

Mono Pumps Limited Pension Scheme

Implementation Statement for year ending 31 December 2023

1) Overview

This document is the Annual Implementation Statement (the “statement”) prepared by the Trustee of the Mono Pumps Limited Pension Scheme (the “Scheme”) covering the Scheme year from 1 January 2023 to 31 December 2023.

The purpose of this statement is to set out:

- Details of how and the extent to which, in the opinion of the Trustee, the Trustee’s policies on manager engagement and voting as set out in the Statement of Investment Principles (the “SIP”) have been adhered to during the year; and
- A description of voting behaviour (including the most significant votes made on behalf of the Trustee) and any use of a proxy voting services during the year.

The SIP is a document which outlines the Trustee’s policies with respect to various aspects related to investing and managing the Scheme’s assets including but not limited to: investment managers, portfolio construction and risks.

The latest version of the SIP can be found online here: <https://www.nov.com/policies>

2) Adherence to the Trustee’s engagement and voting policies

The Trustee’s policies on voting and engagement as stated in the SIP are provided in the below extract:

Investment manager engagement and monitoring: To maintain alignment with the Trustee’s overall investment objectives and policies (including the Trustee’s views on sustainable investments set out in this Statement), the investment managers are provided with the most recent version of the Scheme’s Statement of Investment Principles on an annual basis and are required to confirm that the management of the assets is consistent with those policies relevant to the mandate in question. This incentivises managers to maintain alignment in order to maintain their appointments, noting that the use of pooled funds places limitations on this.

The Trustee expects the investment managers to invest with a medium to long time horizon, and to use their engagement activity to drive improved performance over these periods and investment managers are selected with this in mind. Managers are incentivised to do this in order to maintain their appointments. The appropriateness of the Scheme’s allocation to such mandates is determined in the context of the Scheme’s overall objectives.

The Trustee appoints its investment managers with an expectation of a long-term partnership, which encourages active ownership of the Scheme’s assets. When assessing a manager’s performance, the focus is on longer-term outcomes, and the Trustee would not expect to terminate a manager’s appointment based purely on short term performance. However, a manager’s appointment could be terminated within a shorter timeframe due to other factors such as a significant change in business structure or the investment team.

The Scheme uses many different managers and mandates to implement its investment policies. The Trustee ensures that, in aggregate, its portfolio is consistent with the policies set out in this Statement, in particular

those required under regulation 2(3)(b) of the Occupational Pension Schemes (Investment) Regulations (2005). The Trustee will also ensure that the investment objectives and guidelines of any particular pooled vehicle are consistent with its policies, where relevant to the mandate in question.

Managers are paid an ad valorem fee, in line with normal market practice, for a given scope of services which includes consideration of long-term factors and engagement. The fees are reviewed on an annual basis throughout their appointment. The Trustees also monitor portfolio turnover costs as part of their monitoring of investment performance, with advice from the investment consultant. The Trustees do not have their own target for the turnover over assets, given the use of pooled funds.

Should the Trustee's monitoring process reveal that a manager's portfolio is not aligned with the Trustee's policies, the Trustee will engage with the manager further to encourage alignment. This monitoring process includes specific consideration of the sustainable investment/ESG characteristics of the portfolio and managers' engagement activities. If, following engagement, it is the view of the Trustee that the degree of alignment remains unsatisfactory, the manager will be terminated and replaced.

Exercise of Voting Rights: The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights and to engage with the organisations with whom they invest. The investment managers are expected to provide regular reports for the Trustees detailing their voting and engagement activity. The Trustees will take corporate governance policies into account when appointing and reviewing such investment managers.

Overall the Trustee believes the policies outlined in the SIP have been adhered to during the Scheme year.

3) Turnover information

The Trustee's investment consultant monitors the investment managers' portfolio turnover and confirmed that over the Scheme year portfolio turnover was in line with expectations and therefore there were no particular concerns highlighted around inappropriate costs being incurred.

Information on portfolio turnover as provided by the investment managers is given below:

Note: Turnover is defined as the lesser of the value of purchases or the value of sales divided by average annual market value.

Mandate	Manager	Expected long-term level of portfolio turnover pa	Fund Activity*
Global Equity 50:50 Index	LGIM	Not provided	5%
Core Diversified Fund	TWIM	25%	12%
Partners Fund	TWIM	10%	4%
Liability Driven Investment (LDI) Portfolio	LGIM	N/A**	N/A

* % turnover over the trailing 12 month period as at 31 December 2023

** Turnover only occurs when cash is committed or disinvested or when the hedge ratio is adjusted

4) Voting information

This section focusses on the equity investments of the Scheme, which have voting rights attached to the investments. The Scheme holds equities within the Core Diversified Fund (“CDF”) and Partners Fund, managed by Towers Watson Investment Management, and within the Global Equities Fund managed by Legal and General Investment Management (“LGIM”). Further details of the fund and voting activity can be found below.

As set out in the SIP, the Trustee has delegated the exercise of voting rights to the investment managers on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value. Accordingly, the managers have produced written guidelines of their process and practice in this regard. The managers are encouraged to vote in line with their guidelines in respect of all resolutions at annual and extraordinary general meetings of companies and to engage with the organisations with whom they invest.

The below table sets out the voting activity of the TWIM CDF, TWIM Partners Fund and LGIM Global Equities fund, on behalf of the Scheme, over the 12 months to 31 December 2023. Please note that post year end, the Scheme fully disinvested from both CDF and LGIM Global Equities, leaving just the Partners Fund as the source of equity exposure.

Fund	Voting activity
TWIM Core Diversified Fund	Number of meetings at which the manager was eligible to vote: 3,211 Number of resolutions on which manager was eligible to vote: 42,932 Percentage of eligible votes cast: 94.7% Percentage of votes with management: 85.9% Percentage of votes against management: 13.60% Percentage of votes abstained from: 0.5% Percentage of meetings voted at least once against management: 66.0% Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 3.2%
TWIM Partners Fund	Number of meetings at which the manager was eligible to vote: 1,891 Number of resolutions on which manager was eligible to vote: 25,915 Percentage of eligible votes cast: 93.8% Percentage of votes with management: 86.9% Percentage of votes against management: 12.8% Percentage of votes abstained from: 0.3% Percentage of meetings voted at least once against management: 60.8% Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 3.6%

<p>LGIM Global Equities Fund</p>	<p>Number of meetings at which the manager was eligible to vote: 3,052</p> <p>Number of resolutions on which manager was eligible to vote: 39,790</p> <p>Percentage of eligible votes cast: 99.9%</p> <p>Percentage of votes with management: 81.5%</p> <p>Percentage of votes against management: 18.4%</p> <p>Percentage of votes abstained from: 0.1%</p> <p>Percentage of meetings voted at least once against management: 70.9%</p> <p>Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 13.3%</p>
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The appendix to this statement includes details on the significant votes cast by the TWIM CDF, TWIM Partners Fund and LGIM Global Equities Fund on the Trustee’s behalf over the 12 months to 31 December 2023.

5) Summary

The Trustee believes that the Scheme’s Engagement and Voting policies, as outlined in the SIP, have been adhered to over the Scheme year.

Following monitoring of the Scheme’s investment managers over the year, and reviewing the voting information outlined in this statement, the Trustee is satisfied that its investment managers are acting in the Scheme members’ best interest and are effective stewards of the Scheme’s assets.

The Trustee will continue to monitor the investment managers’ stewardship practices on an ongoing basis.

Appendix – Significant votes data. We have selected 3 of the most significant votes over the Scheme year for each fund. However, further detail on voting is available upon request.

TWIM CDF:

<p>Most significant votes cast</p>
<p>Company: Amazon</p> <p>Meeting Date: 24-May-23</p> <p>Type of resolution: Commission a Third Party Audit on Working Conditions</p> <p>How the manager voted: For</p> <p>Rationale: Promotes transparency on warehouse working conditions.</p> <p>Vote outcome: Not Approved</p>
<p>Company: Alphabet</p> <p>Meeting Date: 02-Jun-23</p> <p>Type of resolution: Report on Risks of Doing Business in Countries with Significant Human Rights Concerns</p> <p>How the manager voted: For</p>

Rationale: **The proposal was regarding greater transparency related to business conducted in places with significant human rights concerns. The siting of cloud datacenters and strategy for mitigating related country risk seems like appropriate and material topics for disclosure.**

Vote outcome: **Not Approved**

Company: **Microsoft Corporation**

Meeting Date: **07-Dec-23**

Type of resolution: **Report on Risks Related to AI Generated Misinformation and Disinformation**

How the manager voted: **For**

Rationale: **Shareholder proposal promotes better management of ESG opportunities and risks**

Vote outcome: **Approved**

TWIM Partners Fund:

Most significant votes cast

Company: **Meta Platforms, Inc.**

Meeting Date: **31-May-23**

Type of resolution: **Approve Recapitalization Plan for all Stock to Have One-vote per Share**

How the manager voted: **For**

Rationale: **The Manager voted for this proposal, as it would convey to the board nonaffiliated shareholders' preference for a capital structure in which the levels of economic ownership is the same across all share classes.**

Vote outcome: **Not Approved**

Company: **Apple Inc.**

Meeting Date: **10-Mar-23**

Type of resolution: **Report on Median Gender/Racial Pay Gap**

How the manager voted: **For**

Rationale: **Shareholder proposal promotes better management of ESG opportunities and risks**

Vote outcome: **Not Approved**

Company: **Berkshire Hathaway**

Meeting Date: **06-May-23**

Type of resolution: **Climate risk disclosure**

How the manager voted: **For**

Rationale: **The manager voted in support of audit committee responsibility for climate risk disclosure believing the significance of leadership on this issue over-rided the minor cost and inconvenience of compliance. Given the company already has disclosure representing 90% of emissions, and given the company's long-earned reputation for ethical stewardship, awaiting SEC guidance seems an inadequate delayed response. The manager voted against management but in line with ISS recommendations**

Vote outcome: **Not Approved**

LGIM Global Equities:

Most significant votes cast
<p>Company: Shell Plc</p> <p>Meeting Date: 23-May-23</p> <p>Type of resolution: Resolution 25 - Approve the Shell Energy Transition Progress</p> <p>How the manager voted: Against</p> <p>Rationale: “A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in meeting its 2021 climate commitments and welcome the company’s leadership in pursuing low carbon products. However, we remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5C trajectory.”</p> <p>Vote outcome: 80% of shareholders supported the resolution (Pass)</p>
<p>Company: BP Plc</p> <p>Meeting Date: 27-Apr-23</p> <p>Type of resolution: Resolution 4 - Re-elect Helge Lund as Director</p> <p>How the manager voted: Against</p> <p>Rationale: “A vote against is applied due to governance and board accountability concerns. Given the revision of the company’s oil production targets, shareholders expect to be given the opportunity to vote on the company’s amended climate transition strategy at the 2023 AGM. Additionally, we note concerns around the governance processes leading to the decision to implement such amendments.”</p> <p>Vote outcome: N/A</p>
<p>Company: Glencore Plc</p> <p>Meeting Date: 26-May-23</p> <p>Type of resolution: Resolution 19: Shareholder resolution “Resolution in Respect of the Next Climate Action Transition Plan”</p> <p>How the manager voted: For</p> <p>Rationale: “In 2021, Glencore made a public commitment to align its targets and ambition with the goals of the Paris Agreement. However, it remains unclear how the company’s planned thermal coal production aligns with global demand for thermal coal under a 1.5°C scenario. Therefore, LGIM has co-filed this shareholder proposal (alongside Ethos Foundation) at Glencore’s 2023 AGM, calling for disclosure on how the company’s thermal coal production plans and capital allocation decisions are aligned with the Paris objectives. This proposal was filed as an organic escalation following our multi-year discussions with the company since 2016 on its approach to the energy transition.”</p> <p>Vote outcome: 29% of shareholders supported the resolution (Fail)</p>

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