



VAN LANSCHOT
KEMPEN

INVESTMENT MANAGEMENT

Implementation Statement

National Centre for Social Research Retirement Benefits
Scheme



Introduction

The Trustees of the National Centre for Social Research Retirement Benefits Scheme (the 'Trustees') are obliged, acting in their capacity as trustee of the National Centre for Social Research Retirement Benefits Scheme (the 'Scheme') to prepare a yearly statement setting out how they have complied with the Statement of Investment Principles (the 'SIP'), including:

- a description of any amendments to the SIP during the period covered by the statement.
- how and the extent to which, in the opinion of the Trustees, compliance with the SIP has been achieved.
- how the Trustees have demonstrated good stewardship over investments, which includes
 - o a demonstration of compliance with policies on investment rights (including voting) and engagement described within the SIP.
 - o a description of voting behaviour made by or on behalf of the Trustees.
 - o a statement on any use of the services of a proxy voter.

This statement relates to the period from 01 April 2024 to 31 March 2025 (the 'reporting period') and has been prepared in accordance with regulatory requirements and guidance published by the Pensions Regulator. This statement is based on the SIP that applied during the reporting period, the latest of which is available at the following link:

<https://www.spenceandpartners.co.uk/schemes/national-centre-for-social-research-natcen-retirement-benefits-scheme/>

Amendments to SIP

There were no material changes to the governance arrangements of the Scheme during the reporting period, nor to the investment policy, nature of risks, fee structure, or stewardship practices. As a result, the SIP was not amended during this reporting period.

Compliance with SIP

The Trustees monitor compliance with the SIP annually. In particular, they obtain confirmation from their fiduciary manager, Van Lanschot Kempen Investment Management (VLK) and other advisors that they have complied with the relevant SIP (insofar as is reasonably practicable) in accordance with Occupational Pension Schemes Regulations.

In particular, the Trustees have received periodic investment reports and investment updates from VLK that provide:

- details of the asset allocation and compliance of these allocations with the investment policies specified in the SIP.
- details of the value of the Scheme's investments, and the estimated value of the liabilities from which an estimated funding position can be determined.
- progress of the funding position with respect to funding targets.
- details of the performance of the individual investments, including relative to a benchmark.
- details of the performance of the total investments, including relative to the target return and investment objectives.
- details of the hedging of the interest rate and inflation risks associated with the liabilities, and whether the hedging is working as expected, and compliant with the bandwidths specified in the SIP.
- details of the investment risk of the underlying investments, and the change in the total investment risk over time.
- details of the underlying investment managers used in the Scheme's portfolio.
- details of the engagement behaviour of both VLK and the underlying investment managers, including their voting behaviour.
- the responsible investment characteristics of the underlying investments.

The Trustees have reviewed the information provided by VLK and its other advisors, and are satisfied that the policies set out in the SIP have been followed, including:

- investing the assets according to the investment policy and the investment strategy advised and implemented by VLK.
- choosing suitable investments to achieve the right balance between risk and return, with a focus on security, quality, liquidity, and profitability of the Scheme's assets.
- managing the key investment risks of the Scheme appropriately.

- monitoring the underlying managers of the investments, and the performance of those managers relative to the objectives.
- managing Environmental, Social, and Governance ('ESG') risks where financially material (note that non-financial factors, such as member views, are not taken into consideration).
- exercising of the rights (including voting rights) attaching to investments.

A summary of the stewardship behaviour of both VLK and a selection of the underlying investment managers they appoint on the Trustees behalf is provided in the sections below. This includes information on voting behaviour, and votes considered significant by each of the investment managers. The Trustees have no influence on the managers' definitions of significant votes but have noted these and are satisfied that they are all reasonable and appropriate. It also includes information on the engagements undertaken by investment managers with the companies/issuers in which they invest.

VLK monitoring and engagement behaviour

Background

The Trustees recognise their responsibilities as an owner of capital, and believes that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments. The Trustees do not monitor or engage directly with issuers or managers of debt or equity investments, but instead delegate this activity to VLK and to the underlying investment managers appointed by VLK. The Trustees expect VLK to undertake regular monitoring and engagement in line with its own corporate governance policies, taking account of current best practice, including the UK Corporate Governance Code and the UK Stewardship Code. The remainder of this document provides insights into VLK's responsible investment and engagement activities which have directly and indirectly helped the Trustees with their stewardship responsibilities.

VLK expects the underlying investment managers they select to exercise rights attached to their investments, including voting rights, and to engage with issuers of debt and equity (and other relevant persons) about matters such as performance, strategy, management of actual or potential conflicts of interest, and ESG considerations. ESG criteria are defined as a set of non-financial indicators relating to a company's operations that are used by investors to evaluate corporate behaviour and to determine how it may impact the future financial performance of companies. Environmental criteria consider how a company's interaction with the natural environment may affect its performance. Social criteria examine how it manages relationships with its stakeholders (employees, suppliers, customers, local communities etc.). Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights.

There are several levels of engagement at VLK: they engage with the investment managers they appoint, with companies in which they invest directly (e.g. within VLK-managed investment products), and via collaborative engagement with industry stakeholders, such as regulators, industry initiatives, benchmark providers, and peers.

VLK monitoring of investment managers

VLK has limited influence over external investment managers' investment practices (particularly where assets are held in pooled mutual funds). However, throughout the last 12 months, VLK has encouraged its appointed managers to improve their own stewardship and engagement practices and consider ESG (risk) factors when making investment decisions.

When assessing investment managers, VLK bases its ESG criteria on international conventions and initiatives, such as the UN Global Compact and the UN Principles for Responsible Investment (PRI). All managers are screened against ESG criteria before inclusion in VLK's approved manager list and the managers are reviewed on ESG criteria on an ongoing basis.

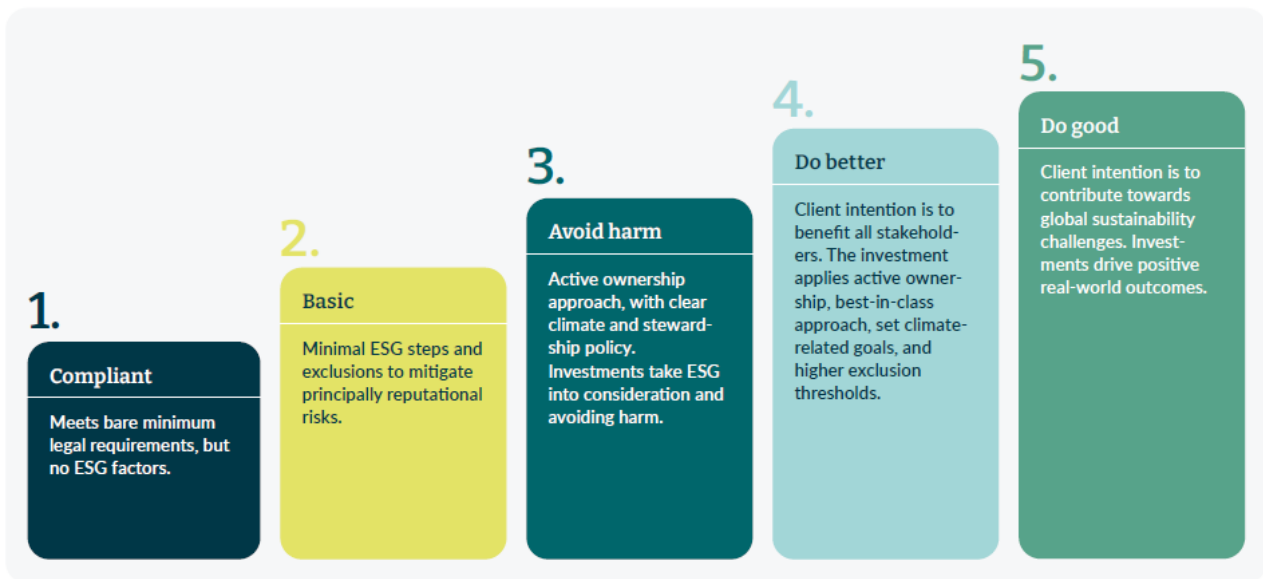
VLK has created a proprietary scoring framework ('the Sustainability Spectrum') to help them understand and evaluate how investment managers integrate various ESG factors into their investment processes. This framework assesses investment managers on six core pillars:

1. **Commitment to Responsible Investment:** policies and objectives relating to responsible investment.
2. **ESG Integration:** incorporation of ESG factors into investment processes and decision making.
3. **Active Ownership:** voting and engagement with underlying companies/issuers.
4. **Evidence & Transparency:** reporting and disclosure on ESG issues.
5. **Exclusion:** policy on avoidance of controversial sectors and companies with high ESG risk.
6. **Impact:** framework for measuring and managing environmental and social impacts.

Framework for assessing investment managers on ESG factors

Within this framework, investment managers and their products are classified into one of five different levels: Compliant (level 1), Basic (level 2), Avoid harm (level 3), Do better (level 4), Do good (level 5).

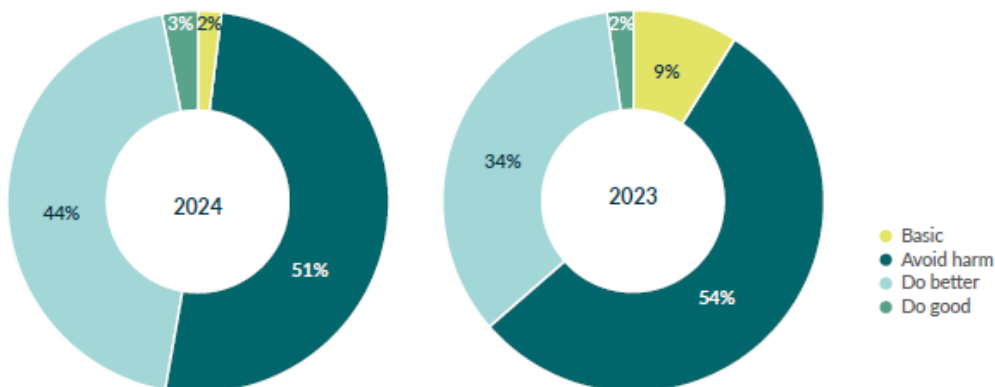
Five flavours of the Sustainability Spectrum



VLK's scoring of investment funds

In 2024, VLK assessed 394 mutual funds. Each fund was assigned a score on the Sustainability Spectrum. These assessments are conducted by their Manager Research Solutions team, with research and conclusions shared across the organisation.

Sustainability Spectrum scores of investment managers



VLK do not proactively offer Compliant or Basic products to their clients. Those products that scored within these categories were either legacy products that have been adopted from clients transitioning to VLK's fiduciary solution, or older products (including some in passively managed solutions) which VLK are in the process of replacing with more sustainable investment products.

VLK highlights in 2024

During 2024, VLK:

- Proactively engaged with 38 different investment managers, covering 162 mutual funds. Many of these engagements centred around the upcoming fund naming guidelines of the European Securities and Markets Authority (ESMA). The ESMA guidelines aim for transparency and consistency in requirements for funds whose names include sustainability terms (such as 'sustainable', 'ESG' or 'climate')

- Assessed 394 mutual funds on ESG criteria (see above). This included assessments across six key ESG areas: Responsible Investment, ESG Integration, Active Ownership, Transparency, Exclusion, and Impact.
- Worked with their Dutch institutional clients to develop a biodiversity framework for Dutch clients on the integration of measurable key performance indicators (KPIs) and key risk indicators (KRIs).
- Conducted detailed research on key risk indicators (KRIs) relating to physical climate risk – the risk to physical assets posed by a changing climate. This included analysing third-party data providers, portfolio integration assessments, and climate modelling.
- Worked with their Dutch institutional clients to develop an impact investment framework for Dutch clients with an appetite for measurable sustainability impact. This includes advice on investment objectives, manager selection, implementation, and reporting and monitoring.
- Entered into a partnership with Collective Action, a private markets impact specialist.
- Produced three separate reports on the risks and opportunities created by, they believe, three of the most pressing economic transitions of current times: energy transition (decarbonisation and climate), food transition (making agriculture more sustainable), and material transition (focusing on the circular economy).
- Reviewed the Exclusion Policy, which applies across the entirety of the assets they manage (including their fiduciary management mandates). As the end of 2024, almost 300 companies were excluded (primarily due to involvement in controversial weapons, tobacco, and international sanctions).
- Reduced the Weighted Average Carbon Intensity of their discretionary assets under management by 17%.
- Awarded "5 stars" for VLK's "Policy & Governance Strategy" in VLK's firmwide Principles for Responsible Investment Assessment Report 2024.
- Continued their involvement in industry initiatives, as members of PRI, GIIN (the Global Impact Investing Network), and ICGN (the International Corporate Governance Network).
- Remained signatories to the Dutch and UK Stewardship Codes.

VLK engagement with the Scheme’s appointed managers

VLK appoints a number of investment managers to manage assets in the Scheme’s portfolio. Below are some specific engagement examples to demonstrate how VLK are monitoring and engaging with some of the Scheme’s underlying managers on stewardship and ESG issues.

Manager engagement example – State Street

State Street – Sustainability commitments, voting & stewardship programme	
Engagement description	VLK provided feedback on sustainability commitments and the launch of new stewardship programme
Investment manager	State Steet Global Advisors (SSGA)
Fund/Mandate	General
Rationale for engagement	Engagement to provide feedback on SSGA’s sustainability commitments/practices and enhance existing voting capabilities.
Summary	<p>VLK identified and engaged with SSGA to improve their commitment to responsible investing. This included areas such as becoming a signatory to initiatives like SBTi and Finance for Biodiversity Pledge. Additionally, VLK noted that SSGA does not engage with companies on severe controversies and also scores lower in the ShareAction voting assessment compared to other equity index managers.</p> <p>Taking into account this feedback alongside that of other clients, SSGA acknowledged the importance of strengthening the stewardship offering for clients such as VLK. This has been a point of attention for the organisation who were working on a new stewardship programme aimed at clients focused on real-world sustainable outcomes. This programme was rolled out later in the year. The new stewardship programme offers clients an “opt-in” to a more ambitious stewardship approach. While the default policy will focus on governance-related issues, the new optional policies focus on three sustainability priorities: Climate Change, Nature, and Human Rights, with potential additions like Diversity, Equity, and Inclusion (DEI) to be considered at a later date. A new, dedicated and separate team has been created to represent this new policy, ensuring clear delineation and transparency.</p> <p>Alongside this, VLK also engaged with SSGA over the course of the year to roll-out tailored voting policies for investors in the World TPI Climate Transition Index Equity Fund to provide sufficient optionality. This would enable enforcement of a voting policy which is more ambitious on responsible investing issues (e.g. stronger policy on environment-related votes). VLK has successfully managed to engage and drive change in this field. Over the course of the next year, VLK expect the new voting policy as well as the improved stewardship programme to be finalised.</p>
Conclusion	SSGA has significantly improved their stewardship and voting capabilities over the course of the year with significant resource allocation. Both of these developments will help better align with VLK’s sustainability ambitions.
Next steps	Continue to monitor progress and development across both these domains as they are rolled out to clients.

Manager engagement example – Northern Trust

Northern Trust – integration of climate factors	
Engagement description	VLK enquired on integration of climate factors in investment decisions and reporting
Investment manager	Northern Trust
Fund/Mandate	Multiple
Rationale for engagement	Northern Trust (NT) communicated to Van Lanschot Kempen (VLK) that they do not have a dedicated climate policy. VLK wanted to ensure that climate factors are adequately reflected in investment decisions and reporting.
Summary	<p>VLK initiated the engagement with NT to address the absence of a dedicated climate policy at NT and wanted to gain insights into NT’s commitment to climate (given a number of US-based asset managers have reversed their sustainability commitments over litigation fears in the US).</p> <p>NT acknowledged that it does not have a separate climate policy but emphasised that climate considerations are integrated into its broader sustainable investing, voting, and engagement policies. While they does not have a dedicated climate policy, most of its sustainable investment policies make explicit mention of climate-related frameworks and commitments.</p> <p>NT’s firmwide climate efforts are detailed in its TCFD report, which includes a baseline assessment of portfolio-level GHG emissions, covering 65% of its total assets under management (AUM). Its TCFD reporting covers both physical risk (i.e. risk to physical assets from climate change) and transition risk (i.e. risk of so-called “stranded assets”, mainly from energy transition and changing environmental regulation).</p> <p>NT has also set Net Zero targets for 10.8% of its portfolio in line with the Science Based Targets Initiative (SBTi) and the IIGCC Net Zero Investment Framework (NZIF). It is important to note that a large portion of NT’s AUM is invested in passively-managed fund which track (market-capitalisation-weighted) indices, which naturally limits their ability to increase the scope of assets that fall under environmental frameworks (such as those mentioned above); while NT does offer ESG-screened index funds, client uptake has been limited.</p>
Conclusion	VLK prefers external managers to have dedicated climate policies. However, NT shows strong commitment on climate action, particularly relating to reporting and transparency.
Next steps	Encourage NT to create a dedicated climate policy and monitor its environmental sustainability ambitions.

Voting & engagement of the Scheme's appointed managers

The Shareholder Rights Directive (SRD II) and The UK Stewardship Code 2020 both emphasise the importance of institutional investors and asset managers engaging with the companies in which they invest, and stress the importance of exercising shareholder voting rights effectively.

Via VLK's monitoring and engagement activities, the Trustees encourage all its underlying investment managers to be engaged investors. Furthermore, the Trustees encourage the managers to report on these activities and to disclose information about responsible investing on their website and in their reporting.

The assets are invested in a diverse range of asset classes. The intention of this section is to provide specific details of the voting and engagement behaviour overview and examples of the Scheme's equity managers who manage equity investments which have voting rights attached. The Scheme had no exposure to traditional public fixed income funds over the reporting period. Alternative assets and government bonds are excluded from this analysis.

While investment managers may have used proxy voting services, the Trustees have not used proxy voting services themselves during the reporting period.

EQUITY MANAGERS' RESPONSE

Below is a summary of the voting activities of some of the equity managers in which the Scheme is invested.

SSGA World TPI Climate Transition Index Equity Fund

Voting Statistics	
Period: 01 April 2024 – 31 March 2025	
Question	Response
How many meetings were you eligible to vote at?	1,317
How many resolutions were you eligible to vote on?	18,929
What % of resolutions did you vote on for which you were eligible?	99.6%
Of the resolutions on which you voted, what % did you vote with management?	92.3%
Of the resolutions on which you voted, what % did you vote against management?	7.7%
Of the resolutions on which you voted, what % did you abstain from voting?	0.2%
In what % of meetings, for which you did vote, did you vote at least once against management?	50.6%
Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	In-house policy (combination of in-house and external advisors such as ISS)
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy advisor? (if applicable)	7.3%

Significant votes: SSGA World TPI Climate Transition Index Equity Fund

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Company name	Cintas Corporation	Amazon.com, Inc.	The Walt Disney Company	CAR Group Limited	Temenos AG
Summary of the resolution	Report on Efforts to Reduce GHG Emissions in Alignment with Paris Agreement Goal	Commission a Third Party Audit on Working Conditions	Advisory Vote to Ratify Named Executive Officers' Compensation	Elect Edwina Gilbert as Director	Approve Remuneration Report
How you voted	For	For	Against	Against	Against
Rationale for the voting decision	This proposal merits support as the company's climate-related disclosures can be improved.	This proposal merits support as the company's disclosures related to facility safety can be improved. SSGA believe that Shareholders would benefit from additional transparency on this topic.	This proposal does not merit support as there are several highly compensated individuals such as a founder or executive chairperson alongside a sustained high quantum of compensation against a backdrop of poor performance	The proposal does not merit support as The nominee is the senior independent board member and the company does not meet minimum governance standards for the market.	This proposal does not merit support as there is an overreliance on short-term time based pay, use of pledging practices where there is duplication of multiple metrics in STI and LTI and finally Problematic modifications and uses of discretion
Outcome of the vote	Fail	Fail	Fail	Pass	Fail
Implications of the outcome	Continue to engage	Continue to engage	Continue to engage	Continue to engage & monitor	Continue to engage & monitor
On which criteria have you assessed this vote to be "significant"?	Shareholder proposal	Social	Governance – compensation	Director election	Governance – compensation

Northern Trust CM Emerging Markets Low Carbon Plus Equity Index FGR Fund*

Voting Statistics	
Period: 01 April 2024 – 31 March 2025	
Question	Response
How many meetings were you eligible to vote at?	666
How many resolutions were you eligible to vote on?	6,600
What % of resolutions did you vote on for which you were eligible?	98%
Of the resolutions on which you voted, what % did you vote with management?	87%
Of the resolutions on which you voted, what % did you vote against management?	13%
Of the resolutions on which you voted, what % did you abstain from voting?	3%
In what % of meetings, for which you did vote, did you vote at least once against management?	37%
Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	ISS SRI
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy advisor? (if applicable)	N/A (as proxy voting advisor has been appointed based on VLK choice)

*Formerly known as: *NT Emerging Markets SDG Screened Low Carbon Index FGR Fund*. Due to the European Securities & Markets Authority (ESMA) guidelines on the naming of funds with sustainability-related themes, the fund changed its name in 2024.

Significant Votes: Northern Trust CM Emerging Markets Low Carbon Plus Equity Index FGR Fund

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Company name	Chemical Works of Gedeon Richter Plc	CCR SA	Nestle India Ltd.	Korea Zinc Co., Ltd.	By-health Co., Ltd.
Summary of the resolution	Amend Bylaws Re: General Meeting	Election of Directors	Approve Payment of General License Fees (Royalty)	Election of Non-Independent Non-Executive Director	Approve Amendment of Performance Share Incentive Plan
How you voted	Against	Against	Against	For	Against
Rationale for the voting decision	<p>Vote against this item is warranted as annual approval of the remuneration of elected officers provides more transparency and informs companies regarding investor sentiment. Removing this right from the general meeting would negatively affect shareholder rights and no justification is provided for the significant increases in salaries of executives proposed in the remuneration policy. In addition, the remuneration policies do not include any range of remuneration of supervisory board and audit committee.</p>	<p>A vote against this item is warranted as the proposed board's level of independence fails to meet expectations of institutional investors. The company has bundled the election of directors under a single item, preventing shareholders from voting individually on each nominee; and the ongoing concerns regarding egregious governance practices of incumbent directors i.e., the approval of indemnification and remuneration payments to former executives who admitted knowledge and/or participation in corruption practices.</p>	<p>A vote against this resolution is warranted given the performance of the company does not sufficiently demonstrate the benefits of the royalty payments over the years, which have grown at a rate higher than the company's revenues and net profit. Based on the level of expenses incurred by the parent entity on marketing, research and development costs, there is lack of a compelling justification for the increase in royalty from the current arrangement.</p>	<p>A vote for Gwang-il Kim, Gwang-seok Kwon, Ho-Sang Sohn, and Chang-hwa Jeong is warranted because they possess relevant skills and experience necessary to enhance the board functioning and meaningfully contribute to the board's discussions, while also strengthening the board independence and oversight over management at this critical juncture.</p>	<p>A vote against is warranted because the proposed adjustments do not address the concerns that resulted in the negative recommendation on the underlying equity incentive plan in the initial Social Advisory Services report.</p>
Outcome of the vote	Fail	Fail	Fail	Pass	Pass
Implications of the outcome	Continue to engage	Continue to engage	Continue to engage	Continue to engage	Continue to engage
On which criteria have you assessed this vote to be "significant"?	Vote against management	Vote against management	Vote against management	Shareholder proposal	Vote against management

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