

# Implementation Statement

## Hubbell Group Pension Scheme

### Purpose of this statement

This implementation statement has been produced by the Trustee of the **Hubbell Group Pension Scheme ("the Scheme")** to set out the following information over the year to **5 April 2024**:

- how the Trustee's 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 Trustee over the year, including information regarding the most significant votes.

The voting behaviour is not given over the Scheme year end to 5 April 2024 because investment managers only report on this data quarterly. We have therefore given the information over the year to 31 March 2024.

### Changes to Investment Strategy over the period

As at the start of the Scheme year (5 April 2023), the Scheme had appointed Barnett Waddingham as its investment adviser, however the Scheme's assets were still invested in multi-client collective investment funds with Mercer Limited ("Mercer"). The main funds held with Mercer that held voting rights (Multi-asset credit and Property) were in the process of being disinvested in May 2023, with the assets held in gilts, cash and credit in the interim period.

In November 2023 the new investment strategy was implemented with the new investment managers. The management of the investment assets is now delegated to Insight Investment, Northern Trust Asset Management and M&G PLC. Given the timing of the transition of assets and the limited ability to engage with the funds previously held with Mercer, voting and engagement activity has been shown for the current funds held by the Scheme (from November 2023) for materiality purposes.

### Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at 5 April 2024 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed and updated in November 2023 and has been made available online here:

[Hubbell Group Pension Scheme \(the "Scheme"\) \(google.com\)](#)

At this time, the Trustee has not set stewardship priorities 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 policies have been followed

Based on the information provided by the Scheme's investment managers, the Trustee believes that its 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.
- Annually the Trustee receives and reviews voting information and engagement policies from the asset managers which they review to ensure alignment with the Trustee’s policies. The Trustee believes that the voting and engagement activities undertaken by the asset managers on their behalf have been in the members’ best interests.
- Having reviewed the above in accordance with their policies, the Trustee is comfortable that the actions of the fund managers are in alignment with the Scheme’s stewardship policies.
- The Scheme has implemented a new investment strategy over the year and stewardship and voting policies of the managers of the proposed funds were considered as part of the manager selection exercise, alongside all other material factors. The Trustee is comfortable that the managers are suitable across all criteria considered.

**Prepared by the Trustee of the Hubbell Group Pension Scheme  
June 2024**

## 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 Trustee over the year to 31 March 2024. The M&G Sustainable Total Return Credit Fund has no voting rights attached therefore no voting data or significant votes have been reported over this period. The LDI and Buy and Maintain credit funds within the Protection Portfolio managed by Insight have no voting rights and limited ability to engage with key stakeholders given the nature of the mandates. As mentioned above, we have not shown voting activity for funds included within the former strategy with Mercer.

Manager	Northern Trust
<b>Fund name</b>	Northern Trust World Green Transition Index Fund
<b>Structure</b>	Pooled
<b>Ability to influence voting behaviour of manager</b>	The pooled fund structure means that there is limited scope for the Trustee to influence the manager’s voting behaviour
<b>No. of eligible meetings</b>	1,242
<b>No. of eligible votes</b>	17,745
<b>% of resolutions voted</b>	98%
<b>% of resolutions abstained</b>	0%

<b>Manager</b>	<b>Northern Trust</b>
<b>% of resolutions voted with management<sup>1</sup></b>	93%
<b>% of resolutions voted against management<sup>1</sup></b>	6%
<b>Proxy voting advisor employed</b>	Institutional Shareholder Service (ISS)
<b>% of resolutions voted against proxy voter recommendation</b>	0%

<sup>1</sup> As a percentage of the total number of resolutions voted on. NT have stated that figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways.

## Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustee over the year to be set out. The guidance does not currently define what constitutes a “significant” vote. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a Scheme’s stewardship priorities.

At this time, the Trustee has not set stewardship priorities 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 Trustee has asked Northern Trust to determine what they believe to be a “significant vote”.

The Trustee has not communicated voting preferences to Northern Trust over the period, as the Trustee is yet to develop a specific voting policy. In future, the Trustee may consider the most significant votes in conjunction with any agreed stewardship priorities.

**Northern Trust** has provided a selection of votes which they believe to be significant. In the absence of agreed stewardship priorities / themes, the Trustee has selected three votes, 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.

### Northern Trust World Green Transition Index Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Microsoft Corporation	Nvidia Corporation	Apple Inc.
<b>Date</b>	7 December 2023	22 June 2023	28 February 2024
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	5.7%	4.8%	3.6%
<b>Summary of the resolution</b>	Report on Risks of Operating in Countries with Significant Human Rights Concerns	Elect Director Stephen C. Neal	Report on Use of Artificial Intelligence
<b>How the manager voted</b>	For	Against	Abstain
<b>Rationale for the voting decision</b>	Northern Trust generally votes for proposals that request a report or assessment of the safety of a company's operations and a company's products and services and efforts to promote their safe use.	Northern Trust may vote against the chair of the nominating committee where they have concerns relating to the composition and gender diversity of the board.	While Northern Trust support increased transparency on use and investment in AI, they prefer to engage first with the company on the topic.
<b>Outcome of the vote</b>	Fail	Pass	Fail
<b>Implications of the outcome</b>	Northern Trust Asset Management (“NTAM”) will continue to monitor the board's response to votes with high dissent as part of their	Board gender diversity has improved with the appointment of a new independent non-executive director	NTAM will continue to monitor the board's response to votes with high dissent as part of their stewardship and voting research.

	Vote 1	Vote 2	Vote 3
	stewardship and voting research.		
<b>Criteria on which the vote is considered "significant"</b>		Vote against management	

## Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustee. 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, therefore engagement information for these assets have not been shown. As mentioned above, we have not shown engagement activity for the funds held within the former strategy with Mercer.

Manager	Northern Trust	M&G	Insight
<b>Fund name</b>	Northern Trust World Green Transition Index Fund	M&G Sustainable Total Return Credit Fund	Insight Long Dated Buy and Maintain Fund
<b>Number of engagements undertaken on behalf of the holdings in this fund in the year</b>	762	13	103
<b>Number of entities engaged on behalf of the holdings in this fund in the year</b>	217	12	56
<b>Number of engagements undertaken at a firm level in the year</b>	4,505*	346	2,521

\*Firm level engagements to the year 31 December 2023, including engagements via NTAM directly and via their engagement partner Hermes EOS.

## Examples of engagement activity undertaken over the year to 31 March 2024

### Northern Trust

#### CEZ Group - Climate Risk

Northern Trust engaged with Czech utility company CEZ Group as part of Climate Action 100+ to address the company's significant greenhouse gas emissions from coal-generated electricity. This engagement aimed to encourage CEZ to set targets and goals aligned with the Paris Agreement's objective of limiting global temperature rises to 1.5°C. Since 2021, Northern Trust, as an owner of CEZ equities and bonds, co-led this engagement, focusing on achieving net zero emissions.

As a result of these efforts, the Science Based Targets initiative (SBTi) confirmed in 2022 that CEZ Group's 2030 targets align with the Paris Agreement's goals. In 2023, SBTi validated CEZ's overall net-zero, near-term, and long-term science-based emission reduction targets as compliant with a 1.5°C goal. Northern Trust are pleased that CEZ has reached this key milestone, achieved through constructive dialogue over the years with Climate Action 100+ collaborators. Northern Trust looks forward to continuing this engagement to address other climate priorities and ensure CEZ remains committed to its climate goals.

## **M&G Investments**

### **AT&T Inc - Diversity & Inclusion**

M&G engaged with AT&T Inc. to address the issue of diversity and inclusion, specifically aiming to encourage the company to have at least 33% women on its Board. Recognising the importance of gender diversity at the highest levels of corporate governance, M&G sent a letter to AT&T to make their expectations known. The letter commended AT&T for its commitment to and progress on Board diversity to date and encouraged the company to set a target of having at least 33% women on the Board.

M&G emphasised that achieving this target would enhance decision-making and reflect the company's commitment to inclusivity and equality, which are critical for sustainable long-term value creation. M&G also expressed a willingness to meet with AT&T to discuss these expectations further and to have broader discussions around the company's diversity and inclusion practices. Currently, M&G are awaiting a response from AT&T to continue this dialogue and support the company in reaching its diversity goals.

## **Insight Investment**

### **Governance and Climate**

Insight first engaged with a Middle Eastern Bank due to its poor ESG scores, which were limiting the issuer from being held in certain Insight portfolios with ESG restrictions. Insight wanted to help the issuer to improve its overall ESG profile. Insight identified weaknesses in the bank's ESG disclosures and used the engagement to explain the ways that the bank could address these weaknesses, this included highlighting concerns in relation to over boarding and the independence of some of the board's members.

The bank's management confirmed that an audit committee will review board members' participation and will also look at the term of the independent members. Insight also flagged their expectations for banks to report their scope 3 emissions. The bank has not yet calculated these but is currently engaging consultants to help address this. The bank stated that once it has collected and reported this data, it is likely that they will commit to achieving net zero in line with country-level goals.