

# *Implementation Statement, covering the Plan Year from 1 January 2024 to 31 December 2024 (the “Plan Year”)*

The Trustee of the FMC Technologies Pension Plan (the “Plan”) is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed the voting and engagement policies in its Statement of Investment Principles (“SIP”) during the Plan Year. This is provided in Section 1 below.

The Statement is also required to include a description of the voting behaviour during the Plan Year by, and on behalf of, Trustees (including the most significant votes cast by Trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 3 below.

In preparing the Statement, the Trustee has had regard to the [guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions \(“DWP’s guidance”\) in June 2022.](#)

## **1. Introduction**

The SIP was updated during the Plan Year. The voting and engagement policies in the SIP were reviewed and updated to reflect the Plan purchasing a full buy-in contract. As part of this SIP update, the employer was consulted and confirmed it was comfortable with the changes.

The Trustee has, in its opinion, followed the Plan’s voting and engagement policies during the Plan Year.

## **2. Voting and engagement**

The Trustee has delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement.

As part of its advice on the selection and ongoing review of the investment managers, the Plan’s investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers’ approaches to voting and engagement.

The Trustee has elected to not select Stewardship Priorities at this point in time given that in early 2024, the Trustee secured all DB benefits through a buy-in policy in early 2024. The Plan has a number of small illiquid holdings remaining as invested assets, equating to ~3% of total assets as at year end.

The Trustee is conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. However, given the materiality and nature of the holdings, this is not something the Trustee is actively engaging with.

When considering which insurer to enter into a buy-in with, the Trustee agreed a set of selection criteria for assessing the insurers’ proposals and the Trustee considered options for assessing the insurers’ management expertise and approach to managing environmental, social and governance (“ESG”) risks and decided that these criteria were not to be formally assessed as part of the selection process.

## **3. Description of voting behaviour during the Plan Year**

All of the Trustee’s holdings in listed equities are within pooled funds and the Trustee has delegated to its investment managers the exercise of voting rights. Therefore, the Trustee is not able to direct how votes are exercised and the Trustee itself has not used proxy voting services over the Plan Year. However, the Trustee monitors managers’ voting and engagement behaviour on a regular basis and challenges managers where their activity has not been in line with the Trustee’s expectations.

In this section we have sought to include voting data in line with the Pensions and Lifetime Savings Association (PLSA) guidance, PLSA Vote Reporting template and DWP’s guidance, on the Plan’s funds that hold equities as follows. As the Plan held the majority of its assets (~96% as at year end) in the buy-in policy with JUST for 10 months of the year (having purchased the policy in February 2024), we contacted only one of the Plan’s funds based on two conditions, ie the likelihood that they would hold assets with voting opportunities and the materiality (size) of the allocations over the Plan Year.

- MIRI Strategic Emerging Markets Fund.

As at the end of the Plan Year the Trustee was in the process of fully disinvesting from the MIRI Strategic Emerging Markets Fund. The following funds, held at Plan Year end, have been omitted given their relative size vs total assets (~3% as at year end).

- *Think Investments Offshore Fund*;
- *Valinor Capital Partners Offshore Fund*;
- *Alphagen Volantis Catalyst Fund II*;
- *Cat Rock Capital Master Fund*;
- *Coatue Offshore Fund*.

The Plan held no other invested assets at the end of the Plan Year (excluding the buy-in policy).

### 3.1 Description of the voting processes

For assets with voting rights, the Trustee relies on the voting policies which its managers have in place. A summary of the voting process can be found below.

#### **MIRI Capital Management LLC**

Generally, MIRI Capital does not consult with clients on voting. It is the policy of MIRI Capital to vote proxies with the intent to maximize value for MIRI Capital's clients. Proxies are an asset of a client, which should be treated by MIRI Capital with the same care, diligence, and loyalty as any asset belonging to a client. To that end, MIRI Capital will vote in a way that it believes, consistent with its fiduciary duty, will cause the value of the issue to increase the most or decline the least. Consideration will be given to both the short and long-term implications of the proposal to be voted on when considering the optimal vote.

MIRI Capital utilizes ISS Proxy Services. Generally, most routine meeting agenda items are voted with ISS consultants' recommendations. MIRI Capital also reviews the ISS upcoming meetings report and it reviews individual agenda items through the ISS user website. The 'Upcoming Meetings' report is automatically sent every Monday via ISS's report schedule application. Proxy voting reports can be run as needed through the website application.

### 3.2 Summary of voting behaviour

A summary of voting behaviour over the Plan Year is provided in the table below.

	Fund
Manager name	MIRI Capital Management LLC
Fund name	MIRI Strategic Emerging Markets Fund
Total size of fund at end of the Plan Year (converted to GBP)	c£297.4m
Value of Plan assets at end of the Plan Year (converted to GBP)	c£0.1m
Number of equity holdings at end of the Plan Year	28
Number of meetings eligible to vote	29
Number of resolutions eligible to vote	256
% of resolutions voted	88%

Of the resolutions on which voted, % voted with management	88%
Of the resolutions on which voted, % voted against management	10%
Of the resolutions on which voted, % abstained from voting	2%
Of the meetings in which the manager voted, % with at least one vote against management	41%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	6%

### 3.3 Most significant votes

Commentary on the most significant votes over the Plan Year, from the Plan's asset manager who held listed equities, is set out below.

The Trustee did not inform MIRI which votes it considered to be most significant in advance of those votes.

Given the large number of votes which are cast by managers during every Annual General Meeting season, the timescales over which voting takes place as well as the resource requirements necessary to allow this, the Trustee did not identify significant voting ahead of the reporting period. Instead, the Trustee has retrospectively created a shortlist of most significant votes by requesting MIRI provide a shortlist of votes, which comprises a minimum of ten most significant votes, and suggested MIRI could use the PLSA's criteria<sup>1</sup> for creating this shortlist.

The Trustee has interpreted "significant votes" to mean those that:

- might have a material impact on future company performance;
- the investment manager believes to represent a significant escalation in engagement;
- impact a material fund holding, although this would not be considered the only determinant of significance, rather it is an additional factor; and
- have a high media profile or are seen as being controversial.

The Trustee has reported on one of these significant votes only. If members wish to obtain more investment manager voting information, this is available upon request from the Trustee.

#### MIRI Strategic Emerging Markets Fund

- **NC Holdings Co. Ltd, June 2024**
- **Vote cast:** For Resolution.
- **Outcome of the vote:** Passed.
- **Management recommendation:** For Resolution.

<sup>1</sup> [Vote reporting template for pension scheme implementation statement – Guidance for Trustees \(plsa.co.uk\)](#). Trustees are expected to select "most significant votes" from the long-list of significant votes provided by their investment managers.

- **Summary of resolution:** Elect all Directors and Committee members up for vote
- **Rationale for the voting decision:** MIRI voted for the resolution to show their support of management
- **Approximate size of the mandate's holding at the date of the vote:** c5%.
- **The reason the Trustee considered this vote to be "most significant":** Size of the positioning is significant.
- **Next steps:** Not provided.