to be appropriate and consistent with how the Plan's membership take their benefits when they retire. Overall, the Trustee is satisfied that the default arrangement in place during the year was appropriate given its objectives.
Policies in relation to reviewing the Plan's investments ***• "To provide members with a range of investment options to meet their individual risk/return requirements and to monitor and review the range on a regular basis."***	The Trustee, with support from its investment adviser, monitored the fund managers to ensure they were appropriately fulfilling the responsibilities delegated to them. The Trustee received quarterly investment reports from the investment adviser. The investment reports considered the performance of the investment managers and funds over time. In late September 2023, Invesco announced its intention to close the Invesco Global Targeted Returns ("GTR") Fund during 2024, subject to regulatory approval. No members of the Plan accessed the Fund during the year and the Fund was removed from the available self-select range with effect from February 2024. No other concerns requiring immediate action were raised over the year and the Trustee was satisfied with the performance of the managers. The investment reporting also considered the performance of the default arrangement at each year to retirement and against an inflation based target agreed by the Trustee. The Trustee is comfortable that its policies in respect of reviewing the Plan's investments have been met over the year.
Policies in respect of Environmental, Social & Governance considerations ***"The Trustee views any considerations that can affect long term, risk adjusted returns as being financially material. Financially material considerations include environmental, social and governance factors, including climate change, which can negatively impact the value of investments held if not understood and evaluated properly.*** ***The Trustee considers these risks by taking advice from their investment adviser when setting the Plan's investment strategy, when selecting managers and when monitoring their performance."***	The Trustee obtained professional investment support and advice from its investment adviser when setting the Plan's investment strategy, selecting managers and in monitoring their performance. The Trustee views any considerations that can affect long term, risk adjusted returns as being financially material. Financially material considerations include environmental, social and governance factors (such as climate change) which can negatively impact the value of investments held if not understood and evaluated properly. The Plan's default arrangement is the Sustainable Multi Asset Universal Strategic Lifestyle Profile (SLP), which incorporates ESG considerations.

Policies in respect of stewardship (voting and engagement) ***"The Trustee regularly reviews the continuing suitability of the appointed managers and takes advice from the investment adviser with regard to any changes. This advice includes consideration of broader stewardship matters and the exercise of voting rights by the appointed managers. If a manager is found to be falling short of the standards that the Trustee expects, the Trustee undertakes to engage with the manager and seek a more sustainable position."***	The Trustee was supported in its review and monitoring activities during the year by its investment adviser. In conducting these activities, the investment adviser provided advice as to the continuing suitability of the appointed managers and in deciding what changes to make. This advice included relevant consideration of stewardship matters. In particular, the investment adviser's views on the continued appropriateness of different managers is informed, in part, by the managers' approaches to stewardship and responsible investment. The investment adviser would inform the Trustee in the event that their views on a particular manager change although this did not occur during the year. The Trustee has also collected the voting and engagement records of its investment managers over the Plan year. These are reported in detail later in this Statement. To date, no managers have been found to be falling short of the standards expected by the Trustee in this area. Having reviewed the managers' stewardship voting and engagement statistics as part of the production of this Statement, the Trustee believes that its stewardship policies have been adhered to.
Policies in relation to costs and transparency ***"It is the Trustee's view that long term performance, net of fees, is an important metric on which to evaluate its asset managers. Asset managers are remunerated by the deduction of set percentages of assets under management, which is in line with market practice. This avoids a short-term approach to investment performance that may be the result of any performance-related fees. The Trustee believes it is important to understand all the different costs and charges, which are paid by members."***	During the year, the Trustee monitored and evaluated the performance of the Plan's investments and managers on a net of fees basis. Cost and charges data was provided by Standard Life for the Plan year and was published in the annual Chair's Statement. The Trustee reviewed the data which included both explicit and implicit costs and charges. The investment adviser also reviewed the member borne costs and none appeared to be unreasonable in their view.
Policies in relation to arrangements with asset managers ***"The Trustee monitors those investments used by the Plan to consider the extent to which the investment strategy and decisions of the asset managers are aligned with the Trustee's policies as set out in the Statement***	Throughout the year, the Trustee, supported by Aon, monitored the Plan's investments including considering the extent to which the decisions of the investment managers are aligned with the Trustee' policies. Prior to the appointment of a new investment manager, the Trustee seeks professional advice from their investment adviser, in order to ensure

of Investment Principles, including those on non-financial matters."	that the investments are appropriate for the Plan's objectives although no such changes were made in the year to 31 March 2024. The Trustee has set appropriate governing documentation, investment objectives and a regular monitoring process for their investment managers to ensure they are incentivised to make decisions that align with the policies in the SIP.
Policies in respect of members' views and non-financial Factors ***"The Trustee recognises the importance of offering a suitable range of investment options for members and, where applicable, will consider member feedback on updating the default strategy and self-select fund range.*** ***The funds that make up the default strategy and other investment options do not apply purely ethical or moral judgements as the basis for investment decisions."***	The Trustee considered member views when updating the range of funds as part of the investment strategy review conducted in 2023. During 2023, the Trustee received a request from a member to add a Passively Managed Emerging Market Equity Fund to the Fund range as, at the time, only actively managed Emerging Market Equity Funds were made available. As part of the investment strategy review, the Trustee considered this request and took advice from their investment adviser as to the appropriateness of the available funds. The Fund was added during the Plan year. As part of the strategy review, the Trustee reaffirmed their view that the funds that make up the default arrangement and other investment options should not apply purely ethical or moral (or other non-financial) judgements as the basis for investment decisions.

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. The Trustee 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 Plan's investments is an important factor in deciding whether a manager remains the right choice for the **Error! Reference source not found.**.

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

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 Environmental Social Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

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

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

Voting statistics

The table below shows the voting statistics for each of the Plan's material funds with voting rights for the year to 31 March 2024.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
Standard Life Sustainable Multi Asset Growth Pension Fund / Sustainable Multi Asset Pre Retirement Pension Fund / At Retirement – Universal Pension Fund / Standard Life At Retirement – Universal (PP 10 Year) Pension Fund / Sustainable Multi Asset (PP) Pension Fund				
Sustainable Index Asia Pacific (ex-Japan) Equity Pension Fund[1]	5,958	99.7%	13.3%	0.7%
Sustainable Index Emerging Market Equity Pension Fund[1]	9,333	95.2%	12.8%	3.0%
Sustainable Index Japan Equity Pension Fund[1]	2,043	100.0%	3.2%	2.3%
Sustainable Index UK Equity Pension Fund[1]	2,559	99.1%	1.1%	0.2%
Sustainable Index European Equity Pension Fund[1]	4,788	82.5%	11.7%	0.3%
Sustainable Index US Equity Pension Fund[1]	3,367	99.5%	24.0%	0.0%
Invesco - Global Targeted Returns Fund[2]	3,759	98.9%	4.0%	0.2%
Schroders - Global Emerging Markets Fund	2,102	90.2%	8.6%	2.3%
BlackRock - iShares UK Equity Index Fund	14,873	96.0%	3.0%	1.0%
BlackRock - ACS World ex UK Equity Tracker Fund	24,856	97.0%	6.0%	0.0%

BlackRock - ACS Continental European Equity Tracker Fund	9,659	81.0%	11.0%	1.0%
BlackRock - iShares Pacific ex Japan Equity Index Fund	4,666	100.0%	10.0%	0.0%
BlackRock - iShares Emerging Markets Equity Index Fund	29,524	97.0%	13.0%	2.0%
Vanguard - US Equity Pension Fund	7,203	99.0%	0.0%	0.0%

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.
[1]Fund underlying the Standard Life Sustainable Multi Asset Growth Pension Fund / Sustainable Multi Asset Pre Retirement Pension Fund / At Retirement – Universal Pension Fund / Standard Life At Retirement – Universal (PP 10 Year) Pension Fund / Sustainable Multi Asset (PP) Pension Fund
[2]Fund was closed on 8 March 2024, therefore data reflects the period until fund closure. No member assets were invested in the Fund during the year.

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 Plan's managers use proxy voting advisers.

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.

Managers	**Description of use of proxy voting adviser(s)** ***(in the managers' own words)***
Standard Life	We utilise the services of ISS for all our voting requirements.
Invesco	Invesco may supplement its internal research with information from third parties, such as proxy advisory firms, to assist us in assessing the corporate governance of investee companies. Globally Invesco leverages research from Institutional Shareholder Services Inc. ("ISS") and Glass Lewis ("GL") and we use the Institutional Voting Information Service (IVIS) in the UK for corporate governance research for UK securities. Invesco generally retains full and independent discretion with respect to proxy voting decisions. Globally, we receive research reports, including vote recommendations from ISS and Glass Lewis for company shareholder meetings across our holdings. To assist with the operational aspects of the proxy voting process including vote disclosure to meet regulatory requirements, Invesco retains the services of ISS and leverages our proprietary proxy voting platform ("PROXYintel") to further streamline the process. Invesco also engages ISS to provide written analysis and recommendations based on Invesco's internally developed custom voting guidelines with specific voting recommendations on environmental, social and governance (ESG) issues applied globally.
Schroder Investment Management International Limited ("Schroders")	Glass Lewis (GL) act as our one service provider for the processing of all proxy votes in all markets. GL delivers vote processing through its Internet-based platform Proxy Exchange. Schroders receives recommendations from GL in line with our own bespoke guidelines, in addition, we receive GL's Benchmark research. This is complemented with analysis by our in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.
BlackRock	While we subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into our vote analysis process, and we do not blindly follow their recommendations on how to vote. We primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial. Other sources of information we use include the company's own reporting (such as the proxy statement and the website), our engagement and voting history

Managers	**Description of use of proxy voting adviser(s)** ***(in the managers' own words)***
	with the company, and the views of our active investors, public information and ESG research.
Vanguard	Vanguard Investment Stewardship utilizes the Institutional Shareholder Services (ISS) ProxyExchange platform for the execution of our votes. We have developed a robust custom policy that ISS has implemented on our behalf along with rigorous controls and oversight mechanisms to ensure the accurate application of the Vanguard policy.

Source: Managers

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Plan's investment managers to provide a selection of what they consider to be the most significant votes in relation to the funds. Samples 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 Plan's material managers. The managers have provided information for the most recent calendar year available.

<table>
<tr><th rowspan="2">Funds</th><th colspan="2">Number of engagements</th><th rowspan="2">Themes engaged on at a fund level</th></tr>
<tr><th>Fund level</th><th>Firm level</th></tr>
<tr><td>Invesco - Global Targeted Returns</td><td>60</td><td>210</td><td>Environment - Climate change
Social - Human and labour rights (e.g., supply chain rights, community relations)
Governance - Remuneration, Leadership – Chair/CEO
Strategy, Financial and Reporting - Risk management (e.g. operational risks, cyber/information security, product risks)</td></tr>
<tr><td>Schroders - Global Emerging Markets</td><td>>140</td><td>6,724</td><td>Environment - Climate change, Natural resource use/impact (e.g., water, biodiversity)
Social - Human and labour rights (e.g., supply chain rights, community relations)
Governance - Board effectiveness – Diversity, Leadership – Chair/CEO
Strategy, Financial and Reporting - Reporting (e.g., audit, accounting, sustainability reporting), Financial performance, Strategy/purpose</td></tr>
<tr><td>BlackRock - iShares UK Equity Index</td><td>3,118</td><td rowspan="5">3,768</td><td>Environment - Climate Risk Management, Other company impacts on the environment
Social - Human Capital management, Diversity and Inclusion, Social Risks and Opportunities
Governance - Board Composition and Effectiveness, Business Oversight/Risk Management, Corporate Strategy, Remuneration</td></tr>
<tr><td>BlackRock - ACS World ex UK Equity Tracker</td><td>1,600</td><td>Environment - Climate Risk Management, Biodiversity
Social - Human Capital management, Diversity and Inclusion
Governance - Board Composition and Effectiveness, Governance Structure, Corporate Strategy, Remuneration</td></tr>
<tr><td>BlackRock - ACS Continental European Equity Tracker</td><td>438</td><td>Environment - Climate Risk Management, Other company impacts on the environment
Social - Human Capital management, Supply Chain Labour Management, Diversity and Inclusion
Governance - Board Composition and Effectiveness, Corporate Strategy, Remuneration</td></tr>
<tr><td>BlackRock - iShares Pacific ex Japan Equity Index</td><td>244</td><td>Environment - Climate Risk Management, Water and Waste
Social - Human Capital management, Supply Chain Labour Management, Diversity and Inclusion
Governance - Board Composition and Effectiveness, Executive Management, Corporate Strategy, Remuneration</td></tr>
<tr><td>BlackRock - iShares Emerging Markets Equity Index</td><td>388</td><td>Environment - Climate Risk Management, Biodiversity</td></tr>
</table>

			Social - Human Capital management, Community relations, Health and Safety Governance - Board Composition and Effectiveness, Business Oversight/Risk Management, Corporate Strategy, Sustainability Reporting
Vanguard - US Equity Pension Fund	329[1]	*Not provided*	Governance - Board Composition, Executive Compensation Others - Oversight of Strategy and Risk, Shareholder Rights

Source: Managers

[1]Vanguard provided the number of entities engaged and not the number of engagements.

Data limitations

At the time of writing, BlackRock and Vanguard provided fund-level engagement information but not in the industry standard ICSWG template. Additionally, Standard Life did not provide any engagement information.

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

Appendix – Significant Voting Examples

In the table below are some significant voting examples provided by the Plan's managers. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below:

Standard Life - Sustainable Index Asia Pacific (ex-Japan) Equity Pension Fund	**Company name**	Santos Limited
	Date of vote	06 April 2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.44%
	Summary of the resolution	Approve Capital Protection
	How you voted	For
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We do not track the specific votes where we communicated our intent prior to voting - To enhance our analysis we will often engage with companies held in our active portfolios prior to voting to understand additional context and explanations, particularly where there are concerns related to an agenda. We endeavour to communicate voting intentions and rationale for votes against or abstention to encourage change and maintain a dialogue on matters of concern. Given the concentration of AGMs, we may not always be able to communicate intentions and rationale ahead of a vote. We may therefore follow up after a vote to encourage improvement where it is needed in advance of future general meetings.
	Rationale for the voting decision	SV2: We support the steps that the Company has taken to improve and disclose its climate approach in recent years, and this led to us voting against a similar resolution in 2022. However, we encourage further progress, and the proposed reporting would offer shareholders useful information regarding Santos' assets, capital expenditures, and provisions for a just transition under a key climate scenario. We acknowledge the limitations of long-term capital expenditure projections and encourage the Company to focus on demonstrating alignment where it is practical to do so. We also encourage the Company to provide updates on how its strategy compares to wider a range of recognised emissions reduction scenarios as this provides shareholders with valuable context and a clearer understanding of the Company's approach. Considering these factors, we have decided to support the resolution.
	Outcome of the vote	Withdrawn
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	Due to the concentration of votes that we conduct we do not track specific next steps/implications for each vote. We will assess each company and the voting outcomes on a case by case basis. Where necessary we may follow up after a vote to encourage improvement where it is needed in advance of future general meetings. We will continue to monitor the company to ensure sufficient progress against any material issue(s) is being made. If we have serious concerns around a company's approach to certain issues, we can and may deploy a number of other escalation strategies.
	On which criteria have you assessed this vote to be "most significant"?	Significant Vote Category 2 ('SV2'): Shareholder and Environmental & Social (E&S) Resolutions • Votes on shareholder E&S proposals where we have engaged with the proponent or company on the resolution

		• Votes on management-presented E&S proposals • Focus on shareholder proposals where we have voted contrary to management recommendations
Standard Life - Sustainable Index Emerging Market Equity Pension Fund	**Company name**	Vodacom Group Ltd.
	Date of vote	20 July 2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.27%
	Summary of the resolution	Approve Implementation of the Remuneration Policy
	How you voted	Against
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We do not track the specific votes where we communicated our intent prior to voting - To enhance our analysis we will often engage with companies held in our active portfolios prior to voting to understand additional context and explanations, particularly where there are concerns related to an agenda. We endeavour to communicate voting intentions and rationale for votes against or abstention to encourage change and maintain a dialogue on matters of concern. Given the concentration of AGMs, we may not always be able to communicate intentions and rationale ahead of a vote. We may therefore follow up after a vote to encourage improvement where it is needed in advance of future general meetings.
	Rationale for the voting decision	SV5: A vote against this resolution is warranted because we do not agree with the remuneration policy in its current form and would like to see ROIC based metrics in the KPIs.
	Outcome of the vote	Pass
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	Due to the concentration of votes that we conduct we do not track specific next steps/implications for each vote. We will assess each company and the voting outcomes on a case by case basis. Where necessary we may follow up after a vote to encourage improvement where it is needed in advance of future general meetings. We will continue to monitor the company to ensure sufficient progress against any material issue(s) is being made. If we have serious concerns around a company's approach to certain issues, we can and may deploy a number of other escalation strategies.
	On which criteria have you assessed this vote to be "most significant"?	Significant Vote Category 5 ('SV5'): Votes contrary to custom policy • Focus on large active holdings where we have voted contrary to custom policy following analysis
Standard Life - Sustainable Index Japan Equity Pension Fund	**Company name**	Mitsubishi Corp.
	Date of vote	23 June 2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	1.55%
	Summary of the resolution	Amend Articles to Disclose Greenhouse Gas Emission Reduction Targets Aligned with Goals of Paris Agreement
	How you voted	For
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We do not track the specific votes where we communicated our intent prior to voting - To enhance our analysis we will often engage with companies held in our active portfolios prior to voting to understand additional context and explanations, particularly where there are concerns related to an agenda. We endeavour to communicate voting

		intentions and rationale for votes against or abstention to encourage change and maintain a dialogue on matters of concern. Given the concentration of AGMs, we may not always be able to communicate intentions and rationale ahead of a vote. We may therefore follow up after a vote to encourage improvement where it is needed in advance of future general meetings.
	Rationale for the voting decision	SV2: In July 2022, we engaged with Mitsubishi on Scope 3 targets, and it has since published its Scope 3 category 11 emissions in early 2023. We welcome this progress; however, the company's net zero targets for 2030 and 2050 cover only its scope 1, 2 and scope 3 category 15 emissions, which represent less than 6 percent of its total emissions. Therefore, a vote for this resolution is warranted to support the company in its endeavor to follow a credible net zero commitment.
	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?	Due to the concentration of votes that we conduct we do not track specific next steps/implications for each vote. We will assess each company and the voting outcomes on a case by case basis. Where necessary we may follow up after a vote to encourage improvement where it is needed in advance of future general meetings. We will continue to monitor the company to ensure sufficient progress against any material issue(s) is being made. If we have serious concerns around a company's approach to certain issues we can and may deploy a number of other escalation strategies.
	On which criteria have you assessed this vote to be "most significant"?	Significant Vote Category 2 ('SV2'): Shareholder and Environmental & Social (E&S) Resolutions • Votes on shareholder E&S proposals where we have engaged with the proponent or company on the resolution • Votes on management-presented E&S proposals • Focus on shareholder proposals where we have voted contrary to management recommendations
Standard Life - Sustainable Index UK Equity Pension Fund	**Company name**	Shell Plc
	Date of vote	23 May 2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	5.88%
	Summary of the resolution	Request Shell to Align its Existing 2030 Reduction Target Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement
	How you voted	Against
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We do not track the specific votes where we communicated our intent prior to voting - To enhance our analysis we will often engage with companies held in our active portfolios prior to voting to understand additional context and explanations, particularly where there are concerns related to an agenda. We endeavour to communicate voting intentions and rationale for votes against or abstention to encourage change and maintain a dialogue on matters of concern. Given the concentration of AGMs, we may not always be able to communicate intentions and rationale ahead of a vote. We may therefore follow up after a vote to encourage improvement where it is needed in advance of future general meetings.
	Rationale for the voting decision	SV2: abrdn continues to engage with Shell to understand its approach to climate change and encourage further

		transparency. We note that an updated climate plan will be presented in 2024, overseen by the new CEO. At this point in the engagement cycle a vote in favour would not be constructive. Enacting the proposal contained in this resolution may not result in real-world emissions reduction and could have other unintended consequences. We encourage the company to continue to enhance disclosures in its financial statements on the potential implications from a rapid energy transition scenario, including how the findings from its scenario analysis influence capital allocation plans and low-carbon, transition investments. The disclosure of ever clearer and more transparent climate-related information is key for investors to assess a company's resilience in an energy transition and ambitions to tackle climate change.
	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?	Due to the concentration of votes that we conduct we do not track specific next steps/implications for each vote. We will assess each company and the voting outcomes on a case by case basis. Where necessary we may follow up after a vote to encourage improvement where it is needed in advance of future general meetings. We will continue to monitor the company to ensure sufficient progress against any material issue(s) is being made. If we have serious concerns around a company's approach to certain issues, we can and may deploy a number of other escalation strategies.
	On which criteria have you assessed this vote to be "most significant"?	Significant Vote Category 2 ('SV2'): Shareholder and Environmental & Social (E&S) Resolutions • Votes on shareholder E&S proposals where we have engaged with the proponent or company on the resolution • Votes on management-presented E&S proposals • Focus on shareholder proposals where we have voted contrary to management recommendations
Standard Life - Sustainable Index European Equity Pension Fund	**Company name**	Teleperformance SE
	Date of vote	13 April 2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.10%
	Summary of the resolution	Approve Remuneration Policy of Vice-CEO
	How you voted	Against
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We do not track the specific votes where we communicated our intent prior to voting - To enhance our analysis we will often engage with companies held in our active portfolios prior to voting to understand additional context and explanations, particularly where there are concerns related to an agenda. We endeavour to communicate voting intentions and rationale for votes against or abstention to encourage change and maintain a dialogue on matters of concern. Given the concentration of AGMs, we may not always be able to communicate intentions and rationale ahead of a vote. We may therefore follow up after a vote to encourage improvement where it is needed in advance of future general meetings.
	Rationale for the voting decision	SV5: Consistent with views previously expressed, we have concerns regarding the size of long-term incentive share grant.
	Outcome of the vote	Pass

	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	Due to the concentration of votes that we conduct we do not track specific next steps/implications for each vote. We will assess each company and the voting outcomes on a case by case basis. Where necessary we may follow up after a vote to encourage improvement where it is needed in advance of future general meetings. We will continue to monitor the company to ensure sufficient progress against any material issue(s) is being made. If we have serious concerns around a company's approach to certain issues we can and may deploy a number of other escalation strategies.
	On which criteria have you assessed this vote to be "most significant"?	Significant Vote Category 5 ('SV5'): Votes contrary to custom policy • Focus on large active holdings where we have voted contrary to custom policy following analysis
Standard Life - Sustainable Index US Equity Pension Fund	**Company name**	The Kroger Co.
	Date of vote	22 June 2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.19%
	Summary of the resolution	Report on Efforts to Reduce Plastic Use
	How you voted	For
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We do not track the specific votes where we communicated our intent prior to voting - To enhance our analysis we will often engage with companies held in our active portfolios prior to voting to understand additional context and explanations, particularly where there are concerns related to an agenda. We endeavour to communicate voting intentions and rationale for votes against or abstention to encourage change and maintain a dialogue on matters of concern. Given the concentration of AGMs, we may not always be able to communicate intentions and rationale ahead of a vote. We may therefore follow up after a vote to encourage improvement where it is needed in advance of future general meetings.
	Rationale for the voting decision	SV2: Shareholder proposal. A report on how Kroger will achieve its stated 2030 sustainable packaging aims would be beneficial to shareholders. Shareholders would benefit from additional insight given the likely regulatory pressures and potential reputational impacts as peers currently appear to be making more progress on clearer reporting and targets for reducing plastic use. We supported a similar resolution in 2022 and a vote in favour remains warranted.
	Outcome of the vote	*Not provided*
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	Due to the concentration of votes that we conduct we do not track specific next steps/implications for each vote. We will assess each company and the voting outcomes on a case by case basis. Where necessary we may follow up after a vote to encourage improvement where it is needed in advance of future general meetings. We will continue to monitor the company to ensure sufficient progress against any material issue(s) is being made. If we have serious concerns around a company's approach to certain issues we can and may deploy a number of other escalation strategies.
	On which criteria have you assessed this vote to be "most significant"?	Significant Vote Category 2 ('SV2'): Shareholder and Environmental & Social (E&S) Resolutions • Votes on shareholder E&S proposals where we have engaged with the proponent or company on the resolution • Votes on management-presented E&S proposals

		• Focus on shareholder proposals where we have voted contrary to management recommendations
Invesco - Global Targeted Returns Fund	**Company name**	Dollarama Inc.
	Date of vote	26 May 2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	>1% IVZ Ownership
	Summary of the resolution	SP 1: Report on Emissions and Gender Target and its Overall Significance on the Company's ESG Strategy
	How you voted	Against
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	NA
	Rationale for the voting decision	Vote AGAINST the shareholder proposal. Under the SLL, the company will reap the full pricing benefit for exceeding the key cooperate ESG targets set out in the 2022 ESG Report; and will suffer a penalty on the loan spread for not meeting the "base scenario". While the company has not disclosed information on the grid-based approach or the base scenario set for each financial year during the term of the Credit Facility, Dollarama has provided clear disclosure of its gender diversity targets and its GHG emissions targets that are related to its SLL, allowing shareholders to assess the robustness of the targets. Dollarama has also provided robust disclosure in its ESG reports and other public filings for shareholders to evaluate its ESG strategy and practices. Per circular disclosure, the board of directors conducts ongoing engagement with various stakeholders regarding ESG. As such, the proponent's statement lacks evidence that Dollarama lags its peers relating to disclosure on SPTs and existing ESG practices. As such, it appears that additional disclosure on SPTs under SLLs would do little to further enhance shareholder value. After considering the quality of public disclosure, the implied robustness of the SPTs and lack of controversies, support for the requested disclosure is not warranted at this time.
	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?	The outcome of the vote meets our voting intention. Therefore, we didn’t take further action beyond our continuous engagement and dialogue with the company, as appropriate.
	On which criteria have you assessed this vote to be "most significant"?	>1% IVZ Ownership and Includes Key ESG proposal
BlackRock - ACS Continental European Equity Tracker Fund; BlackRock - ACS World ex UK Equity Tracker Fund	**Company name**	BE Semiconductor Industries NV
	Date of vote	26 April 2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	*Not provided*
	Summary of the resolution	Approve Remuneration Report
	How you voted	Against
	Where you voted against management, did you	We endeavour to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting.

	communicate your intent to the company ahead of the vote?	We publish our voting guidelines to help clients and companies understand our thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which we assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. We apply our guidelines pragmatically, taking into account a company's unique circumstances where relevant. Our voting decisions reflect our analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and our active investment colleagues.
	Rationale for the voting decision	Poor use of remuneration committee discretion regarding the grant of a one-off award. Remuneration arrangements are poorly structured.
	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?	BlackRock's approach to corporate governance and stewardship is explained in our Global Principles. Our Global Principles describe our philosophy on stewardship, including how we monitor and engage with companies. These high-level principles are the framework for our more detailed, market-specific voting guidelines. We do not see engagement as one conversation. We have ongoing direct dialogue with companies to explain our views and how we evaluate their actions on relevant ESG issues over time. Where we have concerns that are not addressed by these conversations, we may vote against management for their action or inaction. Where concerns are raised either through voting or during engagement, we monitor developments and assess whether the company has addressed our concerns.
	On which criteria have you assessed this vote to be "most significant"?	BIS periodically publishes Vote Bulletins on key votes at shareholder meetings to provide insight into details on certain vote decisions we expect will be of particular interest to clients.
BlackRock - iShares Pacific ex Japan Equity Index Fund; BlackRock - iShares Emerging Markets Equity Index Fund	**Company name**	Shin Kong Financial Holding Co. Ltd.
	Date of vote	09 June 2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	*Not provided*
	Summary of the resolution	Elect CHANG, JUNG-FENG, with SHAREHOLDER NO.H101932XXX as Independent Director
	How you voted	For
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We endeavour to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. We publish our voting guidelines to help clients and companies understand our thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which we assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. We apply our guidelines pragmatically, taking into account a company's unique circumstances where relevant. Our voting decisions reflect our analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and our active investment colleagues.
	Rationale for the voting decision	Proposal considered to be in the best interests of shareholders.
	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?	BlackRock's approach to corporate governance and stewardship is explained in our Global Principles. Our Global Principles describe our philosophy on stewardship, including how we monitor and engage with companies. These high-level principles are the framework for our more detailed, market-specific voting guidelines. We do not see engagement as one conversation. We have ongoing direct dialogue with companies to explain our views and how we evaluate their actions on relevant ESG issues over time. Where we have concerns that are not addressed by these conversations, we may vote against management for their action or inaction. Where concerns are raised either through voting or during engagement, we monitor developments and assess whether the company has addressed our concerns.
	On which criteria have you assessed this vote to be "most significant"?	BIS periodically publishes Vote Bulletins on key votes at shareholder meetings to provide insight into details on certain vote decisions we expect will be of particular interest to clients.

Source: Managers