

## Implementation Statement

### B|Braun Sterilog Limited Pension Scheme

#### Purpose of this statement

This implementation statement has been produced by the Trustees of the **B|Braun Sterilog Limited Pension Scheme ("the Scheme")** to set out the following information over the year to **31 March 2025**:



how the Trustees' policies on exercising rights (including voting rights) and engagement activities have been followed over the year;

the voting activity undertaken by the Scheme's investment managers on behalf of the Trustees over the year, including information regarding the most significant votes;

This statement does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Scheme's assets that are held as AVCs.



#### Conclusions

In reviewing the activities of the past year, the Trustees believe that the policies set out in the Statement of Investment Principles ("SIP") have been effectively implemented. A significant proportion of the Scheme's investment managers have demonstrated transparency in their voting and engagement activities.

Based on the information received, the Trustees believe that the investment managers have acted in accordance with the Scheme's policies on exercising rights (including voting rights) and engagement activities. The Trustees are supportive of the key voting action taken by the applicable investment managers over the period to encourage positive governance changes in the companies in which the investment managers hold shares.

## Stewardship policy

The Trustees' SIP in force at 31 March 2025 describes the Trustees' stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in **April 2024** but there were no changes to the stewardship policy. The SIP has been made available online here:

<https://www.bbraun.co.uk/en/company/policies.html#sterilog>

At this time, the Trustees have not set stewardship priorities / themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks.

## How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme's investment managers, the Trustees believes that their policies on voting and engagement have been met in the following ways:

- The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers.
- The Trustees, with input from their investment consultant, annually receive and review (as part of producing their Implementation Statement) the voting information and engagement policies from their investment managers, to ensure alignment with the Trustees' own policies. The findings of the Trustees' review are reported in this Implementation Statement which will also be included in the Scheme's Annual Report and Accounts for the year to 31 March 2025.
- Having reviewed the data presented below and in accordance with their policies, the Trustees are comfortable that the actions of the investment managers are in alignment with the Scheme's stewardship policies in relation to voting and engagement activities.

**Prepared by the Trustees of the B|Braun Sterilog Limited Pension Scheme  
June 2025**

## Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Scheme's Growth Portfolio on behalf of the Trustees over the year to **31 March 2025**. The Scheme's protection portfolio (made up of gilts and corporate bonds) held with Legal and General Investment Management ("LGIM") has no voting rights and limited ability to engage with key stakeholders given the nature of the mandate.

The data provided for the LGIM Diversified Fund and LGIM World Equity Index is for the year to 31 March 2025, noting that the Scheme fully disinvested from the Funds part way through the year, on **8 November 2024**. The Scheme also disinvested from the Matching Core Fund part way through the year, but has been excluded from the table below given that it is an LDI fund which also has no voting rights and limited ability to engage with key stakeholders.

Manager		LGIM
Fund name	LGIM Diversified Fund	LGIM World Equity Index (MSCI) Fund
Structure	Pooled	
No. of eligible meetings	10,796	1,529
No. of eligible votes	107,020	21,392
% of resolutions voted	99.8%	99.5%
% of resolutions abstained	1.1%	0.5%
% of resolutions voted with management <sup>1</sup>	76.5%	76.2%
% of resolutions voted against management	22.4%	23.2%
Proxy voting advisor employed	LGIM's Investment Stewardship team uses Institutional Shareholder Services' ("ISS") electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with LGIM's position on ESG, LGIM have put in place a custom voting policy with specific voting instructions. LGIM review their custom voting policy with ISS annually and take into account feedback from their investors.	
% of resolutions voted against proxy voter recommendation	13.7%	17.9%

<sup>1</sup> As a percentage of the total number of resolutions voted on. Totals may not add up to 100%. Numbers are subject to rounding.

Note: segregated mandates allow the Trustees to engage with managers and influence their voting behaviour. Pooled fund structures result in limited scope for the Trustees to influence managers' voting behaviour.



## Significant votes

At this time, the Trustees have not set stewardship priorities / themes for the Scheme, but will be considering the extent that they wish to do this in due course, in line with other Scheme risks. So, for this Implementation Statement, the Trustees have asked the investment managers to determine what they believe to be a “significant vote”. The Trustees have not communicated voting preferences to their investment managers over the period, as the Trustees are yet to develop a specific voting policy. In future, the Trustees will consider the most significant votes in conjunction with any agreed stewardship priorities / themes.

**LGIM** have provided a selection of votes which they believe to be significant. In the absence of agreed stewardship priorities / themes, the Trustees have selected 3 votes from each manager, that cover a range of themes to represent what it considers the most significant votes cast on behalf of the Scheme. To represent the most significant votes, the votes of the largest holdings relating to each topic are shown below.

A summary of the significant votes provided is set out below.

## LGIM, Diversified Fund

	Vote 1	Vote 2	Vote 3
Company name	Prologis Inc.	Shell Plc	Microsoft Corporation
Date of vote	9 May 2024	21 May 2024	10 December 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.4%	0.3%	0.3%
Summary of the resolution	Resolution 1a: Elect Director Hamid R. Moghadam	Approve the Shell Energy Transition Strategy	Resolution 9: Report on artificial intelligence ("AI") Data Sourcing Accountability
How the manager voted	Against	Against	For
Rationale for the voting decision	<p>LGIM voted against this resolution because LGIM expects companies to separate the roles of Chair and Chief Executive Officer ("CEO") due to risk management and oversight concerns.</p>	<p>L&amp;G voted against this resolution. In light of the revisions made to the Net Carbon Intensity ("NCI") targets, coupled with the ambition to grow its gas and liquefied natural gas ("LNG") business this decade, L&amp;G expect the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050.</p>	<p>LGIM voted in favour of the resolution because the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, LGIM believe shareholders would benefit from greater attention to risks related to the company's use of third-party information to train its large language models.</p>
Criteria on which the vote is considered "significant"	<p>Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO.</p>	<p>Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. They expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5°C scenario. Given the high-profile nature of such votes, L&amp;G deem such</p>	<p>High Profile meeting: LGIM considers this shareholder resolution to be significant due to the relatively high level of support received.</p>

	votes to be significant, particularly when LGIM votes against the transition plan.		
<b>Outcome of the vote</b>	The resolution passed	The resolution passed	The resolution failed
<b>Implications of the outcome</b>	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		

## LGIM, World Equity Index (MSCI) Fund

	Vote 1	Vote 2	Vote 3
Company name	Amazon.com, Inc.	Alphabet Inc.	Eli Lilly and Company
Date of vote	22 May 2024	7 June 2024	29 May 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.6%	1.6%	1.0%
Summary of the resolution	Resolution 6: Report on Customer Due Diligence	Resolution 1d: Elect Director John L. Hennessy	Resolution 1c: Elect Director Jamere Jackson
How the manager voted	For	Against	Against
Rationale for the voting decision	<p>LGIM voted in favour of the resolution as they believe enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation. While the company has disclosed that they internally review these for some products and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic.</p>	<p>LGIM voted against this resolution as LGIM expects a board to be regularly refreshed (including for the Chair of the Committee to have served on the board for no more than 15 years) in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. LGIM also expects a company to have at least one-third women on the board. Finally, LGIM expect companies to move to a one-share-one-vote structure or provide shareholders a regular vote on the continuation of an unequal capital structure.</p>	<p>LGIM voted against the resolution as LGIM supports a declassified board as LGIM believes directors should stand for re-election on an annual basis. Additionally, LGIM expects companies to separate the roles of Chair and Chief Executive Officer ("CEO") due to risk management and oversight concerns.</p>
Criteria on which the vote is considered "significant"	Pre-declaration and High-Profile Meeting: LGIM considers this vote to be significant as Amazon's approach to human capital management issues, as one of the largest companies	Thematic - Diversity: LGIM views gender diversity as a financially material issue for clients, with implications for	Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the

	and employers within its sector and in the world, has the potential to drive improvements across both its industry and supply chain.	the assets LGIM manage on their behalf.  Thematic - One Share One Vote: LGIM considers this vote to be significant as LGIM supports the principle of one share one vote.	combination of the board chair and CEO.
<b>Outcome of the vote</b>	The resolution failed	The resolution passed	The resolution passed
<b>Implications of the outcome</b>	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		





## Engagement

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme's LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

### LGIM

<b>Fund name</b>	<b>Absolute Return Bond Fund</b>	<b>Future World Net Zero Buy and Maintain Fund</b>	<b>LGIM Diversified Fund</b>	<b>LGIM World Equity Index (MSCI) Fund</b>
<b>Number of engagements undertaken on behalf of the holdings in this fund in the year</b>	355	236	3,694	1,268
<b>Number of entities engaged on behalf of the holdings in this fund in the year</b>	180	148	2,717	735
<b>Number of engagements undertaken at a firm level in the year</b>			4,459	



## Examples of engagement activity undertaken over the year to 31 March 2025

### LGIM

The key engagement topics at a firm level over the year to 31 March 2025 included:

- Climate change
- Deforestation
- Remuneration
- Climate mitigation
- Strategy
- Human rights
- Diversity

One example of LGIM's engagement is regarding climate disclosures in Japan. LGIM engaged with Nippon Steel, the largest steel maker in Japan, regarding their disclosures of climate-related and decarbonisation-related policy positions.

Given the highly carbon intensive nature of the steelmaking industry, Nippon Steel's role as one of the largest global steelmakers and the significant role Nippon Steel has in influencing Japanese policy, LGIM have engaged repeatedly with Nippon Steel to encourage further climate policy disclosures. Despite previous engagements, LGIM remained unsatisfied with the disclosures provided so far and as such filed a shareholder resolution that would require Nippon Steel to "Disclose annually, climate-related and decarbonisation-related policy positions and lobbying activities globally".

Although the shareholder resolution did not pass, it achieved nearly 28% support, one of the highest levels of support recorded for a climate-related shareholder resolution in Japan, demonstrating to the company that investors expect greater transparency on climate-related engagement activity.