

Higgins Group PLC Pension and Life Assurance Scheme – DB Section Implementation Statement for the year ending 30 April 2025

Introduction

The Trustees have prepared this Implementation Statement in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and subsequent amending legislation, and those of the Pensions Regulator's General Code of Practice. It sets out how the Trustees have complied with the Higgins Group PLC Pension and Life Assurance Scheme's ("the Scheme") Stewardship Policy and Statement of Investment Principles during the period 1 May 2024 to 30 April 2025.

Overall, the Trustees are satisfied that:

- The Scheme's investments have been managed in accordance with the Scheme's Stewardship Policy during the period;
- The Scheme's investments have been managed in accordance with the Scheme's Statement of Investment Principles; and
- The provisions of the Statement of Investment Principles remain suitable for the Scheme's members.

Statement of Investment Principles

The Statement of Investment Principles sets out the principles and practices the Trustees follow when governing the Scheme's investments. It describes the rationale for selecting the investment strategy and explains the risks and expected returns of the funds used, as well as the Trustees' approach to responsible investing (including climate change).

The Trustees reviewed and updated the Statement of Investment Principles in May 2025. Changes were made to reflect the derisking from equities and reinvestment in liability hedging assets in light of the improved funding position.

The Statement is scheduled for review no later than May 2028.

The Trustees have prepared this Implementation Statement on the basis of the Statement of Investment Principles in force at November 2023, with reporting within this document in line with the Statement of Investment Principles applicable at the relevant time.

The Scheme's Statement of Investment Principles (SIP) (in force at November 2023, and applicable to the scheme year covered by this Implementation Statement) can be viewed online at <https://www.higgins-group.co.uk/media/aram0xqz/higgins-chair-statement-2023-with-sip.pdf>.

Investments governance

The primary objective of the Scheme is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependants, on a defined benefits basis.

The Trustees also offer members the opportunity to make additional contributions and invest in a range of vehicles at the members' discretion. The Trustees holds these assets separately from the Defined Benefit section of the Scheme to secure benefits on a money purchase basis for those members electing to pay Additional Voluntary Contributions.

The Trustees have overall responsibility for how the Scheme’s investments are governed and managed, in accordance with the Scheme’s Trust Deed and Rules, as well as Trust Law, Pensions Law and Pension Regulations.

The Trustees have elected to delegate some investment decisions to Legal and General Asset Management (“L&G”), the sole investment manager of the Scheme.

The Trustees have set objectives for the Scheme’s investment adviser designed to align with the Trustees’ own objectives and investment strategy as set out in the Statement of Investment Principles.

The suitability of these objectives was last reviewed by the Trustees in November 2024 and is scheduled for review no later than November 2027.

The Trustees have carried out an evidence-based review of the investment adviser’s performance against these objectives in November 2024. This involved rating the adviser against the different objectives. The Trustees are satisfied that the objectives have been achieved for the year.

The Trustees have undertaken training during the last year to ensure that their knowledge of investment matters remains up to date.

Date	Topic	Aim	Trainer
5 June 2024	Performance update, responsible investing, investment trends and market outlook	Update the Trustees on performance of the Scheme’s assets, and provide training on various topics	Legal and General
11 December 2024	Investment strategy	Scheme derisking from equities, and increasing the liability hedging	Hymans Robertson
Ongoing	Scheme investments update	Update the Trustees on investment markets and performance of funds within the Scheme’s investment portfolio.	Hymans Robertson

The Trustees have a set of Investment Beliefs which they use as a guide when making investment decisions. These beliefs are set out in the Statement of Investment Principles. They were considered and used to help inform decision making with respect to the Scheme’s investments over the reporting period.

The investment risks relating to the Scheme are described in the Statement of Investment Principles, pages 3 to 5, and the expected return is set out on page 5.

The Trustees believe that the main investment risks affecting the Scheme have not changed materially during the scheme year.

The Trustees’ views on the expected return of specific asset classes have not changed during the scheme year.

The Trustees’ views on the expected levels of investment risk and return inform decisions on the strategic asset allocation (i.e., what type of assets and areas of the world the Scheme invests in over the longer term), and the style of management adopted by the Scheme.

The Scheme has conflicts of interest policies in place covering its service providers, including the asset manager, and investment adviser. The Trustees formally ask service providers to confirm any conflicts of interest when the Trustees meet with them. The service providers in scope have not disclosed any potential or actual conflict over the period.

Stewardship Policy

The Trustees' Stewardship Policy sets out how the Trustees will behave as an active owner of the Scheme's assets. It includes the Trustees' approach to:

- The exercise of voting rights attached to assets; and
- Undertaking engagement activity, including how the Trustees monitor and engage with their investment manager and other stakeholders.

The Scheme's Stewardship Policy can be found within the Scheme's Statement of Investment Principles, pages 6 to 7.

The Scheme's Stewardship Policy is being reviewed in line with the Scheme's Statement of Investment Principles, which was last updated in May 2025.

The Trustees have delegated voting and engagement activity in respect of the underlying assets to L&G. This is still relevant over the reporting period although noting the equities (which have attaching voting rights) were fully divested in December 2024. Nevertheless, the Trustees believe it is important that their investment managers take an active role in the supervision of the companies in which they invest, including engaging with management on issues which affect a company's financial performance (if it is a debt instrument).

The Trustees' own engagement activity is focused on their dialogue with their investment managers which is undertaken in conjunction with their investment advisers. The Trustees meet periodically with L&G which will include stewardship activities undertaken on behalf of the Scheme.

The Trustees also monitor their compliance with the Stewardship Policy on a regular basis and are satisfied that they have complied with the Scheme's Stewardship Policy over the last scheme year.

Voting activity

The Trustees seek to ensure that managers are exercising voting rights and, where appropriate, monitor managers' voting patterns. The Trustees also monitor votes cast by managers on particular companies or issues that affect more than one company.

The Trustees invested in listed equities through two L&G funds. The Scheme's investment manager has reported on how votes were cast in each of these mandates as set out below.

Legal and General – All World Equity Index Fund

All World Equity Index Fund	
Proportion of Scheme's assets (before full disinvestment in December 2024)	11.5%
No. of meetings eligible to vote at during the year	6,611
No. of resolutions eligible to vote on during the year	63,689
% of resolutions voted	99.82%
% of resolutions voted with management	79.48%

% of resolutions voted against management	18.99%
% of resolutions abstained	1.52%
% of meetings with at least one vote against management	59.87%

The resolutions which L&G voted against management the most on over the period were mainly in relation to:

- General governance
- Boards of Directors
- Corporate structure

The manager has been asked to report on the most significant votes cast within the portfolios they manage on behalf of the Trustees, explain the reasons why votes were significant, the size of the position in the portfolio, how they voted, any engagement they undertook with the company and the outcome of the vote. From the manager reports, the following votes were identified as having greater relevance for the Scheme:

Date	Company	Subject (theme/summary)	Manager's vote and rationale
6 May 2024	Eli Lilly and Company	Elect Director Jamere Jackson	Classified Board: A vote against is applied as L&G supports a declassified board as directors should stand for re-election on an annual basis. Joint Chair/CEO: A vote against is applied as L&G expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.
21 May 2024	JPMorgan Chase & Co.	Elect Director Todd A. Combs	Joint Chair/CEO: A vote against is applied as L&G expects companies to respond to a meaningful level of shareholder support requesting the company to implement an independent Board Chair.
22 May 2024	Amazon.com, Inc.	Report on Customer Due Diligence	A vote in favour is applied as enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation. While the company has disclosed that they internally review these for some products and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic.

Legal and General – Future World Fund

Future World Fund	
Proportion of Scheme's assets (before full disinvestment in December 2024)	10.7%
No. of meetings eligible to vote at during the year	1,696
No. of resolutions eligible to vote on during the year	21789
% of resolutions voted	99.57%
% of resolutions voted with management	80.42%
% of resolutions voted against management	19.28%
% of resolutions abstained	0.31%
% of meetings with at least one vote against management	70.64%

Date	Company	Subject (theme/summary)	Manager's vote and rationale
7 June 2024	Alphabet Inc.	Elect Director John L. Hennessy	<p>Average board tenure: A vote against is applied as L&G expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Diversity: A vote against is applied as L&G expects a company to have at least one-third women on the board. Independence: A vote against is applied as L&G expects the Chair of the Committee to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background.</p> <p>Independence: A vote against is applied as L&G expects the Chair of the Board to have served on the board for no more than 15 years and the board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Shareholder rights: A vote against is applied because L&G supports the equitable structure of one-share-one-vote. L&G expects companies to move to a one-share-one-vote structure or provide shareholders a regular vote on the continuation of an unequal capital structure.</p>
22 May 2024	Amazon.com, Inc.	Report on Customer Due Diligence	Shareholder Resolution Human Rights: A vote in favour is applied as enhanced transparency

			over material risks to human rights is key to understanding the company's functions and organisation. While the company has disclosed that they internally review these for some products and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic.
31 July 2024	McKesson Corporation	Elect Director Maria N. Martinez	Diversity: A vote against is applied as L&G expects a company to have at least one-third women on the board.

Use of proxy advisor

The Scheme's investment manager has made use of the services of Institutional Shareholder Services (ISS) as proxy voting advisors over the Scheme year, namely, use of a voting platform to electronically vote investor shares against a custom voting policy.

Engagement activity

The following are the key topics of engagement between the manager and investee companies for the 12-month period ending 31 December 2024:

Theme	Number of engagements
Environment	1,572
Social	415
Governance	199
Other	56

The main methods of engagement were management meetings and investor forums.

A review of the investment manager's Responsible Investment policies was undertaken on 15 May 2025 and was deemed appropriate. The review considered L&G's broader approach to responsible investment issues in addition to considering any change in approach by the manager over the year, for example their voting policies.

Prepared by:

Trustees of the Higgins Group PLC Pension and Life Assurance Scheme

November 2025