

Engagement Policy Implementation Statement (“EPIS”)

ThyssenKrupp UK PLC 2006 Retirement and Death Benefits Plan

Plan Year End – 30 September 2024

The purpose of the EPIS is for ThyssenKrupp UK 2006 Pension Trustees Limited (the “Trustee”), as Trustee of the ThyssenKrupp UK PLC 2006 Retirement and Death Benefits Plan (the “Plan”), to explain what we have done during the year ending 30 September 2024 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, most of the Plan’s material investment managers were able to disclose adequate evidence of voting and engagement activity, and the activities completed by our managers align with our stewardship expectations.

The Trustee expects improvements in disclosures over time in line with the increasing expectations on investment managers and their significant influence to generate positive outcomes for the Plan through considered voting and engagement. Our investment adviser, Aon Investments Limited (“AIL” or “Aon”), will continue to engage with the investment managers on our behalf with the aim of improving disclosures in line with industry initiatives and best practice.

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 Trustee's policy.

The majority of the Plan's assets are invested in UK Government Bonds within the liability driven investment (or "LDI") portfolio, which carry no voting rights and there is limited materiality of stewardship of these assets.

For the non LDI assets, 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 adequate evidence of voting and/or 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 2024 we received comprehensive training from Aon on responsible investment matters, which included:

- ESG issues, including Climate Change and Equity, Diversity and Inclusion;
- The new General Code from The Pensions Regulator ("TPR") and their expectations;
- The risks and opportunities associated with Climate Change; and
- Our Investment Managers' approaches to stewardship and engagement and current engagement themes.

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 Statement of Investment Principles ("SIP") was updated during the year, clarifying some of our responsible investment policies. The Plan's policies can be found in the SIP:

https://ucpcdn.thyssenkrupp.com/binary/thyssenkruppRHQUK/en/legal-notes/2020-09-17_tkuk_sip_7th_edition_september_2020_final_signed.pdf

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 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. We expect the Plan's equity-owning investment manager, Veritas LLP, to responsibly exercise their voting rights.

Voting statistics

The table below shows the voting statistics for the Plan's material fund with voting rights for the year to 30 September 2024.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
Veritas - Global Focus	475	100.0%	7.8%	0.0%

Source: Investment Manager. 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 manager uses proxy voting advisers.

Managers	Description of use of proxy voting adviser(s) (in the managers' own words)
Veritas Asset Management LLP ("VAM LLP" or "Veritas")	VAM LLP has appointed, Institutional Shareholder Services ("ISS"), for vote execution and policy application. The investment analyst will receive all proxies and determine if he or she believes that we should vote in favour or against management. The investment analyst will consider the vote recommendations and any research when making their decision. Following a discussion with the Portfolio Manager, the analyst will instruct the custodian or prime broker via the Operations Team on how to instruct the vote. In the case where VAM LLP decides to vote against management or the ESG policy vote recommendation, an explanation will be provided to clients. VAM LLP use Institutional Shareholder Services ("ISS") to execute voting on behalf of clients. The role of the Operations Team is to ensure that all votes are instructed a timely manner. The Role of the Chief Operating Officer ("COO") is to monitor the effectiveness of these policies.

Source: Investment Manager

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 example

To illustrate the voting activity being carried out on our behalf, we asked the Plan's material equity owning investment manager to provide a selection of what they consider to be the most significant votes in relation to the Plan's fund. An example of these significant votes can be found in the appendix.

Our managers' engagement activity

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.

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

Funds	Number of engagements		Themes engaged on at a fund level
	Fund level	Firm level	
Veritas - Global Focus	9	24	Environment - Climate Change Social - Human and Labour Rights; Human Capital Management Governance - Leadership - Chair/CEO Strategy, Financial & Reporting - Capital Allocation
JPMorgan Asset Management – Multi Sector Credit Strategy	204	2,062	Environment - Climate Change; Natural Resource Use/Impact; Pollution, Waste Social - Conduct, Culture and Ethics; Human and Labour Rights
LGIM – Core Plus Fund	97	2,500	Environment - Climate Change; Energy Social - Gender Diversity Governance - Remuneration Other - Corporate Strategy
Insight – Liquid Asset Backed Securities Fund*	70 - 80	2,521	Environment - Climate Change Strategy, Financial & Reporting - Strategy/Purpose; Financial Performance; Reporting; Capital Allocation

Source: Investment Managers.

*Insight did not provide fund level themes; themes provided are at a firm-level.

Data limitations

At the time of writing, LGIM did provide fund level engagement information but not in the industry standard ICSWG template. Insight did not provide fund level engagement themes.

This report does not include commentary on certain asset classes such as liability driven investments, gilts or cash because of the limited materiality of stewardship to these asset classes. Further, this report does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Plan's assets that are held as AVCs.

Appendix – Significant Voting Example

In the table below is a significant vote example provided by the Plan's material equity-owning manager. We consider a significant vote to be one which the manager considers significant. The manager uses a wide variety of criteria to determine what they consider a significant vote, one of which is outlined in the example below in the manager's own words:

Veritas - Global Focus	Company name	Amazon.com, Inc.
	Date of vote	22 May 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	5.9
	Summary of the resolution	Report on Efforts to Reduce Plastic Use
	How you voted?	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
	Rationale for the voting decision	A vote FOR this proposal is warranted, as shareholders would benefit from additional information on how the company is managing risks related to the creation of plastic waste.
	Outcome of the vote	Fail
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	<i>Not provided</i>
	On which criteria have you assessed this vote to be most significant?	Votes against management

Source: Investment Manager