

Mono Pumps Limited Pension Scheme

Implementation Statement for year ending 31 December 2022

1) Overview

This document is the Annual Implementation Statement (the “statement”) prepared by the Trustee of the Mono Pumps Limited Pension Scheme (the “Scheme”) covering the Scheme year from 1 January 2022 to 31 December 2022.

The purpose of this statement is to set out:

- Details of how and the extent to which, in the opinion of the Trustee, the Trustee’s policies on manager engagement and voting as set out in the Statement of Investment Principles (the “SIP”) have been adhered to during the year; and
- A description of voting behaviour (including the most significant votes made on behalf of the Trustee) and any use of a proxy voting services during the year.

The SIP is a document which outlines the Trustee’s policies with respect to various aspects related to investing and managing the Scheme’s assets including but not limited to: investment managers, portfolio construction and risks.

The latest version of the SIP can be found online here <https://www.nov.com/policies>.

2) Adherence to the Trustee’s engagement and voting policies

The Trustee’s policies on voting and engagement as stated in the SIP are provided in the below extract:

Investment manager engagement and monitoring: To maintain alignment with the Trustee’s overall investment objectives and policies (including the Trustee’s views on sustainable investments set out in this Statement), the investment managers are provided with the most recent version of the Scheme’s Statement of Investment Principles on an annual basis and are required to confirm that the management of the assets is consistent with those policies relevant to the mandate in question. This incentivises managers to maintain alignment in order to maintain their appointments, noting that the use of pooled funds places limitations on this.

The Trustee expects the investment managers to invest with a medium to long time horizon, and to use their engagement activity to drive improved performance over these periods and investment managers are selected with this in mind. Managers are incentivised to do this in order to maintain their appointments. The appropriateness of the Scheme’s allocation to such mandates is determined in the context of the Scheme’s overall objectives.

The Trustee appoints its investment managers with an expectation of a long-term partnership, which encourages active ownership of the Scheme’s assets. When assessing a manager’s performance, the focus is on longer-term outcomes, and the Trustee would not expect to terminate a manager’s appointment based purely on short term performance. However, a manager’s appointment could be terminated within a shorter timeframe due to other factors such as a significant change in business structure or the investment team.

The Scheme uses many different managers and mandates to implement its investment policies. The Trustee ensures that, in aggregate, its portfolio is consistent with the policies set out in this Statement, in particular

those required under regulation 2(3)(b) of the Occupational Pension Schemes (Investment) Regulations (2005). The Trustee will also ensure that the investment objectives and guidelines of any particular pooled vehicle are consistent with its policies, where relevant to the mandate in question.

Managers are paid an ad valorem fee, in line with normal market practice, for a given scope of services which includes consideration of long-term factors and engagement. The fees are reviewed on an annual basis throughout their appointment. The Trustees also monitor portfolio turnover costs as part of their monitoring of investment performance, with advice from the investment consultant. The Trustees do not have their own target for the turnover over assets, given the use of pooled funds.

Should the Trustee's monitoring process reveal that a manager's portfolio is not aligned with the Trustee's policies, the Trustee will engage with the manager further to encourage alignment. This monitoring process includes specific consideration of the sustainable investment/ESG characteristics of the portfolio and managers' engagement activities. If, following engagement, it is the view of the Trustee that the degree of alignment remains unsatisfactory, the manager will be terminated and replaced.

Exercise of Voting Rights: The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights and to engage with the organisations with whom they invest. The investment managers are expected to provide regular reports for the Trustees detailing their voting and engagement activity. The Trustees will take corporate governance policies into account when appointing and reviewing such investment managers.

Overall the Trustee believes the policies outlined in the SIP have been adhered to during the Scheme year.

3) Turnover information

The Trustee's investment consultant monitors the investment managers' portfolio turnover and confirmed that over the Scheme year portfolio turnover was in line with expectations and therefore there were no particular concerns highlighted around inappropriate costs being incurred.

Information on portfolio turnover as provided by the investment managers is given below:

Note: Turnover is defined as the lesser of the value of purchases or the value of sales divided by average annual market value.

Mandate	Manager	Expected long-term level of portfolio turnover pa	Fund Activity*
Global Equity 50:50 Index	LGIM	Not provided	20%
Core Diversified Fund	TWIM	25%	51%
Partners Fund	TWIM	10%	4%
Liability Driven Investment (LDI) Portfolio	LGIM	N/A**	N/A

* % turnover over the trailing 12 month period as at 31 December 2022

** Turnover only occurs when cash is committed or disinvested or when the hedge ratio is adjusted

4) Voting information

This section focusses on the equity investments of the Scheme, which have voting rights attached to the investments. The Scheme holds equities within the Core Diversified Fund (“CDF”) and Partners Fund, managed by Towers Watson Investment Management, and within the Global Equities Fund managed by Legal and General Investment Management (“LGIM”). Further details of the fund and voting activity can be found below.

As set out in the SIP, the Trustee has delegated the exercise of voting rights to the investment managers on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value. Accordingly, the managers have produced written guidelines of their process and practice in this regard. The managers are encouraged to vote in line with their guidelines in respect of all resolutions at annual and extraordinary general meetings of companies and to engage with the organisations with whom they invest.

The below table sets out the voting activity of the TWIM CDF, TWIM Partners Fund and LGIM Global Equities fund, on behalf of the Scheme, over the 12 months to 31 December 2022.

Fund	Voting activity
TWIM Core Diversified Fund	Number of meetings at which the manager was eligible to vote: 4,160 Number of resolutions on which manager was eligible to vote: 54,993 Percentage of eligible votes cast: 94.7% Percentage of votes with management: 85.0% Percentage of votes against management: 15.0% Percentage of votes abstained from: 0.0% Percentage of meetings voted at least once against management: 66.9% Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 4.0%
TWIM Partners Fund	Number of meetings at which the manager was eligible to vote: 1,817 Number of resolutions on which manager was eligible to vote: 24,388 Percentage of eligible votes cast: 94.2% Percentage of votes with management: 86.0% Percentage of votes against management: 13.5% Percentage of votes abstained from: 0.4% Percentage of meetings voted at least once against management: 64.0% Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 4.5%

LGIM Global Equities Fund	Number of meetings at which the manager was eligible to vote: 3,197 Number of resolutions on which manager was eligible to vote: 40,837 Percentage of eligible votes cast: 99.8% Percentage of votes with management: 82.0% Percentage of votes against management: 17.9% Percentage of votes abstained from: 0.1% Percentage of meetings voted at least once against management: 69.8% Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 12.1%
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The appendix to this statement includes details on the significant votes cast by the TWIM CDF, TWIM Partners Fund and LGIM Global Equities Fund on the Trustee's behalf over the 12 months to 31 December 2022.

5) Summary

The Trustee believes that the Scheme's Engagement and Voting policies, as outlined in the SIP, have been adhered to over the Scheme year.

Following monitoring of the Scheme's investment managers over the year, and reviewing the voting information outlined in this statement, the Trustee is satisfied that its investment managers are acting in the Scheme members' best interest and are effective stewards of the Scheme's assets.

The Trustee will continue to monitor the investment managers' stewardship practices on an ongoing basis.

Appendix – Significant votes data

TWIM CDF:

Most significant votes cast
Company: Microsoft Corporation Meeting Date: 06/12/2022 Type of resolution: Report on Tax Transparency How the manager voted: Against Rationale: For shareholder resolution, against management recommendation / Shareholder proposal promotes transparency Vote outcome: Not Approved
Company: Midea Group Meeting Date: 20/05/2022 Type of resolution: Key Management Team Stock Ownership Plan and the Midea Global Partners Plan 8th Phase Stock Ownership Plan (draft) and Its Summary How the manager voted: Against Rationale: ROE of Midea Group in 2021 was 24.09% but the threshold for ROE is set at 20% in 2022 and 2023 and 18% for 2024 and 2025. Don't think it is properly designed. Vote outcome: For

<p>Company: Bank of China Limited</p> <p>Meeting Date: 30/06/2022</p> <p>Type of resolution: Elect Director</p> <p>How the manager voted: Against</p> <p>Rationale: Inadequate management of climate-related risks</p> <p>Vote outcome: Pass</p>
<p>Company: Power Assets Holdings Limited</p> <p>Meeting Date: 18/05/2022</p> <p>Type of resolution: Elect Director</p> <p>How the manager voted: Against</p> <p>Rationale: Concerns related to inappropriate membership of committees. Concerns related to approach to board gender diversity. Inadequate management of climate-related risks. Overboarded/Too many other time commitments</p> <p>Vote outcome: Pass</p>
<p>Company: SNAM SpA</p> <p>Meeting Date: 27/04/2022</p> <p>Type of resolution: Accept Financial Statements and Statutory Reports</p> <p>How the manager voted: Against</p> <p>Rationale: Inadequate management of climate-related risks</p> <p>Vote outcome: Pass</p>
<p>Company: TERNA Rete Elettrica Nazionale SpA</p> <p>Meeting Date: 29/04/2022</p> <p>Type of resolution: Approve Remuneration Policy</p> <p>How the manager voted: Against</p> <p>Rationale: Apparent failure to link pay and appropriate performance</p> <p>Vote outcome: Pass</p>
<p>Company: Gree Electrical</p> <p>Meeting Date: 07/06/2022</p> <p>Type of resolution: 2021 Allocation of Profits/Dividends</p> <p>How the manager voted: For</p> <p>Rationale: The dividend pay-out ratio reaches 74%. The limit for wealth management and debt investment is around 20% of total cash. I think it is acceptable. We engaged with the company for this issue before. Gree has become more conservative in cash management in recent years.</p> <p>Vote outcome: For</p>
<p>Company: Meta Platforms, Inc.</p> <p>Meeting Date: 25/05/2022</p> <p>Type of resolution: Report on Child Sexual Exploitation Online</p> <p>How the manager voted: For</p> <p>Rationale: For shareholder resolution, against management recommendation / Shareholder proposal promotes better management of ESG opportunities and risks</p>

Vote outcome: Fail
<p>Company: Alphabet Inc. Meeting Date: 01/06/2022 Type of resolution: Report on Risks of Doing Business in Countries with Significant Human Rights Concerns How the manager voted: For Rationale: For shareholder resolution, against management recommendation / Shareholder proposal promotes better management of ESG opportunities and risks Vote outcome: Fail</p>
<p>Company: Apple Inc. Meeting Date: 04/03/2022 Type of resolution: Improve Human Rights Standards or Policies: Report on Forced Labor How the manager voted: For Rationale: Shareholder proposal promotes better management of ESG opportunities and risks Vote outcome: Pass</p>

TWIM Partners Fund:

Most significant votes cast
<p>Company: Anglo American Plc Meeting Date: 19/04/2022 Type of resolution: Approve Climate Change Report How the manager voted: For Rationale: The climate change report sets out clear pathways to carbon neutral operations by 2040 and the company's ambition to reduce Scope 3 emissions by 50%, also by 2040. Vote outcome: Pass</p>
<p>Company: Cigna corp Meeting Date: 27/04/2022 Type of resolution: Report on gender pay gap How the manager voted: For Rationale: We support disclosure of data to assess Cigna's gender pay gap on a raw and adjusted basis, which will positively support Cigna's global recruitment and human resources efforts. Vote outcome: Fail</p>
<p>Company: Meta Platforms, Inc. Meeting Date: 25/05/2022 Type of resolution: Report on Child Sexual Exploitation Online How the manager voted: For Rationale: For shareholder resolution, against management recommendation / Shareholder proposal promotes better management of ESG opportunities and risks. Vote outcome: Fail</p>
<p>Company: Alphabet Inc. Meeting Date: 01/06/2022</p>

<p>Type of resolution: Report on Risks of Doing Business in Countries with Significant Human Rights Concerns</p> <p>How the manager voted: For</p> <p>Rationale: For shareholder resolution, against management recommendation / Shareholder proposal promotes better management of ESG opportunities and risks.</p> <p>Vote outcome: Fail</p>
<p>Company: Salesforce</p> <p>Meeting Date: 03/06/2022</p> <p>Type of resolution: Oversee and Report a Racial Equity Audit</p> <p>How the manager voted: For</p> <p>Rationale: Promotes appropriate accountability and incentivisation on gender and diversity</p> <p>Vote outcome: Fail</p>
<p>Company: Apollo Hospitals Enterprise Limited</p> <p>Meeting Date: 25/08/2022</p> <p>Type of resolution: Approve Remuneration of Executive Directors and/or Non-Executive Directors</p> <p>How the manager voted: Against</p> <p>Rationale: We vote against the proposal primarily because 1) Dr. Reddy's pay in particular is excessive vs. hospital peers, and 2) this compensation is not tied to sufficiently rigorous performance targets to justify this relatively high compensation (e.g. "up to 1% of pre-tax net income" gives wide discretion over the "commission" component of his pay).</p> <p>Vote outcome: Pass</p>
<p>Company: Midea Group</p> <p>Meeting Date: 20/05/2022</p> <p>Type of resolution: Key Management Team Stock Ownership Plan and the Midea Global Partners Plan 8th Phase Stock Ownership Plan (draft) and Its Summary</p> <p>How the manager voted: Against</p> <p>Rationale: ROE of Midea Group in 2021 was 24.09% but the threshold for ROE is set at 20% in 2022 and 2023 and 18% for 2024 and 2025. Don't think it is properly designed.</p> <p>Vote outcome: For</p>
<p>Company: Shenzhen Mindray Bio-Medical Electronics Co. Ltd.</p> <p>Meeting Date: 03/02/2022</p> <p>Type of resolution: Management Measures For 2022 Employee Stock Ownership Plan</p> <p>How the manager voted: Against</p> <p>Rationale: The discount (more than 80%) is too big. The common practice is 50% discount in China A.</p> <p>Vote outcome: For</p>
<p>Company: Microsoft Corporation</p> <p>Meeting Date: 06/12/2022</p> <p>Type of resolution: Report on Tax Transparency</p> <p>How the manager voted: Against</p> <p>Rationale: For shareholder resolution, against management recommendation / Shareholder proposal promotes transparency</p> <p>Vote outcome: Not Approved</p>

Company: **Apple Inc.**
 Meeting Date: **04/03/2022**
 Type of resolution: **Improve Human Rights Standards or Policies: Report on Forced Labor**
 How the manager voted: **For**
 Rationale: **Shareholder proposal promotes better management of ESG opportunities and risks**
 Vote outcome: **Pass**

LGIM Global Equities:

Most significant votes cast

Company: **Royal Dutch Shell Plc**
 Meeting Date: **24/05/2022**
 Type of resolution: **Approve the Shell Energy Transition Progress Update**
 How the manager voted: **Against**
 Rationale: **Climate change: A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030, as well as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, we remain concerned of the disclosed plans for oil and gas production, and would benefit from further disclosure of targets associated with the upstream and downstream businesses.**
 Vote outcome: **79.9% of shareholders supported the resolution**

Company: **BP Plc**
 Meeting Date: **12/05/2022**
 Type of resolution: **Approve Net Zero - From Ambition to Action Report**
 How the manager voted: **For**
 Rationale: **Climate change: A vote FOR is applied, though not without reservations. While we note the inherent challenges in the decarbonization efforts of the Oil & Gas sector, LGIM expects companies to set a credible transition strategy, consistent with the Paris goals of limiting the global average temperature increase to 1.5 C. It is our view that the company has taken significant steps to progress towards a net zero pathway, as demonstrated by its most recent strategic update where key outstanding elements were strengthened. Nevertheless, we remain committed to continuing our constructive engagements with the company on its net zero strategy and implementation, with particular focus on its downstream ambition and approach to exploration.**
 Vote outcome: **88.5% of shareholders supported the resolution**

Company: **Rio Tinto Plc**
 Meeting Date: **08/04/2022**
 Type of resolution: **Approve Climate Action Plan**
 How the manager voted: **Against**
 Rationale: **Climate change: We recognise the considerable progress the company has made in strengthening its operational emissions reduction targets by 2030, together with the commitment for substantial capital allocation linked to the company's decarbonisation efforts. However, while we acknowledge the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, we remain concerned with the absence of quantifiable targets for such a material component of the company's overall emissions profile, as well as the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.**
 Vote outcome: **84.3% of shareholders supported the resolution**

Company: **Glencore Plc**
 Meeting Date: **28/04/2022**
 Type of resolution: **Approve Climate Progress Report**
 How the manager voted: **Against**
 Rationale: **Climate change: A vote against is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. While we note the progress the company has made in strengthening its medium-term emissions reduction targets to 50% by 2035, we remain concerned over the company's activities around thermal coal and lobbying, which we deem inconsistent with the required ambition to stay within the 1.5°C trajectory.**
 Vote outcome: **76.3% of shareholders supported the resolution**

Company: **Apple Inc.**
 Meeting Date: **04/03/2022**
 Type of resolution: **Report on Civil Rights Audit**
 How the manager voted: **For**
 Rationale: **Diversity: A vote in favour is applied as LGIM supports proposals related to diversity and inclusion policies as we consider these issues to be a material risk to companies.**
 Vote outcome: **53.6% of shareholders supported the resolution**

Company: **Anglo American Plc**
 Meeting Date: **19/04/2022**
 Type of resolution: **Approve Climate Change Report**
 How the manager voted: **Against**
 Rationale: **Climate change: We recognise the substantial progress the company has made in climate reporting, primarily on transparency and the expansion of GHG emissions reduction targets (including the ambition to work to decarbonise its value chain), as well as the importance of the company's products in enabling the low-carbon transition. However, we remain concerned that the company's interim operational emissions targets (to 2030) are insufficiently ambitious to be considered aligned with the 1.5C trajectory.**
 Vote outcome: **94.2% of shareholders supported the resolution**

Company: **Amazon.com, Inc.**
 Meeting Date: **25/05/2022**
 Type of resolution: **Elect Director Daniel P. Huttenlocher**
 How the manager voted: **Against**
 Rationale: **Human rights: A vote against is applied as the director is a long-standing member of the Leadership Development & Compensation Committee which is accountable for human capital management failings.**
 Vote outcome: **93.3% of shareholders supported the resolution**

Company: **Barclays Plc**
 Meeting Date: **04/05/2022**
 Type of resolution: **Approve Barclays' Climate Strategy, Targets and Progress 2022**
 How the manager voted: **Against**
 Rationale: **Climate change: While we positively note the Company's use of absolute emissions targets for its exposure in the Energy sector, as well as the inclusion of capital markets financed emissions within its methodology, we have concerns that the ranges used for interim emissions reduction targets and the exclusion of US clients from the 2030 thermal coal exit falls short of the actions needed for long-term 1.5C temperature alignment. A vote Against is therefore applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C.**

<p>Vote outcome: 80.8% of shareholders supported the resolution</p>
<p>Company: LVMH Moet Hennessy Louis Vuitton SE Meeting Date: 21/04/2022 Type of resolution: Reelect Bernard Arnault as Director How the manager voted: Against Rationale: Joint Chair/CEO: A vote against is applied as LGIM expects companies not to combine the roles of Board Chair and CEO. These two roles are substantially different and a division of responsibilities ensures there is a proper balance of authority and responsibility on the board. Vote outcome: 92.0% of shareholders supported the resolution</p>
<p>Company: Alphabet Inc. Meeting Date: 01/06/2022 Type of resolution: Report on Physical Risks of Climate Change How the manager voted: For Rationale: Shareholder Resolution - Climate change: A vote in favour is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change. Vote outcome: 17.7% of shareholders supported the resolution</p>

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