

Syngenta UK Pension Fund – Retirement
Account Section

**Annual Implementation
Statement – Fund year
ending 31 March 2025**

Section 1: Introduction

This document is the annual Implementation Statement (“the statement”) in relation to the Retirement Account (“RA”) (Defined Benefit) Section of the Syngenta UK Pension Fund (“the Fund”). It has been prepared by the Trustee and covers the Fund year (“the year”) ending 31 March 2025.

The purpose of this statement is to set out:

- Any review of and changes made to the Retirement Account Section’s Statement of Investment Principles (“RA SIP”) over the year and when these changes were made (see Section 2);
- Details of how and the extent to which, in the opinion of the Trustee, the SIP has been followed during the year (see Section 3); and
- A description of voting behaviour by, or on behalf of, the Trustee (including the most significant votes made by or on behalf of the Trustee) and any use of a proxy voter during the year (see Section 4).

The SIP is a legally required document produced by the Trustee. The RA SIP sets out the principles the Trustee follows with respect to various aspects relating to investing and managing Fund assets including but not limited to investment managers, strategic asset allocation and risks.

A copy of this implementation statement has been made available on the following website:

<https://www.syngenta.co.uk/uk-pension-trustee>

Section 2: Review and changes to the SIP


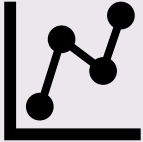
The RA SIP was reviewed and updated once during the review period in June 2024. The updates made to the SIP covered the following areas:


- i. Update to the methodology of the liability proxy benchmark that is used to measure the success of the Fund against a liability proxy.
- ii. Removal of certain investment managers that the Fund has disinvested from over the year within appendix A.
- iii. Inclusion of the liquidity policy with mention of how the Trustee manages and monitors the illiquid assets.



The June 2024 SIP is the version referenced in the following sections of this document, where we set out how the principles have been implemented. This document was in place during the majority of the Fund year covered. The SIP has since been reviewed in July 2025.


Section 3: The Retirement Account Section Statement of Investment Principles


The table outlines the policies / commitments / objectives in the RA SIP and explains how these have been implemented for the year to 31 March 2025.

	Policy	In the year to 31 March 2025
Governance 	<p>The Trustee has ultimate responsibility for decision-making on investment matters. The Trustee has delegated a number of investment responsibilities to an Investment Committee, which makes investment recommendations to the Trustee where decisions are required to be taken by the Trustee.</p>	<p>Over the year, the Trustee has performed its duties in line with the responsibilities outlined in this section of the SIP, including the delegation of a number of these responsibilities to an Investment Committee.</p>
Objectives of the Fund 	<p>The general investment objectives of the Fund are:</p> <ul style="list-style-type: none"> To maintain a suitably diversified portfolio of secure assets of appropriate liquidity that will generate income and capital growth to meet, together with new contributions from members and the Employer, the cost of current and future benefits which the Fund provides as set out in the trust deed and rules. To limit the risk of assets failing to meet liabilities over the long term, in particular in relation to the scheme specific funding measure introduced by the Pensions Act 2004. To control the long-term costs of the Fund by maximizing the return on the assets whilst having regard to the objectives shown above. 	<p>As at 31 March 2025, the funding level stood at 103.5% on a gilts + 0.30% liability basis. This is in line with the expectations from the Fund's latest triennial valuation as at 31 March 2024. Given the improvement in the funding level, the Trustee agreed the Fund's ultimate aim is to pursue an eventual full Fund buy-in.</p> <p>The Trustee's Investment Committee receives a report from the investment consultant every six months to assist in the monitoring of Fund investments relative to its liabilities. The reporting has shown that over the year investment risk (relative to the Fund liabilities) has reduced in monetary terms due to a reduction in the Fund's targeted return and a general reduction in the size of the Fund (both assets and liabilities).</p>

	Policy	In the year to 31 March 2025
	<p>The Trustee's longer-term objective is for the Fund to be fully funded on a low-risk basis (liabilities valued on gilts + 0.30% pa).</p>	
<p>Strategic asset allocation</p> 	<p>The strategic asset allocation is driven by the financial characteristics of the Fund, in particular the Fund's liabilities and the risk tolerance of the Trustee and the Employer and the Trustee's assessment of Employer covenant.</p> <p>The Trustee seeks to achieve the Fund's investment objectives through investing in a suitably diversified mix of real and monetary assets that balances investment return against risk. The Trustee ensures that the majority of the assets are invested in regulated markets and that any allocation to unregulated markets is maintained at a prudent level.</p> <p>Over the long term, the overall level of investment returns is expected to exceed the rate of return assumed within the Fund Actuary's funding assumptions.</p>	<p>The Fund's previous journey plan targeted 103% funding on a gilts + 0.3% pa basis by 31 March 2030. Due to the improved funding position, the Trustee is considering how to best manage risk going forward, noting their ultimate objective is eventually full Fund buy-in. The Employer covenant is regularly monitored by the Trustee's Valuation and Covenant Committee. The Valuation and Covenant Committee consider corporate covenant updates at each Committee meeting. As part of the 31 March 2024 actuarial valuation process, the Committee commissioned Penfida to undertake an independent assessment of the covenant. There have been four Valuation and Covenant Committee meetings over the Fund year.</p> <p>Over the year, the IC discussed options available for deploying excess headroom in the LDI portfolio and decided to increase the allocation to the LGIM Buy & Maintain mandate by investing in short dated credit and also made a new investment in the Robeco Global Multi-Factor Credit Strategy, a pooled short-dated credit fund.</p> <p>As part of the investment reporting provided by the investment consultant every six months, the Fund measures the expected outperformance relative to Gilts of the portfolio. As of 31 March 2025, the Fund's expected return was gilts + 1.03% pa following some de-risking during the Fund year. This reporting also considers the Fund's key return drivers and risk exposures to ensure that there is suitable diversification of Fund assets.</p> <p>Each year, the Trustee reviews the level of Fund assets invested in Secure Income Assets (SIAs) and private markets funds. This was previously reviewed in June 2024 and suggested a projected allocation to illiquid SIA and private markets assets (excluding buy-in assets) of around 29% of Fund assets (excluding buy-in assets) in around 10 years' time. The Trustee did not make any further commitments to SIAs and private markets funds over the year on this basis.</p>

	Policy	In the year to 31 March 2025
<p>Investment Management structure</p> 	<p>The Fund's investment managers have been set mandate-specific benchmarks which have clear performance objectives attached. The expectation is that the investment managers should achieve their objectives in the majority of three-year periods under consideration, and demonstrate that the skill they exercise in managing the portfolio and the process that they follow is consistent with these objectives given the level of risk adopted.</p> <p>The Trustee's policy is that there should be sufficient investments in liquid or readily realisable assets to meet unexpected cashflow requirements in the majority of foreseeable circumstances so that realisation of assets will not disrupt the Fund's overall investment policy where possible.</p>	<p>The Investment Committee reviewed the investment managers' performance against benchmark at each Investment Committee meeting and as part of the regular meetings with the investment managers.</p> <p>The Trustee agreed a cash management framework in October 2023 setting the target cash allocation for the Fund at a minimum cash position broadly equivalent to 3 months expected net cash outflow and a maximum of 6 months. The Fund's cash position was monitored by the Pensions Manager on a monthly basis and reviewed by the Investment Committee. This current framework will be reviewed in this calendar year, 2025, due to the meaningful change in company contributions. The Trustee has also set parameters around levels of liquid Fund assets (excluding buy-in assets) that can be realised within a 90 day and 12-month period. Fund liquidity against these parameters was reviewed by the Trustee in June 2024 based on the position at 31 March 2024. This review showed that levels of Fund liquidity (excluding the buy-in assets) had deteriorated slightly since the last review in 2022 as the relative size of the illiquids portfolio as a proportion of the return seeking portfolio had increased.</p>
<p>Socially Responsible Investment, Stewardship and Sustainability</p> 	<p>The Trustee considers long-term sustainability to be an important and relevant issue to consider throughout the investment process and that an investment's financial success can be influenced by a number of factors including (but not limited to) Environmental, Social and Governance (ESG) issues, including climate change and stewardship.</p> <p>The Trustee considers the exercise of ownership rights to be an integral part of the investment management delegation. The Trustee's policy is to delegate responsibility for stewardship activities (including voting rights and engagement activities) attaching to investments to the investment managers.</p> <p>The Trustee encourages the Fund's investment managers to adopt the UK Stewardship Code, and the voting policies of the investment managers are reviewed annually. At present, the Trustee does not</p>	<p>The consideration of ESG issues in day-to-day decisions is delegated to the investment managers. However, the Trustee is ultimately responsible for the actions which its managers take, and closely monitors the managers' approach to sustainable investment.</p> <p>The Trustee's Investment Committee regularly met with its investment managers and, as part of these meetings, reviewed the investment managers' approach to ESG integration and stewardship. Some of the Fund's investment mandates have an explicit consideration of ESG issues in the investment process (for example, the Fund has an investment in a strategy providing exposure to solar panel assets). In addition, the Trustee continues to be invested in a passively managed global equity mandate which tracks a benchmark index that includes explicit and systematic consideration of sustainability including a lower environmental footprint and better ESG score than the wider global equity market benchmark.</p> <p>On behalf of the Trustee, the Fund's investment consultant collected information from the Fund's investment managers regarding their voting policies over the year and adoption of the UK Stewardship Code as outlined in the RA SIP. The information relating to the investment manager voting policies included the percentage of eligible votes cast, the use of proxy voting services and the most significant votes cast. A more detailed breakdown of this information can be found</p>

	Policy	In the year to 31 March 2025
	explicitly take account of non-financial matters in Fund investments.	<p>in Section 4 of this statement. The UK Stewardship Code is widely adopted by the investment managers of the Fund, either through explicit adoption of the Code or by managing the Fund's assets within the principles of the code. A number of investment managers did not comment directly on their compliance with the UK Stewardship Code, mainly citing the international rather than UK focussed nature of their investment clients and products. The responses received by the Fund's investment managers were reviewed with the Investment Committee.</p> <p>The Trustee has identified climate change, biodiversity and corporate governance as stewardship priorities. The Trustee with support from the investment consultant will continue to comply with the regulatory requirements in line with the Taskforce on Climate-Related Financial Disclosures (TCFD), which became effective from 1 October 2022. The next annual climate change report will be published in 2025.</p>
<p>Investment manager arrangements</p> 	<p>The Trustee ensures that, in aggregate, the portfolio is consistent with the policies set out in the SIP. 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.</p> <p>For most of the Fund's investments, the Trustee expects the investment managers to invest with a medium to long time horizon, and the Trustee appoints its investment managers with an expectation of a long-term partnership.</p> <p>The Trustee reviews the costs incurred in managing the Fund's assets regularly, including the costs associated with portfolio turnover. There is no broad targeted portfolio turnover.</p>	<p>The Trustee receives regular input and monitoring regarding the Fund's investment managers from the investment consultant, including when a significant change or issue occurred. The Trustee received investment advice on the suitability of investments when appointing new investment managers over the year.</p> <p>The RA SIP was sent to all investment managers (excluding those with small balances or where the mandate has been terminated by the Trustee), who were asked to highlight if there is any misalignment between the Trustee's policies and how they manage the Fund's assets. No concerns were raised by any investment managers.</p> <p>The Investment Committee reviewed the RA Section investment mandates' ongoing costs and charges through a report provided by its investment consultant. This report included details of incurred fees over the 2023 year including underlying fees such as transaction costs, including portfolio turnover costs. The Trustee also engages with the investment managers on costs. Over the year this included further investigation of certain fees shown in the cost and charges report noted above, and the negotiation of fees with investment managers for new investment mandates.</p>

	Policy	In the year to 31 March 2025
Monitoring 	<p>The appointment of the investment managers is reviewed by the Trustee from time to time. The Trustee recognises and monitors several risks involved in the investment of the assets of the Fund, which are outlined in the SIP.</p>	<p>The Trustee monitored and managed these risks in several ways including:</p> <ul style="list-style-type: none"> • The regular reporting received from its investment consultant and managers; • Updates on investment managers from the Trustee’s investment consultant, including when a significant change or issue has occurred; • Regular meetings with managers by the Investment Committee (each manager seen at least once per year) • Maintenance and ongoing review of a Trustee risk register; • Historical fund performance reporting which is calculated by an independent performance measurer and reviewed at each Investment Committee meeting; • Strategic papers provided over the year by the investment consultant on the review of the Fund’s Journey Plan and liability hedging strategy; • Annual monitoring of Phoenix, the Fund’s buy-in provider.

Section 4: Voting information and significant votes

As set out in the RA SIP, the Trustee has delegated the stewardship activities (including voting and engagement) and the integration of ESG considerations in day-to-day decisions to the Fund's investment managers.

The Fund's assets are invested across a diverse range of asset classes which carry different ownership rights. Some of the Fund's underlying investment mandates, such as fixed income or derivatives (where these holdings do not have voting rights attached) or property and infrastructure (where voting is not applicable as no voting rights are attached but there is a high level of ownership and control through the holding of physical assets), have been excluded from the tables below.

The Fund's RA Section investment managers have their own voting policies which determine their approach to voting, and the principles they follow when voting on investors' behalf. The Trustee believes that the voting practices demonstrated below by the managers may add value to the Fund's assets over the relevant time period.

Details of these investment managers' use of proxy voting services, to aid in their decision-making when voting, are summarised in the table below:

Manager	Fund	Use of Proxy Voting Service
Bridgewater	Pure Alpha Strategy	Since 2006, Bridgewater has engaged Glass, Lewis & Co. ("Glass Lewis") to vote proxies on behalf of their clients. Bridgewater generally subscribes to the proxy voting policy adopted by Glass Lewis but reserves the right to direct Glass Lewis to vote in a manner that is contrary to such policy where appropriate, or as specifically directed by a client.
LGIM	Future World Global Equity Index Fund	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and LGIM do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, LGIM have put in place a custom voting policy with specific voting instructions.
Värde	Värde Fund X	Värde voted with the agent directly and did not use a proxy voting service.
Warburg Pincus	Private Equity IX, X & XI	Warburg Pincus do not make use of any proxy voting services.

The table below sets out the voting activities of the Fund's RA Section investment managers holding equities, on behalf of the Trustee, over the year, as here there is a right to vote as an ultimate owner of a stock.

Manager	Fund	Voting Activity
Bridgewater	Pure Alpha Strategy	<p>Number of resolutions on which manager was eligible to vote: 21,385</p> <p>Percentage of eligible votes cast: 99.14%</p> <p>Percentage of votes with management: 87.15%</p> <p>Percentage of votes against management: 12.85%</p> <p>Percentage of votes abstained or withheld: 1.93%</p> <p>Percentage of meetings where voted against management at least once: 51.35%</p> <p>Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 2.35%</p>

LGIM	Future World Global Equity Index Fund	<p>Number of resolutions on which manager was eligible to vote: 55.096</p> <p>Percentage of eligible votes cast: 99.80%</p> <p>Percentage of votes with management: 81.00%</p> <p>Percentage of votes against management: 17.89%</p> <p>Percentage of votes abstained or withheld: 1.11%</p> <p>Percentage of meetings where voted against management at least once:58.60%</p> <p>Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 9.71%</p>
Varde	Varde Fund X	The Varde Fund X casted no votes in the 12 months ending 31 March 2025.
Warburg Pincus	Private Equity IX, X, XI	<p>Number of resolutions on which manager was eligible to vote: 40</p> <p>Percentage of eligible votes cast: 100%</p> <p>Percentage of votes with management: 100%</p> <p>Percentage of votes against management: 0%</p> <p>Percentage of votes abstained or withheld: 0%</p> <p>Percentage of meetings where voted against management at least once: 0%</p> <p>Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 0%</p>

The following tables outline significant votes cast by the Fund's RA investment managers on the Trustee's behalf over the year. The Trustee has defined the term 'significant vote' as votes cast in alignment with their stewardship preferences. These preferences include climate change, poor audit and risk control at investee companies and biodiversity.

Bridgewater – Pure Alpha Strategy - Significant vote

Bridgewater has not adopted a policy for identifying "significant votes," as they believe any particular voting matter's outcome is inconsequential in the context of the overall portfolios. For context, positions of their strategies, including their equity positions, are based on the fundamental linkages between asset classes and macro-economic conditions, not the evaluation of specific companies or company-specific issues. Bridgewater as a firm does not seek to influence, engage directly with, or hold concentrated positions in individual companies. Moreover, Bridgewater generally subscribes to the proxy voting policy adopted by Glass Lewis, their proxy voting provider, which makes recommendations in favour of governance structures that manage risk, drive performance and create shareholder value.

LGIM – Future World Global Equity Index Fund - Significant vote

Company: Unilever Plc.

Meeting Date: 1 May 2025

Resolution: Approve Climate Transition Plan

How the manager voted: For

Rationale: LGIM believe that a vote FOR the CTAP is applied as we understand it to meet LGIM's minimum expectations. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short, medium and long-term GHG emissions reduction targets consistent with a 1.5°C Paris goal. Despite the SBTi recently removing their approval of the company's long-term scope 3 target, we note that the company has recently

submitted near term 1.5 degree aligned scope 3 targets to the SBTi for validation and therefore at this stage believe the company's ambition level to be adequate. We therefore remain supportive of the net zero trajectory of the company at this stage.

Result of vote: Pass

Stewardship Priority: Climate Change

Varde – Fund X - Significant vote

Varde did not conduct any proxy votes during the year.

Warburg Pincus – Private Equity IX, X, XI - Significant vote

Warburg Pincus have not deemed any votes to be of significance to the fund.

Stewardship and Engagement Activity

The Trustees have delegated the day-to-day ESG integration and stewardship activities (including voting and engagement) to their investment managers. However, the Trustees recognise that they retain ultimate responsibility for the actions of the Fund's investment managers and undertake monitoring as part of assessing whether they are appropriately considering ESG risks and opportunities.

Below are some engagement activity examples from select managers in relation to ESG risks and opportunities.

1. Global Equity manager engagement

Background

One of the largest oil and gas companies in the world had growing concerns across their supply chain around Methane emissions.

Action

The manager encouraged the company to take a number of steps towards clear disclosures, oversight of climate risk at board level, and the setting of ambitious but achievable climate targets.

Outcome

Following successive engagements, in what the manager viewed as a significant step, the company published its first Sustainability Plan, setting out clear targets for emissions reduction, enhanced disclosure (aligned with TCFD and ISSB recommendations), allocation of capital towards achieving climate goals, and addressing methane emissions within their operations.

2. Credit manager engagement

Background

An international airline company faced controversy over treatment of staff and customers during the COVID-19 epidemic.

Actions

The manager met with the company 4 times across 2024 to discuss with the new chair the previous concerns around, over-boarding and remuneration amongst others.

Outcome

The manager's discussions with the company helped them to gain a closer understanding of stability of the board, the timeframes over which over-boarding of the chair can reasonably be corrected, and the steps taken by the remuneration committee to hold relevant directors and executives accountable for their actions. The manager will continue to engage with the company to ensure all previous concerns have been rectified whilst also setting out next steps for the company.

Section 5: Conclusion

Overall, the Trustee believes that the RA SIP has been followed over the Fund year. Further, having monitored the investment managers over the year, and reviewed the voting information outlined in this statement, the Trustee is satisfied that the investment managers are acting in the members' best interests and are effective stewards of the RA Section assets.

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