

# SCANIA STAFF PENSION PLAN

## Scania Staff Pension Plan

### Implementation Statement for the year ended 30 April 2025

#### Purpose

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This Implementation Statement provides information on how, and the extent to which, the Trustees of the Scania Staff Pension Plan (“the Plan”) have followed their policy in relation to the exercising of rights (including voting rights) attached to the Plan’s investments, and engagement activities during the year ended 30 April 2025 (“the reporting year”). In addition, the statement considers any voting behaviour and engagement activities carried out during the reporting year.

#### Background

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The Trustees have previously received training on Environmental, Social and Governance (“ESG”) issues from their Investment Adviser, XPS Investment (“XPS”), and discussed their beliefs around those issues. This enabled the Trustees to consider how to determine their policy in relation to ESG and voting issues.

Additionally, the Trustees have received further information on new requirements for the Plan’s Statement of Investment Principles (“SIP”). The Department of Works and Pensions (“DWP”) have strengthened their guidance on engagement by investors in pooled funds, saying: “Trustees cannot simply state in the SIP that they delegate engagement with issuers of debt and equity to their investment managers. They need to also – for example – explain in the SIP how they will monitor and engage with the investment managers about relevant matters.” The Trustees’ new policies were documented in the SIP dated November 2024. This version includes updates to reflect the strategic decisions made by the Trustees in relation to de-risking the Plan’s investment portfolio and these additional stewardship requirements.

#### The Trustees’ policies on ESG and stewardship

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The Trustees have determined their approach to financially material considerations over the Plan’s long-term funding horizon – including ESG factors - by acknowledging that there can be risks relating to them. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Plan’s investment managers. The Trustees require the Plan’s investment managers to take ESG and climate change risks into consideration within their decision-making, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

The Trustees will seek advice from XPS on the extent to which its views on ESG and climate change risks may be taken into account in any future investment manager selection exercises. Furthermore, the Trustees, with the assistance of XPS, will monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustees’ requirements as set out in the SIP.

In order to ensure sufficient oversight of the engagement and voting practices of their managers, the Trustees may periodically meet with their investment managers to discuss engagement which has taken place. The Trustees will also expect XPS to engage with the managers from time to time as needed and report back to the Trustees on the stewardship credentials of their managers. The Trustees will then discuss the findings with XPS, in the context of their own preferences, where relevant. This will include considering whether the manager is a signatory to the UK Stewardship Code. The Trustees recognise the Code as an indication of a manager’s compliance with best practice stewardship standards.

#### Manager selection exercises

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One of the main ways in which the updated policies are expressed is via manager selection exercises: the Trustees seek advice from XPS on the extent to which their views on ESG and climate change risks may be taken into account in any future investment manager selection exercises. There were no manager selection exercises during the period.

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## Ongoing governance

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The Trustees, with the assistance of XPS, monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustees' requirements as set out in the SIP. Further, the Trustees have set XPS the objective of ensuring that any selected managers reflect the Trustees' views on ESG (including climate change) and stewardship.

In 2023, the Trustees commissioned a report from XPS on the extent to which ESG considerations are incorporated into the investment processes of the investment manager organisation appointed to the Plan. The Trustees recognise that the level of ESG integration within the investment processes is dependent on the asset class in question.

One of the areas considered by the report was stewardship, which relates to influencing a company in which the Plan is ultimately invested via the funds held within the Plan's portfolio. Companies can be influenced through meaningful engagement and using voting rights to drive long term positive change in their policies and practices. The report rated the investment manager organisation in this area and on ESG matters overall. The Trustees concluded that the ESG and stewardship capabilities of the investment manager were satisfactory for the Plan overall.

ESG issues are kept under review as part of the monitoring process undertaken by XPS and nothing has been flagged subsequent to the ESG report commissioned in 2023 to suggest that the ESG/stewardship capabilities of the investment manager organisation remain anything other than satisfactory. If any concerns do materialise, the Trustees will raise them with the investment manager organisation at the time.

Beyond the governance work currently undertaken, the Trustees believe that their approach to, and policy on, ESG matters will evolve over time based on factors including developments within the industry. In particular, whilst the Trustees have not, to date, introduced specific stewardship priorities, they will monitor the results of those votes deemed by the managers to be most significant in order to determine whether specific priorities should be introduced and communicated to the managers.

## Adherence to the Statement of Investment Principles

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During the reporting year the Trustees are satisfied that they followed their policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree.

## Voting activity

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The main asset class where the investment manager organisation could have voting right is equities.

Due to the Plan fully disinvesting from its diversified growth fund holdings in Q2 2024, the Plan currently has no exposure to equities and therefore there is no voting activity to report.

Signed:  \_\_\_\_\_, Chair of Trustees

Date: 17-11-2025 | 10:46:22 AM GMT