

# The National Deposit Friendly Society Staff Superannuation Fund Implementation Statement for the period 1 July 2024 to 31 December 2024

## Purpose

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This Implementation Statement provides information on how, and the extent to which, the Trustee of the National Deposit Friendly Society Staff Superannuation Fund (“the Fund”) has followed its policy in relation to the exercising of rights (including voting rights) attached to the Fund’s investments, and engagement activities during the 6 months to 31 December 2024 (“the reporting period”).

## Background

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The Trustee has updated its policy in relation to ESG and voting issues which, previously, had simply been a broad reflection of the investment manager’s own equivalent policies. The Trustee’s new policy was documented in the updated Statement of Investment Principles (SIP) dated September 2020 and forms part of its latest SIP dated April 2023. The Trustee is in the process of updating the SIP following the partial buy-in and this will be available shortly.

## The Trustee’s updated ESG and stewardship policy

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The Trustee believes that there can be financially material risks relating to ESG issues. The Trustee has delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Fund’s investment manager. The Trustee requires the Fund’s investment manager to take ESG and climate change risks into consideration within its decision-making, recognising that how it does this will be dependent on factors including the characteristics of the asset classes in which it invests.

The Trustee has delegated responsibility for the exercise of rights (including voting rights) attached to the Fund’s investments to the investment manager and encourages it to engage with investee companies and vote whenever it is practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments.

In order to ensure sufficient oversight of the engagement and voting practices of its manager, the Trustee may periodically meet with its investment manager to discuss engagement which has taken place. The Trustee also expects its investment adviser to engage with the investment manager from time to time as needed and report back to the Trustee on the stewardship credentials of its manager.

Given the nature of the Fund’s current investments, and the fact that the Trustee does not provide the investment manager with specific engagement topics and priorities, no specific engagement data has been provided for this implementation statement. Should the Trustee decide to introduce specific engagement priorities in the future, engagement data may be provided to provide evidence of the investment manager’s efforts to adhere to these priorities.

## Manager selection exercises

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One of the main ways in which this updated policy is expressed is via manager selection exercises: the Trustee seeks 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.

During the reporting period, there have been no such manager selection exercises.

## Ongoing governance

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The Trustee, with the assistance of XPS, monitors the processes and operational behaviour of the investment manager from time to time, to ensure it remains appropriate and in line with the Trustee's requirements as set out in this statement. Further, the Trustee has set XPS the objective of ensuring that any selected managers reflect the Trustee's views on ESG (including climate change) and stewardship.

Beyond the governance work currently undertaken, the Trustee believes that its approach to, and policy on, ESG matters will evolve over time based on developments within the industry and, at least partly, on a review of data relating to the voting and engagement activity conducted annually.

## Adherence to the Statement of Investment Principles

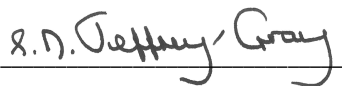
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During the reporting period the Trustee is satisfied that it followed its policy on the exercise of rights (including any voting rights) and engagement activities to an acceptable degree.

## Voting activity

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The main asset class where the investment manager has voting rights is equities. The Fund does not currently have exposure to any holdings that have voting rights.

Signed: , Director for Temple Trustees Limited, Chair of Trustee

Date: 23 June 2025