

Implementation Statement

The Walkers Shortbread Limited Retirement Benefits Scheme

Purpose of this statement

This implementation statement has been produced by the Trustees of the **Walkers Shortbread Limited Retirements Benefits Scheme ("the Scheme")** to set out the following information over the year to **30 April 2025**:



how the Trustees' policies on exercising rights (including voting rights) and engagement activities have been followed over the year;
the voting activity undertaken by the Scheme's investment managers on behalf of the Trustees over the year and including information regarding the most significant votes.

This statement does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Scheme's assets that are held as AVCs.

The voting behaviour is not given over the Scheme year end to 30 April 2025 because investment managers only report on this data quarterly, we have therefore given the information over the year to 31 March 2025.



Conclusions

Based on the information received, the Trustees believe that the Scheme's investment manager has acted in accordance with the Scheme's policies on exercising rights (including voting rights) and engagement activities. The Trustees are supportive of the key voting action taken by the applicable investment managers over the period to encourage positive governance changes in the companies in which the Scheme's investment manager holds shares.

Stewardship policy

The Trustees' Statement of Investment Principles ("SIP") in force as at May 2025 describes the Trustees' stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in May 2025 to reflect changes made to the Scheme's investment strategy and has been made available online here:

<https://www.walkersshortbread.com/compliance-statements/>

In March 2025, Legal & General Investment Management ('LGIM') announced a rebrand as Legal & General Asset Management. For the purposes of reporting, Legal & General Asset Management have confirmed it is still accurate to use the LGIM prefix before fund names. The fund names will be updated in due course.

Most of the Scheme's assets are held in a bulk annuity policy. The remaining assets are held in the Scheme's bank account, in the LGIM Cash fund and in the LGIM Global Equity Fixed Weights 50:50 Index. The Trustees decided not to set stewardship priorities for the Scheme because the Scheme solely invests through pooled investment vehicles where the Scheme's assets only represents a small proportion of the capital invested in the funds. The Trustees understand that they are constrained by the policies of the managers. Given the Scheme's time horizon to buy-out and plans to reduce the allocation overtime, the Trustees decided not to set stewardship priorities.

Although the Trustees have decided to accept the investment manager's default stewardship priorities for the Scheme, the Trustees take the stewardship priorities, climate risk, and ESG factors into account at investment selection level and will consider these as part of any annuity selection exercise. The Trustee also reviews the stewardship and engagement activities of the investment managers annually through their implementation statement.

How voting and engagement policies have been followed

Based on the information provided by the Scheme's investment manager, the Trustees believe that their policies on voting and engagement have been met in the following ways:

- The Scheme invests its remaining assets (with the exception of the bulk annuity policy and Scheme bank account) entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers.
- The Scheme's investment advisors have undertaken an initial review of the stewardship and engagement activities of the current managers using their internal research teams, and were satisfied that their policies were reasonable and no remedial action is required.
- The Scheme's investments are all held with one investment manager, Legal & General Asset Management, and this has been unchanged for some time. Legal & General Asset Management is rated high conviction by our investment advisors for stewardship and voting, and the Trustees believe that the voting and engagement activities undertaken by the asset managers on their behalf have been in the members' best interests.
- The Trustees are comfortable the actions of the fund manager are in alignment with the Scheme's stewardship policies.

**Prepared by the Trustees of the Walkers Shortbread Limited Retirement Benefits Scheme
June 2025**

Voting Data

Over the year, the Trustees worked with their investment advisor to review their investment strategy with the aim of updating it to better align to the objectives of the Scheme and in particular facilitate the purchase of annuities to secure the liabilities using a buy-in with Legal and General Assurance Society ('LGAS').

As part of the move to buy-in, the Scheme disinvested from the LGIM Over 5 Year Index-Linked Gilts Fund, LGIM Over 15 Years Index-Linked Gilts Fund, LGIM Over 15 Year Gilts Index Fund and LGIM AAA-AA-A Corporate Bond Over 15 Year Index Fund.

To make allowance for estimated wind-up expenses and GMP equalisation the Scheme should hold £1m in the LGIM Cash Fund.

The benchmark asset allocation for any additional assets the Scheme holds above the allowance for estimated wind-up expenses and GMP equalisation, are invested with Legal & General Asset Management as shown below:

Fund	Benchmark %
LGIM Global Equity Fixed Weights 50:50 Index Fund	20.0%
LGIM Cash Fund	80.0%
Total	100.0%

This section provides a summary of the voting activity undertaken by the investment managers within the Scheme's Growth Portfolio on behalf of the Trustees over the year to 31 March 2025. The cash fund with Legal & General Asset Management and the gilts and bonds funds held with Legal & General Asset Management for a significant proportion of the year have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate.

Manager	Legal & General Asset Management
Fund name	Global Equity Fixed Weight (50:50) Index Fund
Structure	Pooled
No. of eligible meetings	2,981
No. of eligible votes	37,792
% of resolutions voted	99.75%
% of resolutions abstained¹	0.25%

Manager	Legal & General Asset Management
% of resolutions voted with management¹	81.77%
% of resolutions voted against management¹	17.98%
Proxy voting advisor employed¹	<p>Legal & General Asset Management's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by Legal & General Asset Management and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, Legal & General Asset Management have put in place a custom voting policy with specific voting instructions.</p>
% of resolutions voted against proxy voter recommendation	13.00%

¹ As a percentage of the total number of resolutions voted on. Totals may not add up to 100%. Numbers are subject to rounding.

Note: Pooled fund structures result in limited scope for the Trustees to influence managers' voting behaviour.



Significant votes

The Trustees have not set stewardship priorities / themes for the Scheme, this reflects the de-risked investment strategy and short expected time horizon for the Scheme. So, for this Implementation Statement, the Trustees have asked the investment managers to determine what they believe to be a “significant vote”. The Trustees have not communicated voting preferences to their investment managers over the period, as the Trustees have not developed a specific voting policy.

Legal & General Asset Management have provided a selection of 731 votes which they believe to be significant. In the absence of agreed stewardship priorities / themes, the Trustees have selected 5 votes, that cover a range of themes to represent what they considers the most significant votes cast on behalf of the Scheme. To represent the most significant votes, the votes of the largest holdings relating to each topic are shown below.

A summary of the significant votes provided is set out below.

Significant vote 1 – LGIM Global Equity Fixed Weights (50:50) Index Fund

Company name	Shell Plc
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	3.9%
Summary of the resolution	Approve the Shell Energy Transition Strategy
How the manager voted	Against
Rationale for the voting decision	<p>Climate change: A vote AGAINST is applied. Legal & General Asset Management acknowledge the substantive progress the company has made in respect of climate related disclosure over recent years, and they view positively the commitments made to reduce emissions from operated assets and oil products, the strong position taken on tackling methane emissions, as well as the pledge of not pursuing frontier exploration activities beyond 2025. Nevertheless, in light of the revisions made to the Net Carbon Intensity (NCI) targets, coupled with the ambition to grow its gas and LNG business this decade, Legal & General Asset Management expect the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050. In essence, Legal & General Asset Management seek more clarity regarding the expected lifespan of the assets Shell is looking to further develop, the level of flexibility in revising production levels against a range of scenarios and tangible actions taken across the value chain to deliver customer decarbonisation. Additionally, Legal & General Asset Management would benefit from further transparency regarding lobbying activities in regions where hydrocarbon production is expected to play a significant role, guidance on capex allocated to low carbon beyond 2025 and the application</p>

	of responsible divestment principles involved in asset sales, given portfolio changes form a material lever in Shell's decarbonization strategy.
Criteria on which the vote is considered "significant"	Thematic - Climate: Legal & General Asset Management is publicly supportive of so called "Say on Climate" votes. Legal & General Asset Management expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, Legal & General Asset Management deem such votes to be significant, particularly when Legal & General Asset Management votes against the transition plan.
Outcome of the vote	The resolution passed
Implications of the outcome	Legal & General Asset Management will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Legal & General Asset Management publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Relevant stewardship priority	n/a

Significant vote 2 – LGIM Global Equity Fixed Weights (50:50) Index Fund

Company name	Unilever Plc
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.2%
Summary of the resolution	Approve Climate Transition Action Plan
How the manager voted	For
Rationale for the voting decision	Climate change: A vote FOR the CTAP is applied as Legal & General Asset Management understand it to meet their minimum expectations. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short, medium and long-term GHG emissions reduction targets consistent with a 1.5°C Paris goal. Despite the SBTi recently removing their approval of the company's long-term scope 3 target, Legal & General Asset Management note that the company has recently submitted near term 1.5 degree aligned scope 3 targets to the SBTi for validation and therefore at this stage believe the company's ambition level to be adequate. Legal & General Asset

	Management therefore remain supportive of the net zero trajectory of the company at this stage.
Criteria on which the vote is considered "significant"	Thematic - Climate: Legal & General Asset Management is publicly supportive of so called "Say on Climate" votes. Legal & General Asset Management expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, Legal & General Asset Management deem such votes to be significant, particularly when Legal & General Asset Management votes against the transition plan.
Outcome of the vote	The resolution passed
Implications of the outcome	Legal & General Asset Management will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	n/a
Relevant stewardship priority	n/a

Significant vote 3 – LGIM Global Equity Fixed Weights (50:50) Index Fund

Company name	Microsoft Corporation
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.0%
Summary of the resolution	Report on AI Data Sourcing Accountability
How the manager voted	For
Rationale for the voting decision	Shareholder Resolution - Governance: A vote FOR this resolution is warranted as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language models.
Criteria on which the vote is considered "significant"	Thematic - Climate: Legal & General Asset Management is publicly supportive of so called "Say on Climate" votes. Legal & General Asset Management expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, Legal & General Asset Management deem such votes to be significant,

	particularly when Legal & General Asset Management votes against the transition plan.
Outcome of the vote	The resolution failed to pass
Implications of the outcome	Legal & General Asset Management will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	n/a
Relevant stewardship priority	n/a

Significant vote 4 – LGIM Global Equity Fixed Weights (50:50) Index Fund

Company name	London Stock Exchange Group plc
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.9%
Summary of the resolution	Approve Remuneration Policy
How the manager voted	For
Rationale for the voting decision	<p>Remuneration - Quantum: A vote FOR is applied as an exception to Legal & General Asset Management's policy. This follows productive consultation with the company that resulted in improvements to the proposals initially discussed. Legal & General Asset Management's support of the remuneration policy and the adoption of the EIP is in recognition of Mr Schwimmer's leadership in driving the company's performance, as well as acknowledging the competitive talent market in which the company operates. Legal & General Asset Management will review Mr Schwimmer's pay package on an annual basis under the resolution for approval of the remuneration report and may apply a negative vote in the future should Legal & General Asset Management consider his pay no longer reflects company performance or evolving market norms. Legal & General Asset Management would not expect any significant changes to the executive directors' pay policy within this three-year policy term. It is worth highlighting that, Legal & General Asset Management expect a successor to Mr Schwimmer to not be awarded the same remuneration package as standard if he or she does not bring the same amount of experience, calibre and performance.</p>

Criteria on which the vote is considered “significant”	High Profile meeting: This resolution is considered significant as Legal & General Asset Management overrode their custom vote policy on the basis of the engagement that they had with the company.
Outcome of the vote	The resolution passed
Implications of the outcome	Legal & General Asset Management will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	n/a
Relevant stewardship priority	n/a

Significant vote 5 – LGIM Global Equity Fixed Weights (50:50) Index Fund

Company name	Amazon.com, Inc
Approximate size of fund’s holding as at the date of the vote (as % of portfolio)	0.6%
Summary of the resolution	Report on Customer Due Diligence
How the manager voted	For
Rationale for the voting decision	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.
Criteria on which the vote is considered “significant”	Pre-declaration and High-Profile Meeting: This shareholder resolution is considered significant as one of the largest companies and employers not only within its sector but in the world, Legal & General Asset Management believe that Amazon’s approach to human capital management issues has the potential to drive improvements across both its industry and supply chain. Legal & General Asset Management voted in favour of this proposal last year and continue to support this request, 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 their products (RING doorbells and Rekognition) and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on

	<p>this topic. Despite this, Amazon’s coverage and reporting of risks falls short of Legal & General Asset Management’s baseline expectations surrounding AI. In particular, Legal & General Asset Management would welcome additional information on the internal education of AI and AI-related risks.</p>
Outcome of the vote	n/a
Implications of the outcome	<p>Legal & General Asset Management will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.</p>
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	n/a
Relevant stewardship priority	n/a



Engagement

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme’s cash fund with Legal & General Asset Management and the gilts and bonds funds held with Legal & General Asset Management for a significant proportion of the year due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

	Legal & General Asset Management
Fund name	Global Equity 50:50 Equity Index Fund
Number of engagements undertaken in the year	1,788
Number of entities engaged on behalf of the holdings in this fund in the year	1,111

Legal & General Asset Management

**Number of engagements
undertaken at a firm level in
the year**

4,459

**Examples of engagement activity undertaken over the year to 31 March 2025****Legal and General Asset Management**

Legal & General Asset Management report engagement data at a firm-level, with information and examples on ESG considerations and stewardship activities provided in their quarterly engagement reports, which are available on their website ([L&G | Responsible Investing](#)). An example from the Q1 2025 quarterly engagement report is provided below.

Name of entity engaged: Pemex

Type of engagement: Firm-level

Topic: Climate

Rationale for the engagement

As one of the largest oil and gas companies by refining capacity, with significant production of crude oil and natural gas¹, Petroleos Mexicanos (Pemex) is a company that Legal & General Asset Management believe is critical in Mexico's energy security and has a significant influence, particularly in South America, over the decarbonisation of the oil and gas industry and the realisation of financial opportunities from the energy transition.

Legal & General Asset Management particularly emphasise Pemex's management of methane emissions which have been an area of concern across their supply chain². Given that methane emissions have more than 80 times the warming power of carbon dioxide over a 20-year period³, Legal & General Asset Management believe that reducing methane emissions can be a powerful and cost-effective way for oil and gas companies to make progress towards climate goals and manage regulatory and reputational scrutiny.

Actions

Legal & General Asset Management have been a contributing investor to the CA100+ engagements with Pemex since 2023. In helping to establish a productive dialogue between the company and its investors, Legal &

Footnotes provided by Legal and General Asset Management in the Q1 2025 quarterly engagement report:

¹ <http://www.pemex.com/deerpark/en/aboutus/Paginas/default.aspx>

² <https://www.offshore-mag.com/regional-reports/us-gulf-of-mexico/article/14282285/scientists-detect-second-vast-methane-leak-at-pemex-oil-field-in-mexico>

³ <https://www.edf.org/climate/methane-crucial-opportunity-climate-fight#:~:text=Methane%20has%20more%20than%2080.after%20it%20reaches%20the%20atmosphere>

General Asset Management encouraged the company to take a number of steps towards clear disclosures, oversight of climate risk at board level, and the setting of ambitious but achievable climate targets.

Following successive engagements, in what Legal & General Asset Management view as a significant step, the company published its first Sustainability Plan, setting out clear targets for emissions reduction, enhanced disclosure (aligned with TCFD and ISSB recommendations), allocation of capital towards achieving climate goals, and addressing methane emissions within their operations⁴.

Outcomes and next steps

The publication of Pemex's first Sustainability Plan demonstrates, Legal & General Asset Management believes, positive commitments regarding emission reduction targets, disclosures, capital allocation and managing and mitigating methane emissions risks. The strength of these commitments and their endorsement by Pemex's CEO⁵ demonstrate a connected and serious approach to tackling these crucial issues.

In addition to continuing this collaborative engagement with the CA100+, Legal & General Asset Management will also continue their work on methane emissions with EDF⁶. Having strengthened Legal & General Asset Management's expectations in 2024 for oil and gas companies regarding methane emissions disclosure, this will continue to be an area for focus for Legal & General Asset Management across the sector more broadly, as Legal & General Asset Management seek to encourage companies to realise the potential for value creation along their journey to net zero.

Footnotes provided by Legal and General Asset Management in the Q1 2025 quarterly engagement report:

⁴ https://www.pemex.com/en/about-pemex/Documents/pemex_sustainability_plan.pdf

⁵ <https://www.climateaction100.org/news/climate-action-100-investors-welcome-pemexs-climate-commitments-presented-in-the-companys-first-sustainability-plan/>

⁶ As detailed in previous Legal and General Asset Management reports, for example, page 6:

<https://am.landg.com/asset/4af44d/globalassets/lgim/document-library/esg/engagement-report-q4-2023.pdf>