Fuchs Lubricants Pension Scheme

ENGAGEMENT POLICY IMPLEMENTATION STATEMENT

Financial Year Ending 31 December 2025

Introduction

This statement sets out how, and the extent to which, the Stewardship policy in the Statement of Investment Principles (SIP) produced by the Trustees has been followed during the year to 31 December 2025. This statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the guidance published by the Pensions Regulator.

Trustee's Investment Objectives

The Trustees believe it is important to consider the policies in place in the context of the investment objectives they have set.

The Trustees' primary investment objective for the Scheme is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due.

In doing so, the Trustees aim to maximise returns at an acceptable level of risk taking into consideration the circumstances of the Scheme.

The Trustees also ensure that their investment objectives and the resultant investment strategy are consistent with the actuarial valuation methodology and assumptions used in the Statutory Funding Objective.

Policy on ESG, Stewardship and Climate Change

The Trustees understand that they must consider all factors that have the potential to impact upon the financial performance of the Scheme's investments over the appropriate time horizon. This includes, but is not limited to, environmental, social and governance (ESG) factors.

The Scheme's SIP includes the Trustees' policies on ESG factors, stewardship and climate change. The policies were last reviewed in February 2023 when they received investment training on this topic and the Trustees intend to undertake further investment training as required. The Trustees keep their policies under regular review, with the SIP subject to review at least triennially.

The Trustees recognise that a proportion of the Scheme's assets are invested on a passive basis, which limits the investment manager's ability to take active decisions on whether to hold securities based on the investment manager's considerations of ESG factors, including climate change. Nonetheless, the Trustees can confirm that they have acted in accordance with the SIP in relation to voting and engagement activities over the year under review.

Investment Structure

The Scheme's main investment is a Trustee Investment Policy (TIP) with Mobius Life Limited (Mobius). Mobius provides an investment platform and enables the Scheme to invest in pooled funds managed by third party investment managers. The Trustees have no direct relationship with the Scheme's underlying investments managers. The Trustees have the responsibility of monitoring the pooled funds, in conjunction with advice received from their investment advisor, Aptia Pension Consulting.

Engagement and Voting Activity

The Trustees have delegated engagement and voting activity to the Scheme's investment managers. The Trustees have not been asked to vote on any specific matters over the Scheme year.

The Trustees receive an annual ESG report from Mobius that provides details of the policies undertaken by the underlying investment managers, together with a summary of their engagement and voting activity. This report is available on request.

The Trustees note that best practice in developing a statement on engagement and voting activity is evolving and will take on board industry activity in this area before the production of next year's statement.