

STEWARDSHIP AND ENGAGEMENT IMPLEMENTATION STATEMENT:

1 July 2023 to 30 June 2024



Introduction

On 6 June 2019, the UK Government published the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations (the "Regulations"). The Regulations require that the Directors of the NFU Staff Pension Trust Limited (the "Trustee"), Trustee of the NFU Staff Pension Scheme (the "Scheme") outline how the stewardship, voting and engagement policies set out in their Statement of Investment Principles ("SIP") have been followed over the course of the year under review.

This Statement has been prepared by the Trustee with the assistance of their appointed Fiduciary Manager and is for the year ending 30 June 2024.

The Trustee's Stewardship and Engagement policies are included in the SIP which is available [online](#).

Last review of the key policies regarding Stewardship and Engagement

Policies regarding stewardship, voting and engagement were last reviewed as part of a wider review of the SIP in October 2022. The SIP was revisited during the year and the Trustee confirmed that the policies remained suitable and in the best interests of members. No material changes were made.

During the course of the year, the Trustee has received presentations from their appointed Fiduciary Manager in relation to how the votes are carried out on their behalf and more generally on how Environmental, Social and Governance ("ESG") factors are int

Votes Broken Out by Category

Topic	Number of Votes
Environmental	130 (includes climate risk issues)
Social	222
Governance	12,766

This table excludes Take No Action votes.

Most significant votes

Criteria adopted

The Fiduciary Manager defines significant votes as ones that meet, at least, one of the following criteria:

Votes against management proposals where the level of dissent from shareholders is 20% or higher, in line with the UK Corporate Governance Code.

Votes supporting shareholder proposals when management is recommending against, and the level of support is 40% or higher, suggesting that the proposal nearly passed.

Votes that directly affect shareholder equity

Environmental Votes

Fedex Corp

Shareholder Proposal Regarding Just Transition Reporting

Date	21/09/23
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.17%
Mgmt. Rec.	Against
How the vote was cast	For
Vote Outcome	Rejected
Criteria for selection as significant vote:	Vote Against Management, Controversial Outcome, Environmental Shareholder Proposal

Rationale

The Active Ownership Committee voted to support this proposal, along with nearly 30% of shareholders. The Company announced its goal of becoming carbon-neutral across its operations by 2040 but so far disclosure regarding how this will be achieved in a manner consistent with a just transition has been limited. The reporting requested by this resolution, which would be consistent with Just Transition guidelines of the International Labor Organization, could be beneficial to the Company, its shareholders, and its stakeholders by allowing them to understand the Company's considerations more fully with respect to its workforce.

Huntington Ingalls Industries Inc

Shareholder Proposal Regarding GHG Targets and Alignment with the Paris Agreement

Date	01/05/24
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.23%
Mgmt. Rec.	Against
How the vote was cast	For
Vote Outcome	Rejected
Criteria for selection as significant vote:	Top Holding, Vote Against Management, Controversial Outcome, Environmental Shareholder Proposal

Rationale

Russell Investments voted to support this proposal, along with nearly 28% of the vote. The Company has committed to a 30% reduction in Scope 1 and 2 emissions, but the timeline for achieving this target is unclear. The Company lags peers regarding targets, however, it has disclosed ambitions to develop a roadmap for the strategy. Given the Company might face requirements to set more ambitious reduction targets resulting from anticipated regulatory requirements in the near future, the precatory request could encourage the company to develop and further disclose its climate-risk strategy.

Social Votes

CVS Health Corp

Shareholder Proposal Regarding Third-Party Assessment of Freedom of Association

Approximate size of fund's holding as at the date of the vote (as % of portfolio) 0.16%

Date 16/05/24

Mgmt. Rec. Against

How the vote was cast For

Vote Outcome Rejected

Criteria for selection as significant vote: Vote Against Management, Controversial Outcome, Social Shareholder Proposal

Rationale

Governance Votes

Amphenol Corp.

Shareholder Proposal Regarding Right to Call Special Meeting

Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.22%
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Date	16/05/24
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Mgmt. Rec.	Against
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How the vote was cast	For
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Vote Outcome	Rejected
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The Trustee is pleased with the progress the Fiduciary Manager has made over the year in this area and will continue to work with them to develop their policies in the future.