

# Engagement Policy Implementation Statement (“EPIS”)

## Nampak Staff Pension Plan (the “Plan”)

Plan Year End – 5 April 2025

The purpose of the EPIS is for us, the Trustees of the Nampak Staff Pension Plan, to explain what we have 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 Plan’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, the Plan’s material investment managers were able to disclose good evidence of voting and engagement activity, and the activities completed by our managers align with our stewardship expectations.

We delegate the management of the Plan’s assets to our fiduciary manager, Aon Investments Limited (“Aon”). We believe the activities completed by our fiduciary manager to review the underlying managers’ voting policies, engagement policies and activities align with our stewardship expectations. We believe our voting rights have been implemented effectively on our behalf.

Over the next 12 months, we plan to speak further with our fiduciary manager to better understand their voting practice monitoring and to ensure that the resources are being used effectively to influence positive outcomes in our relevant funds. We also plan to have a wider training session on Environmental, Social and Governance (“ESG”) factors, including how these are incorporated into our investment strategy.

## How voting and engagement policies have been followed

The Plan is invested entirely in pooled funds, and so the responsibility for voting and engagement is delegated to the Plan'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 Plan year and in our view, most of the investment managers were able to disclose good evidence of voting and engagement activity. More information on the stewardship activity carried out by the Plan's investment managers can be found in the following sections of this report.

Over the reporting year, we monitored the performance of the Plan's investments on a quarterly basis and received updates on important issues from our investment adviser, Aon. In particular, we received quarterly ESG ratings from Aon for the funds the Plan is invested in where available.

During the year, we were presented with a Responsible Investment Insights document at the September 2024 meeting that showed us how the portfolio aligns with the ESG policies.

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

The Plan's stewardship policy can be found in the SIP:  
[2023.07-Nampak-Statement-of-Investment-Principles.pdf](#)

## 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. Whilst Legal & General Asset Management ("LGIM") provided all information required, there were some issues with the way in which this was reported in comparison to industry peers. Our fiduciary manager, Aon, will continue to engage with the manager to encourage better transparency and reporting practices going forwards.
2. We plan to have a wider training session on ESG and how ESG considerations are incorporated into the strategy.

### 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*

## Our fiduciary manager's engagement activity

We delegate the management of the Plan's defined benefit assets to our fiduciary manager, Aon. Aon manages the Plan's assets in a range of funds which can include multi-asset, multi-manager and liability matching funds. Aon selects the underlying investment managers on our behalf.

We delegate monitoring of ESG integration and stewardship of the underlying managers to Aon. We have reviewed Aon's latest annual Stewardship Report and we believe it shows that Aon is using its resources to effectively influence positive outcomes in the funds in which it invests.

Over the year, Aon held several engagement meetings with many of the underlying managers in its strategies. Aon discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the investment managers. Aon provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

Over the year, Aon engaged with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations.

In 2021, Aon committed to achieve net zero emissions by 2050, with a 50% reduction by 2030 for its delegated clients' portfolios and defined contribution default strategies (relative to baseline year of 2019).

Aon also successfully renewed its signatory status to the 2020 UK Stewardship Code, which is a voluntary code established by the Financial Reporting Council that sets high standards on stewardship for asset owners, investment managers and service providers.

### What is fiduciary management?

Fiduciary management is the delegation of some, or all, of the day-to-day investment decisions and implementation to a fiduciary manager. But the trustees still retain responsibility for setting the high-level investment strategy.

In fiduciary management arrangements, the trustees will often delegate monitoring ESG integration and asset stewardship to its fiduciary manager.

## Our underlying 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 Plan's investments is an important factor in deciding whether a manager remains the right choice for the Plan.

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

### 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 2025.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
LGIM - Multi-Factor Equity Fund	11,446	99.8%	20.8%	0.4%
UBS - Global Emerging Markets Equity Climate Transition Fund	7,747	85.0%	6.6%	4.3%
UBS - Global Equity Climate Transition Fund	12,234	93.0%	8.1%	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 Plan's investment managers use proxy voting advisers.

Managers	Description of use of proxy voting adviser(s) (in the managers' own words)
LGIM	LGIM's Investment Stewardship team uses Institutional Shareholder Services' ("ISS") 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.
UBS	UBS retains the services of ISS for the physical exercise of voting rights and for supporting voting research. UBS retains full discretion when determining how to vote at shareholder meetings.

Source: Investment managers

### 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.

## 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 Plan's funds. A sample of these significant votes can be found in the appendix.

## Our underlying managers' engagement activity

The table below shows some of the engagement activity carried out by the Plan's underlying investment 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 Plan.

This report does not include commentary on certain asset classes such as Liability Driven Investment ("LDI, gilts or cash because of the limited materiality of stewardship to these asset classes.

### What is engagement?

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.

Funds	Number of engagements		Themes engaged on at a fund level
	Fund level	Firm level	
LGIM - Multi-Factor Equity Fund	682	4,399	Environment - Climate Impact Pledge; Climate Change Social - Human Rights; Gender Diversity Governance - Capital Management; Remuneration Other - Corporate Strategy
UBS - Global Emerging Markets Equity Climate Transition Fund	38	425	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights Governance - Remuneration; Board Effectiveness - Other Strategy, Financial and Reporting - Capital Allocation
UBS - Global Equity Climate Transition Fund	174	425	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights Governance - Remuneration; Board Effectiveness - Other; Leadership - Chair/CEO Strategy, Financial & Reporting - Capital Allocation
Aberdeen - Climate Transition Bond Fund	104	1,868	Environment - Climate; Other Environment Related Social - Human Rights & Stakeholders; Labour Management Governance - Corporate Governance; Corporate Behaviour
LGIM - Diversified Credit Fund	326	4,399	Environment - Climate Impact Pledge; Climate Change Social - Human Rights Governance - Capital Management; Remuneration Other - Corporate Strategy
M&G - Sustainable Total Return Credit Investment ("STRCI") Fund	12	406	Environment - Net Zero/Decarbonisation; Climate Action 100+ Engagements; Climate Change; Nature & Biodiversity Social - Diversity & Inclusion
Aegon - European Asset Backed Securities ("ABS") Fund	115	422	Environment - Climate Change Social - Human and Labour Rights; Public Health Governance - Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting) Other - General Disclosure
Ardea - Global Alpha Fund	40	40	Environment - Climate Change

			Other - Market Development of Green Government Bonds
Arrowstreet - ESG Global Equity Long/Short Fund*	<i>Not provided</i>	159	Environment - Water Quality; Water Security Social - Human and Labour Rights; Community Relations Governance - Business Ethics; Accounting and Taxation
Caius Capital - International Fund	>30	>30	Governance - Board Effectiveness - Other; Leadership - Chair/CEO Strategy, Financial & Reporting - Strategy/Purpose; Financial Performance
Man Group - Alternative Risk Premia Fund*	<i>Not provided</i>	66	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights; Human Capital Management Governance - Remuneration
Marshall Wace - Market Neutral ESG Tops Fund*	<i>Not provided</i>	<i>Not provided</i>	Environment - Climate Change; Natural Resource Use/Impact

Source: Investment managers. \*Arrowstreet Capital, Man Group and Marshall Wace did not provide fund level themes; themes provided are at a firm-level.

## Data limitations

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

- LGIM provided a list of engagements for the invested funds, however, did not include as much detail as recommended in the best practice industry reporting guide designed by the Investment Consultants Sustainability Working Group. In addition, whilst LGIM has provided firm level information, the reporting methodology for the number of engagements is out of line with what we view as industry best practice and compared to peers.
- Arrowstreet and Man Group did not provide fund level engagement data as engagement is conducted at the firm level.
- Marshall Wace provided limited engagement information but did provide detailed illustrative examples of its engagement activity at a firm level and stated that the manager undertakes engagement initiatives at the firm rather than strategy level.

## Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Plan's investment 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, in the managers' own words:

<b>LGIM - Multi-Factor Equity Fund (Hedged)</b>	<b>Company name</b>	Wells Fargo & Company
	<b>Date of vote</b>	30 April 2024
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	0.5
	<b>Summary of the resolution</b>	Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining Rights
	<b>How you voted?</b>	Votes supporting resolution
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an Annual General Meeting as our engagement is not limited to shareholder meeting topics.
	<b>Rationale for the voting decision</b>	Shareholder Resolution - Labour rights: A vote in favour is applied as LGIM supports proposals that are set to improve human rights standards and employee policies because we consider this issue to be a material risk to companies.
	<b>Outcome of the vote</b>	Fail
	<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
	<b>On which criteria have you assessed this vote to be most significant?</b>	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.
<b>UBS - Global Emerging Markets Equity Climate Transition Fund</b>	<b>Company name</b>	Zai Lab Limited
	<b>Date of vote</b>	18 June 2024
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	<i>Not provided</i>
	<b>Summary of the resolution</b>	Advisory Vote to Ratify Named Executive Officers' Compensation
	<b>How you voted?</b>	Votes against resolution
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	No
	<b>Rationale for the voting decision</b>	Executive pay is not aligned with performance. Majority of awards vest without reference to performance conditions. Lack of a clawback provision.
	<b>Outcome of the vote</b>	Pass
	<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	Given strong shareholder opposition, we shall monitor further developments.
	<b>On which criteria have you assessed this vote to be most significant?</b>	Over 32% of shareholders voted against the resolution.
<b>UBS - Global Equity Climate Transition Fund</b>	<b>Company name</b>	Bank of America Corporation
	<b>Date of vote</b>	24 April 2024
	<b>Approximate size of</b>	<i>Not provided</i>

**fund's/mandate's holding as at the date of the vote (as % of portfolio)**

<b>Summary of the resolution</b>	Report on Clean Energy Supply Financing Ratio
<b>How you voted?</b>	Votes supporting resolution
<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	No
<b>Rationale for the voting decision</b>	UBS will support proposals that seek to promote greater disclosure and transparency in corporate environmental policies as long as: a) the issues are not already effectively dealt with through legislation or regulation; b) the company has not already responded in a sufficient manner; and c) the proposal is not unduly burdensome or overly prescriptive.
<b>Outcome of the vote</b>	Fail
<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	Given strong shareholder support, we shall monitor further developments.
<b>On which criteria have you assessed this vote to be most significant?</b>	Aggregate percentage of votes in support of resolution exceeded 25% of votes cast.

Source: Investment managers