

Implementation Statement (IS) 2025

Dehns Retirement Benefits Scheme

The Trustees of the Dehns Retirement Benefit Scheme (“the Trustees”) are required to produce this yearly statement to set out how, and the extent to which, the Trustees have followed the voting and engagement policies in their Statement of Investment Principles (SIP) during the year. The Scheme’s year runs from 1 June 2024 to 31 May 2025 (“Scheme Year”).

This Statement is also required to include a description of the voting behaviour during the 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.

1. Introduction and background

The Scheme Year has been one of substantial transition. As reported previously, the Trustees and their advisers undertook a comprehensive review of the SIP, to bring it up to date and reflect the changes in assets held. This was signed and made available to members in March 2024. This followed a substantial derisking of investments in 2023 to try to lock in the improved estimated funding position that had been achieved to that date. The Trustees were then notified of the intention of their investment managers, Scottish Widows Investment Partnership (SWIP), to withdraw from the pensions market. The Trustees, with the help of their advisers, then sought alternative investment funds and investment managers. Ultimately Legal & General Investment Management (LGIM) were identified and selected as the appropriate successors to SWIP. The administering of this transfer took some time to achieve but was ultimately completed in April 2025. The allocation of the assets to the new Legal & General funds followed the previous allocation of funds within Scottish Widows and the requirements of the SIP.

However, shortly after the completion of this transfer, the Actuary was able to provide a draft triennial Scheme Funding Report as at 31 May 2024 to give an early indication of the updated scheme funding position. This showed a significant surplus of assets over liabilities. An estimation of the position to May 2025 was also completed which showed further substantial growth in this surplus. The main reason for this was the continued increase in gilt yields plus investment returns being better than assumed previously.

The Trustees met in May 2025 to consider these findings. Two principal decisions were made:

- 1) To consult with the employer and then immediately implement a full derisking of investments by disinvesting from growth assets and investing wholly in UK bonds and liquidity assets. This policy was designed to fully match assets with liabilities and thereby lock in the substantial funding surplus achieved as far as possible. This derisking was completed later in May 2025.
- 2) To further consult with the employer and look to commence a buy-in procedure involving the purchase of a bulk annuity contract from an insurer and then move the full buy-out of the scheme followed by its winding up.

Whilst the derisking exercise required an actuarial recalculation which, in turn, created a consequential small funding deficit within the final Scheme Funding Report as at 31 May 2024, a substantial surplus was still estimated as being present within the Actuarial Report completed as at 31 May 2025.

A review of the SIP was undertaken following this derisking exercise. As a result, an updated SIP was signed and published in November 2025. This can be viewed online at <https://www.dehns.com/password-protect>.

The Scheme has historically always invested, and continues to invest now, entirely in pooled funds and, as such, delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers. The Trustees have, in their opinion, followed the Scheme's voting and engagement policies during the year, by continuing to delegate to their investment and fund managers the exercise of rights and engagement activities in relation to investments, as well as seeking to appoint managers, being SWIP and then LGIM, that have strong stewardship policies and processes and are signatories to the UK Stewardship Code. In particular, when considering the appointment of new managers, which did take place during the year under review, and reviewing existing managers, the Trustees, together with their advisors, look to take account of the approach taken by managers with respect to sustainable investing including voting policies and engagement where relevant.

2. Voting and engagement

At the Scheme year-end, the Scheme's investment managers were LGIM. As noted above, the Scheme now invests in pooled funds consisting of UK bonds and liquidity assets. As a consequence of these pooled funds holding no growth assets (e.g. equities), there are no voting rights and so voting data is not applicable. However, prior to the derisking exercise, growth assets were held and so applicable voting data for these funds is tabled below.

Similarly, no engagement activities took place for funds investing wholly in government bonds. However, engagement did take place for funds holding growth assets, investment grade corporate bonds and liquidity assets and so this is also tabled below.

Prior to the transfer of funds to LGIM, the funds were invested with SWIP. During the period up to the transfer to LGIM, Scottish Widows were closing their pension fund investment activity. We have been unable to obtain voting and engagement data for these funds.

The Trustees consider the performance of the funds held with the investment managers on a regular basis, and any significant developments that arise.

When investing, the Scheme investment managers consider their primary objective is to achieve the best investment return while allowing for an acceptable level of risk. In pursuing this objective, they will consider a number of factors that will affect performance including Socially Responsible Investment issues. If they consider that a company's social, environmental or ethical record will adversely affect its financial performance and result in poor returns, then the stock will not be held in their portfolios. Having reviewed the above in accordance with their policies, and having regard to the SIP, the Trustees are comfortable the actions of the Scheme's investment managers are in alignment with the Scheme's stewardship approach.

Description of voting behaviour during the year

Noted below are the key voting themes over the year made on behalf of the Trustees in relation to eligible funds for which data is available.

Description	LGIM – Diversified Fund	LGIM – All World Equity Index Funds	UK bonds and liquidity funds
No of meetings eligible to vote	10,460	6,507	N/A
No of resolutions where eligible to vote	104,120	62,938	N/A
% of resolutions voted on	99.87%	99.93%	N/A
Where voting, % where vote was with management	76.54%	80.36%	N/A
Where voting, % where vote was against management	22.13%	17.80%	N/A
Where voting, % where abstained	1.33%	1.84%	N/A
% of meetings where at least one vote against management	66.43%	56.77%	N/A
% of resolutions where vote contrary to the recommendation of proxy adviser	14.37%	10.22%	N/A

Engagement activities

The level, depth and focus of engagement is, we believe, consistent with our SIP.

Description	LGIM – Diversified Fund	LGIM – All World Equity Index Funds	LGIM – Investment Grade Corporate Bonds	LGIM – Sterling Liquidity Fund
Total no of engagements	2,753	1,790	80	38
No of unique companies engaged	2,125	1,233	35	23
% of eligible fund value engaged	47%	59%	45%	65%
No of engagements on environmental topics	2,118	1,268	51	29
No of engagements on social topics	525	457	12	4
No of engagements on governance topics	223	182	23	10
No of engagements on other topics (e.g. financial, strategy etc)	104	106	24	4
Top 5 engagement topics	Climate impact pledge 1,488 Deforestation 423 Human rights 354 Remuneration 139 Climate change 114	Climate impact pledge 844 Human rights 319 Deforestation 225 Climate change 115 Remuneration 103	Climate impact pledge 22 Corporate strategy 20 Remuneration 15 Climate change 13 Climate mitigation 13	Climate impact pledge 21 Climate change 6 Remuneration 6 Board composition 5 Corporate strategy 4

* Voting and engagement data has been provided over the year to 30 June 2025.

Taking the voting and engagement action into account, the Trustees believe that the fund managers have acted in accordance with the Scheme's stewardship policies.

For and on behalf of the Trustees:

R K GARDNER

December 2025