

Engagement Policy Implementation Statement (“EPIS”)

Saint-Gobain HPS UK Pension Scheme (the “Scheme”)

Scheme Year End – 5 April 2025

The purpose of the EPIS is for the Trustee of the Saint-Gobain HPS UK Pension Scheme to document what it has done during the year ending 5 April 2025 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Scheme’s investments have been followed during the year; and
2. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services, and the ‘most significant’ votes cast over the reporting year.

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 Scheme’s material investment managers were able to disclose adequate evidence of voting and engagement activity, and the activities completed by our managers align with our stewardship expectations. We believe our voting rights have been implemented effectively on our behalf.

As set out in the Engagement Action Plan, we will engage with these managers to encourage them to provide detailed and meaningful disclosures about their engagement activities and better understand their engagement practices.

How voting and engagement policies have been followed

The Scheme is predominantly invested in pooled funds, and so the responsibility for voting and engagement is delegated to the Scheme's investment managers, which is in line with the policies set out in our SIP. We reviewed the stewardship activity of the material investment managers carried out over the Scheme year and in our view, most of the investment managers were able to disclose adequate evidence of voting and engagement activity. More information on the stewardship activity carried out by the Scheme's investment managers can be found in the following sections of this report.

Over the reporting year, we monitored the performance of the Scheme's investments on a quarterly basis and received updates on important issues from our investment adviser, Aon Investments Limited ("AIL"). In particular, we received quarterly Environmental, Social and Governance ("ESG") ratings from Aon for the funds the Scheme is invested in where available.

During the year, we received a number of investment manager reports providing an in-depth review of the investment managers' investment process (including ESG considerations), and noted any actions, where required, on the back of those reports.

Each year, we review the voting and engagement policies of the Scheme's investment managers to ensure they align with our own policies for the Scheme and help us to achieve them.

The Scheme's stewardship policy can be found in the SIP: <https://www.saint-gobain.co.uk/UKPensions>

Our Engagement Action Plan

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

1. For the Risk Parity funds held by the Scheme (AQR, Bridgewater and Man Group), none of the managers within this asset class provided fund level engagement information. We recognise that the investment processes and the nature of the alternative investments may mean that stewardship is less practicable or may be less relevant.

The managers did however provide firm-level engagement data. We will engage with them to better understand their voting and engagement practices where necessary.

2. Whilst BlackRock provided a comprehensive list of fund level engagements, which we find encouraging, it did not provide detailed engagement examples specific to the Fund in which we are invested, as per the Investment Consultants Sustainability Working Group ("ICSWG") best practice industry standard guide. Our investment advisor, Aon, will continue to engage with the manager to better understand its engagement practices.
3. Regarding the private equity funds, Adams Street Partners, Partners Group and HarbourVest Partners did not provide fund level engagement information. However, given the nature of these funds,

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.

Source: UN PRI

and the limited funds still held by the Scheme we understand the level of engagement with our private equity managers could be less relevant. Our investment advisor is working with private equity managers to help us to better understand the engagement practices of these managers.

4. We will continue to undertake regular, detailed ESG monitoring of our managers.

Our managers' voting activity

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

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

Voting statistics

The table below shows the voting statistics for each of the Scheme's material funds with voting rights for the year to 31 March 2025. Managers collate voting information on a quarterly basis. The voting information provided is for the year to 31 March 2025, which broadly matches the Scheme year.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
AQR Capital management LLC ("AQR") - Global Risk Parity UCITS Fund	1,085	97.6%	8.1%	7.8%
Bridgewater Associates ("Bridgewater") - All Weather Sterling Fund	21,209	99.8%	11.1%	0.8%
Ruffer LLP ("Ruffer") - Absolute Return Fund	1,134	100.0%	3.0%	0.1%

Source: Investment 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.

Use of proxy voting advisers

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

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

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

Managers	Description of use of proxy voting advisers (in the managers' own words)
AQR	AQR retains ISS Governance Services (ISS), an independent third-party proxy advisory firm, for a variety of services including, but not limited to, receiving proxy ballots, working with custodian banks, proxy voting research and recommendations, and executing votes. AQR also maintain a relationship with Glass Lewis in the interest of continued due diligence and to enhance their proxy-related research capabilities.

Why is voting important?

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

Source: UN PRI

Why use a proxy voting adviser?

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

Bridgewater	Bridgewater partner with Glass Lewis, a proxy advisor, to implement and vote their shares on behalf of their clients.
Ruffer	<p>Ruffer's proxy voting advisor is ISS. They have developed their own internal voting guidelines, however they take into account issues raised by ISS, to assist in the assessment of resolutions and the identification of contentious issues. Although they are cognisant of proxy advisers' voting recommendations, they do not delegate or outsource their stewardship activities when deciding how to vote on their clients' shares.</p> <p>Each research analyst, supported by their responsible investment team, reviews the relevant issues on a case-by-case basis and exercises their judgement, based on their in-depth knowledge of the company. If there are any controversial resolutions, a discussion is convened with senior investment staff and, if agreement cannot be reached, there is an option to escalate the decision to the Head of Research or the Chief Investment Officer.</p>

Source: Investment Managers

Significant voting examples

To illustrate the voting activity being carried out on our behalf, an example of a significant is included in the appendix.

Examples of engagement activity

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

The table below shows some of the engagement activity carried out by the Scheme's material managers. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e. is not necessarily specific to the funds invested in by the Scheme.

Funds	Number of engagements		Themes engaged on at a fund/ firm level
	Fund level	Firm level	
Aegon Asset Management ("Aegon") - European Asset Backed Securities ("ABS") Fund	115	422	Environment - Climate Change Social - Social; Human and Labour Rights Governance - Governance Other - General Disclosure
AQR - Global Risk Parity UCITS Fund	Not provided	307	Environment – Environment Data Transparency
BlackRock - Absolute Return Bond Fund	191	3,384	Environment - Climate Risk Management Social - Social Risks and Opportunities Governance - Corporate Strategy; Remuneration; Board Composition and Effectiveness
Bridgewater - All Weather Sterling Fund*	Not provided	>50	Environment - Net Zero Transition; Biodiversity Risks Social - Health and Safety Governance - Governance structures
M&G - Total Return Credit Investment Fund ("TRCI")	11	406	Environment - Climate Change; Natural Resource Use/Impact Social - Human Capital Management Governance - Remuneration
Man Group - AHL Target Risk Fund*	Not provided	66	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights; Human Capital Management Governance - Remuneration
Oak Hill Advisors LP ("OHA") - Diversified Credit Fund	38	>120	Environment - General; GHG Emissions Social - General Governance - General Other - Promoting Disclosures
Ruffer - Absolute Return Fund	42	54	Environment - Climate Change Social - Human Capital Management Governance - Remuneration; Board Effectiveness - Independence/Oversight Strategy, Financial & Reporting - Reporting
Adams Street Partners ("ASP")	Not provided	>200 ¹	Not provided
HarbourVest Partners ("HarbourVest")	Not provided	34 ²	Environment - Climate Change; Natural Capital
Partners Group	Not provided	>100	Environment - Climate change Social - Human capital management Strategy, Financial and Reporting - Strategy/purpose

Source: Investment Managers.

¹ Adams Street typically engages with its managers via its annual ESG survey process. Each year, the survey process is conducted by a third-party vendor (Holtara) that generates an overall ESG score for each manager, based on their level of ESG disclosure. The overall results are used for in-house ESG evaluations and client reporting.

² HarbourVest Engagements reflect only the number of completed engagements between 30/06/2023 and 30/06/2024 and do not include engagements that were initiated or proposed but are still outstanding as of 30/06/2024.

Data limitations

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

- AQR did not provide any fund level engagement statistics or themes. It also did not provide significant voting examples and stated that it does not currently differentiate between significant or non-significant proxy votes.
- Bridgewater did not provide any fund level engagement statistics or themes. It also did not provide significant voting examples and stated that it has not adopted a policy for identifying "significant votes".
- Man Group did not provide any fund level engagement and voting data requested. The investment manager stated that engagement and voting do not apply to the strategy since it primarily trades in derivatives. We recognise that the investment processes and the nature of alternative investments may mean that stewardship is less practicable or may be less relevant for certain types of strategies.
- BlackRock provided fund level engagement information but not in line with the best practice industry standard set by the ICSWG.
- Due to the difficulty for private equity managers to obtain and provide engagement data, we have included limited information from them in this implementation statement. Adams Street Partners did not provide the number of engagements at fund level and themes engaged at fund/firm level. HarbourVest Partners and Partners group did not provide fund level engagement information.

This report does not include commentary on the Scheme's liability driven investments/gilts or cash because of the limited materiality of stewardship to these asset classes. Further, this report does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Scheme's assets that are held as AVCs.

Appendix – Significant Voting Example

In the table below, a significant voting example has been provided by Ruffer. This example was selected from a range of other examples provided by the manager. In general, managers use a wide variety of criteria to determine what they consider a significant vote. Ruffer's applicable criteria is outlined in the example below, in the manager's own words.

Ruffer - Absolute Return Fund	Company name	Bank of America
	Date of vote	24 April 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.2
	Summary of the resolution	Energy transition
	How you voted?	Votes Against resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
	Rationale for the voting decision	Among the several shareholder proposals on the slate at the 2024 AGM, we voted against ISS recommendation and in line with management for the request of a report on clean energy supply financing ratio. This was because we believe Bank of America is committed to its Net Zero targets and provides much of the necessary data to support this. While we support enhanced disclosures more broadly, the proponent's required ratio is already available via a third-party (Bloomberg). Hence, in support of greater uniformity within the responsible investing space, we feel a vote against this proposal was the best option rather than company itself calculating this ratio with a possibly varying methodology.
	Outcome of the vote	Fail
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	We will continue to monitor the company.
	On which criteria have you assessed this vote to be most significant?	Ruffer defines significant vote as: any vote against management or against an ISS recommendation, any vote in breach of criteria included in Ruffer's internal voting guidelines, any shareholder resolution, any climate related resolution, any management-proposed climate-related resolution or dissident shareholder slate (US only).

Source: Investment Manager.