Implementation Statement

United Glass Pension Plan

Purpose of this statement

This is the Implementation Statement prepared by the Trustee of the United Glass Pension Plan ("the Plan") and sets out:

- How the Trustee's policies on exercising rights (including voting rights) and engagement have been followed over the year.

- The voting behaviour of the Trustee, or that undertaken on their behalf, over the year to 31 March 2024.

Please note investment managers typically report on voting data based on calendar quarters. As such, the voting information within this statement relates to the 12 months to 31 March 2024, rather than the 12 months to 5 April 2024 (the Plan's year-end).

How voting and engagement policies have been followed

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

- The Plan invests entirely in pooled funds, and as such, delegates responsibility for carrying out voting and engagement activities to the Plan's fund managers.
- The Trustee has reviewed the stewardship and engagement activities of their investment managers during the year, and were satisfied that the policies followed by the managers were reasonable and in alignment with the Trustee's own policies. No remedial action was required during the period.
- The Trustee believes that the voting and engagement activities undertaken by the asset managers on their behalf have been in the members' best interests.
- As part of ongoing monitoring of the Plan's investment managers, the Trustee uses ESG ratings information available within the pensions industry or provided by its investment consultant, to assess how the Plan's investment managers take account of ESG issues.

Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at 31 March 2024 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in December 2022 and has been made available online here: https://www.o-i.com/wp-content/uploads/2023/01/SIP-Dec-22-for-publishing-on-O-I-website.pdf

The were no changes made to the stewardship policy over the year.

The Trustee has delegated the exercise of rights attaching to investments, including voting rights, and in undertaking engagement activities to the Plan's investment managers.

The Trustee has decided not to set stewardship priorities for the Plan because the Plan solely invests through pooled investment vehicles where the Plan's assets only represent a small proportion of the capital invested in the funds. The Trustee understands that they are constrained by the policies of the managers. Additionally, only 10% of the Plan's investment strategy is invested in assets with voting rights attached. Given the Plan's expectation to de-risk and reduce the allocation over time, the Trustee decided not to set stewardship priorities. However, the Trustee takes the stewardship priorities, climate risk, and ESG factors into account at manager selection. The Trustee also reviews the stewardship and engagement activities of the investment managers annually.

Prepared by the Trustees of the United Glass Pension Plan
June 2024

Voting data

An overview of the voting data throughout the year to 31 March 2024 for each of the funds that held equities during the period is shown in the tables below. This includes multi-asset funds that invest in equities as part of their portfolio (i.e. Schroder Diversified Growth Fund).

Please note that the information for the hedged and unhedged versions of the LGIM Future World Global Equity Index Fund is equivalent. As such, the information for the unhedged version only is displayed to avoid duplication. An asterisk (*) denotes that the Plan also invests in the hedged version of this fund.

Manager	LGIM	Schroder
Fund name	Future World Global Equity Index Fund*	Life Diversified Growth Fund
Structure	Pooled	
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.	
Number of company meetings the manager was eligible to vote at over the year	5,134	1,109
Number of resolutions the manager was eligible to vote on over the year	52,212	14,566
Percentage of resolutions the manager voted on	99.9%	93.9%
Percentage of resolutions voted on, where the manager abstained from voting	0.3%	0.4%
Percentage of resolutions voted *with* management, as a percentage of the total number of resolutions voted on	80.3%	89.3%
Percentage of resolutions voted *against* management, as a percentage of the total number of resolutions voted on	19.5%	10.3%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor**	11.1%	7.3%

**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 they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, they have put in place a custom voting policy with specific voting instructions.

Schroders use Glass Lewis as their one service provider for which they have their own bespoke policy.

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 or themes.

At this time, the Trustee has not set stewardship priorities or themes for the Plan. So, for this Implementation Statement, the Trustee has asked the investment managers to determine what they believe to be a "significant vote". The Trustee has not communicated voting preferences to their investment managers over the period, as the Trustee has not developed a specific voting policy.

LGIM and Schroders have provided a selection of over 800, and 1400 votes respectively, which they believe to be significant. In the absence of agreed stewardship priorities or themes, the Trustee has selected 3 votes that cover a range of themes to represent what it considers the most significant votes cast on behalf of the Plan. To represent the most significant votes, the votes of the largest holdings relating to each topic are shown below, where this data has been provided by the investment managers.

A summary of the significant votes provided is set out below. As for the tables above, the hedged versions of the LGIM equity fund has been omitted to avoid duplication and are indicated by asterisks.

LGIM Future World Global Equity Index Fund*

<table>
<tr><th></th><th>Vote 1</th><th>Vote 2</th><th>Vote 3</th></tr>
<tr><td>Company name</td><td>Microsoft Corporation</td><td>Apple Inc.</td><td>JPMorgan Chase & Co.</td></tr>
<tr><td>Date of vote</td><td>07 December 2023</td><td>28 February 2024</td><td>16 May 2023</td></tr>
<tr><td>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</td><td>5.67%</td><td>4.51%</td><td>0.88%</td></tr>
<tr><td>Summary of the resolution</td><td>Elect Director Satya Nadella</td><td>Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy</td><td>Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets</td></tr>
<tr><td>How the manager voted</td><td>Against</td><td>Against</td><td>For (Against management recommendation)</td></tr>
<tr><td>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</td><td colspan="2">LGIM publicly communicates its vote instructions on its website with a 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 LGIM’s engagement is not limited to shareholder meeting topics.</td><td>LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.</td></tr>
<tr><td>Rationale for the voting decision</td><td>Joint Chair/CEO - a vote against was applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.</td><td>Shareholder Resolution - Environmental and Social - LGIM believe a vote against this proposal was warranted, as the company appeared to be providing shareholders with insufficient disclosure around its diversity and inclusion efforts and non-discrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.</td><td>LGIM generally support resolutions that seek additional disclosures on how companies aim to manage their financing activities in line with their published targets. They believe detailed information on how a company intends to achieve the 2030 targets they have set and published to the market can further focus the board’s attention on the steps and timeframe involved and provides assurance to stakeholders. The onus remains on the board to determine the activities and policies required to fulfil their own ambitions, rather than investors imposing restrictions on the company.</td></tr>
<tr><td>Outcome of the vote</td><td>Pass</td><td>Fail</td><td>Fail</td></tr>
<tr><td>Implications of the outcome</td><td colspan="2">LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.</td><td>LGIM will continue to engage with the company and monitor progress.</td></tr>
<tr><td>Criteria on which the vote is considered “significant”</td><td>Thematic - Board Leadership: LGIM consider this vote to be significant as it is an escalation of their vote policy on the topic of the combination of the board chair and CEO.</td><td>Thematic - Diversity: LGIM views diversity as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf.</td><td>Pre-declaration and Thematic – Climate: LGIM considers this vote to be significant as they pre-declared their intention to support. They continue to consider that decarbonisation of the banking sector and its clients is key to ensuring that the goals of the Paris Agreement are met.</td></tr>
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Schroder Life Diversified Growth Fund

	Vote 1	Vote 2	Vote 3
Company name	The Walt Disney Company	Broadcom Inc.	Bank of Montreal
Date of vote	3 April 2023	3 April 2023	18 April 2023
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Data not provided by the manager		
Summary of the resolution	Report on Political Expenditures	Amend Omnibus Stock Plan	Advisory Vote on Environmental Policies
How the manager voted	For	Against	For
Rationale for the voting decision	Schroder's believe that a report assessing the congruence of its political and electioneering expenditures against its publicly stated values and polices and listing incongruencies will provide enhanced transparency to shareholders and better facilitate analysis of risks to the company's brand, reputation and shareholder value.	Schroder's believe that based on an evaluation of the estimated cost, plan features, and grant practices using the Equity Plan Scorecard, a vote against this proposal was warranted due to the following key factors:- The plan cost is excessive;- The three-year average burn rate is excessive;- The plan permits liberal recycling of shares; and- The plan allows board discretion to accelerate vesting.	The company is asked to establish an annual advisory vote policy regarding its environmental and climate change targets and action plan. Schroder's welcome additional mechanisms for shareholders to hold the board accountable for its management of climate risk and contribution to a low carbon economy. As such, they support this proposal.
Outcome of the vote	Fail	Pass	Fail
Implications of the outcome	Data not provided by the manager		
Criteria on which the vote is considered "significant"	Vote relates to social themes and is a vote against management	Vote relates to governance and is a vote against management	Vote relates to environmental themes and is a 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 Plan's LDI, gilt and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown. As for the tables above, the hedged version of the LGIM equity fund has been omitted to avoid duplication and is indicated by an asterisk.

Manager	Janus Henderson
Fund name	Multi Asset Credit Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	49
Number of engagements undertaken at a firm level in the year	865
Examples of engagements undertaken with holdings in the fund	**Cheplapharm** Janus Henderson engaged with the management at Cheplapharm as part of their access and affordability thematic engagement programme in the healthcare sector. Cheplapharm is a 'pharmaceutical company' that focuses on off-patent branded/prescription/niche drugs holding a portfolio of >150 products distributed across 145 countries. Their primary aim was to assess how much of future topline growth was to be driven by pricing versus volume. Given Cheplapharm's positive revenue growth over the previous 18 months (18% in 2022 and 8% in H1 2023), Janus Henderson wanted to ensure that price growth is not going to be the key driver of earnings going forward. This is potentially a greater concern with the niche drugs business considering the absence of competitor drugs to provide price competition. Management was very clear that volume and price cutting are the key drivers of future earnings. Volume is driven by introducing existing products into new geographies and price cutting is driven by a renewed focus on the drug product. They were clear that aggressive price hikes aren't compatible for two reasons. Firstly, the large pharma houses 'entrust' their product to Cheplapharm. Any negative press around aggressive price hikes would be reputationally damaging to the developer pharma house. Cheplapharm 'runs down' drug product 'tail' consequently any reputational damage would be more material considering the body of the earnings have already been collected. This in turn would reduce supply of IP rights to Cheplapharm going forward. Secondly, Cheplapharm stated that the risk to their licenses is material in the face of aggressive price hikes. Considering the diversification of products an aggressive price would pose more risk to the company than any upside to the topline. Janus Henderson were pleased to hear this confirmation from management and feel confident Cheplapharm is not engaged in aggressive pricing strategies. They therefore maintain their ESG rating of Green reflecting the non-material ESG risks faced by the company.

Manager	LGIM	Schroder
Fund name	Future World Global Equity Index Fund*	Life Diversified Growth Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	795	1,402
Number of engagements undertaken at a firm level in the year	2,144	6,530
Examples of engagements undertaken with holdings in the fund	**APA** APA is Australia's largest energy infrastructure business. Under LGIM's Climate Impact Pledge campaign, they have been engaging with the company directly since 2022; as one of their selected 'dial mover' companies, LGIM believe it has the scale and influence across its industry and value chain for its actions to have positive reverberations beyond its direct corporate sphere. LGIM expect companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. 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 the 1.5°C goal. As a consequence, when APA Group brought its climate transition plan to a vote, LGIM were unable to support it: although the plan presented Scope 1 and 2 goals for the medium and long term on a path to achieving net zero emissions by 2050, no Scope 3 targets were included. The company noted that these would be finalised no later than 2025. LGIM initiated engagement with the company after this vote, and met with them for the first time in early 2023 as part of their Climate Impact Pledge engagement. They have continued to build the relationship, setting out their expectations as per the net zero guide, working with the company to understand the hurdles it faces and the challenges to meeting these expectations. LGIM were very pleased that, in their meeting with them in early 2024, APA confirmed that they will include a Scope 3 goal in the 2025 refresh of their Climate Transition Plan, and they outlined their proposed Scope 3 reduction pathway. The company noted that feedback from the 20% of investors, including LGIM, who voted against their proposed Climate Transition Plan in 2022, had solidified their decision to commit to a Scope 3 target.	**International Business Machine Corp** In February 2023, Schroder's sent a formal letter regarding corporate governance and diversity in senior positions. The letter commended the company's efforts to improve the representation of women and emphasised the importance of having gender equality at the top board level given the underrepresentation of women in technology. It encouraged the company to consider appointing more women to meet their minimum expectation of at least 33% female representation on the board. During a meeting with the Investor Relations team in April, Schroder's discussed the company's ongoing efforts around ensuring diversity of perspectives in decision-making and efforts to improve female talent in the industry through apprenticeships and workforce re-entry programs. Schroder's took the opportunity to reiterate expectations on board gender diversity and encouraged the company to set a target for female representation on the board. In September, discussions continued around board gender diversity with Investor Relations and the company's corporate governance experts. During the call, they noted female representation stood at 17% and expressed intentions to vote against the re-election of the Chair of the Nominations Committee at the upcoming Annual General Meeting due to the lack of progress on gender diversity. Moreover, Schorder's expressed concerns about the lengthy tenure of the Chair of the Nominations Committee, as well as potential over-boarding given their membership of five company boards, which is not aligned to corporate governance best practice. Over the course of this engagement, the company acknowledged the issues raised regarding corporate governance and diversity. Schorder's will continue exercising their shareholder rights to encourage more progress in this area and look forward to further improvements in the company's female representation at the board level.