

Hughes Network Systems Limited Pension & Life Assurance Scheme Implementation Statement Year Ending 31 March 2025

Glossary

ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
L&G	Legal & General Investment Management
Scheme	Hughes Network Systems Limited Pension & Life Assurance Scheme
Scheme Year	1 April 2024 to 31 March 2025
SIP	Statement of Investment Principles
UNPRI	United Nations Principles for Responsible Investment

Introduction

This Implementation Statement reports on the extent to which, over the Scheme Year, the Trustee has followed its policy relating to the exercise of rights (including voting rights) attaching to the Scheme's investments. In addition, the Implementation Statement summarises the voting behaviour of the Scheme's investment managers and includes details of the most significant votes cast and the use of the services of proxy voting advisers.

In preparing this statement, the Trustee has considered guidance from the Department for Work & Pensions which was updated on 17 June 2022, as well as the expectations set out in the General Code of Practice.

Investment manager voting relates to equity investments and, although funds which included exposure to equity markets were held by the Scheme during the Scheme year, by 31 March 2025, the Baillie Gifford Multi-Asset Growth Fund and the L&G Future World Global Equity Index Funds (which included an allocation to equities) had been removed from the Scheme's investment strategy. Consequently, the Trustee could not take any action for the managers of these funds, even if a review of the voting records of previously held funds identified any concern. For this reason, the Trustee has concluded that a review of voting behaviour for the managers of these funds would not be beneficial for the purpose of this Implementation Statement.

Relevant investments

The Scheme's assets are invested in pooled funds and some of those funds include an allocation to equities. Where equities are held, the investment manager has the entitlement to vote.

The Trustee's policy relating to the exercise of rights

Summary of the policy

The Trustee's policy in relation to the exercise of rights (including voting rights) attaching to the investments is set out in the SIP. The SIP was updated during the Scheme year to reflect changes made to the Scheme's investment strategy, but wording relating to the exercise of rights was not revised. A summary of this wording is as follows:

- The Trustee believes that good stewardship can help create, and preserve, value for companies and markets as a whole.
- The Trustee invests in pooled investment vehicles and therefore accepts that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by an investment managers' own policies on such matters.
- When selecting a fund, the Trustee considers amongst other things, the investment manager's policy in relation to the exercise of the rights (including voting rights) attaching to the investments held within the fund.
- When considering the ongoing suitability of an investment manager, the Trustee (in conjunction with its Investment Adviser) will take account of any particular characteristics of that manager's engagement policy that are deemed to be financially material.
- The Trustee will normally select investment managers who are signatories to the UN Principles for Responsible Investment (UNPRI).
- If it is identified that a fund's investment manager is not engaging with companies the Trustee may look to replace that fund. However, in the first instance, the Trustee would normally expect its Investment Adviser to raise the Trustee's concerns with the investment manager.

Has the policy been followed during the Scheme Year?

The Trustee's opinion is that its policy relating to the exercise of rights (including voting rights) attaching to the investments has been followed during the Scheme Year. In reaching this conclusion, the following points were taken into consideration:

- There has been no change to the Trustee's belief regarding the importance of good stewardship.
- The Scheme's invested assets remained invested in pooled funds over the period.
- During the Scheme Year, the Trustee introduced an allocation to the L&G Maturing Buy & Maintain Credit 2040-2054 Fund and the L&G Sterling Liquidity Fund. The Trustee considered the ESG characteristics of these funds before selecting them but, because the funds do not include an allocation to equities consideration of the exercise of voting rights was not relevant.
- During the Scheme Year, the Trustee considered the voting records of the investment managers over the period ending 31 March 2024.
- Since the end of the Scheme Year, an updated analysis of the voting records of the investment manager based on the period ending 31 March 2025 has been undertaken as part of the work required to prepare this Implementation Statement. A summary of the key findings from that analysis is provided below.
- The investment managers used by the Scheme are signatories to the UNPRI.

The investment manager's voting record

A summary of the investment manager's voting record is shown in the table below.

Investment Manager	Number of votes	Split of votes:		
		For	Against / withheld	Did not vote/ abstained
Newton	25,000	84%	15%	1%

Notes

These voting statistics are based on the manager's full voting record over the 12 months to 31 March 2025 rather than votes related solely to the funds held by the Scheme.

Use of proxy voting advisers

Investment Manager	Who is their proxy voting adviser?	How is the proxy voting adviser used?
Newton	ISS	Proxy voting adviser may be used to support analysis and for general administration. However, voting decisions are ultimately retained in-house.

The investment manager's voting behaviour

The Trustee has reviewed the voting behaviour of the investment manager by considering the following:

- broad statistics of its voting record such as the percentage of votes cast for and against the recommendations of boards of directors (i.e. "with management" or "against management");
- the votes it cast in the year to 31 March 2025 on the most contested proposals in nine categories across the UK, the US and Europe;
- the investment manager's policies and statements on the subjects of stewardship, corporate governance and voting.

The Trustee has also compared the voting behaviour of the investment manager with its peers over the same period.

Further details of the approach adopted by the Trustee for assessing voting behaviour are provided in the Appendix.

The Trustee's key observations are set out below.

Voting in significant votes

Based on information provided by the Trustee's Investment Adviser, the Trustee has identified significant votes in nine separate categories. The Trustee considers votes to be more significant if they are closely contested. i.e. close to a 50:50 split for and against. A closely contested vote indicates that shareholders considered the matter to be significant enough that it should not be simply "waved through". In addition, in such a situation, the vote of an individual investment manager is likely to be more important in the context of the overall result.

The five most significant votes in each of the nine categories based on shares held by the Scheme's investment manager are listed in the Appendix. In addition, the Trustee considered the investment manager's overall voting record in significant votes (i.e. votes across all stocks not just the stocks held within the funds used by the Scheme).

Analysis of voting behaviour

The Net Zero Asset Managers initiative ("NZAM") brings together asset managers committed to the goal of achieving net-zero greenhouse gas emissions by 2050 as per the Paris Climate Agreement. In January 2025, following announcements of some managers exiting the agreement, NZAM announced a review of their overarching policies, which is ongoing.

The Trustee has considered their investment manager's approach to NZAM as part of this analysis.

The Trustee's analysis of shareholder-brought proposals identifies Newton to be prepared to support shareholders on a wide range of ESG issues.

Newton have shown a willingness to vote against management on a broad range of issues, with the exception of climate-related director proposals. Here, the Trustee notes that the evidence suggests that Newton do not particularly seem to hold directors to account regarding climate plans or a company's climate targets.

Conclusion

Based on the analysis undertaken, the Trustee has no material concerns regarding the voting records of Newton.

The Trustee will keep the voting actions of the investment manager under review.

Alison Creasy

For and on behalf of BESTrustees Ltd

Date: 1 August 2025

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Signed on behalf of the Trustee of the Hughes Network Systems Limited Pension & Life Assurance Scheme

Significant votes

The table below records how the Scheme's investment manager voted in the most significant votes identified by the Trustee.

Company	ISIN	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	Newton
Audit & Reporting						
HUBBELL INCORPORATED	US4435102011	07/05/2024	Appoint the Auditors	90	10	Against
NESTLE SA	CH0012056047	18/04/2024	Approve the Creating Shared Value and Sustainability Report 2023	91	8	For
CME GROUP INC.	US1677601072	09/05/2024	Appoint the Auditors: Ernst & Young LLP	92	8	For
SANOFI	FR0000120578	30/04/2024	Appoint PwC Audit in Charge of Certifying Sustainability Information	93	7	For
AON PLC	US0373891037	21/06/2024	Appoint the Auditors: Ernst & Young LLP	93	7	Against
Shareholder Capital & Rights						
Pay & Remuneration						
ALCON AG	CH0432492467	08/05/2024	Approve the Remuneration Report	49	49	For
ASTRAZENECA PLC	GB0009895292	11/04/2024	Approve Remuneration Policy	63	35	For
AON PLC	US0373891037	21/06/2024	Advisory Vote on Executive Compensation	69	31	For
Constitution of Company, Board & Advisers						
CME GROUP INC.	US1677601072	09/05/2024	Elect Phyllis M. Lockett - Non-Executive Director	64	36	For
Merger, Acquisition, Sales & Finance						
GREENCOAT UK WIND PLC	GB00B85C6K54	24/04/2024	Approve the Discontinuation of the Company	11	88	For
RHEINMETALL AG	DE0007030009	14/05/2024	Issue warrants/convertible bonds	92	8	For
Climate Related Resolutions						
UNILEVER PLC	GB00B10RZP78	01/05/2024	Say on Climate	91	2	For
Other Company Resolutions						
BAE SYSTEMS PLC	GB0002634946	09/05/2024	Approve Political Donations	87	13	For
Governance & Other Shareholder Resolutions						
NETFLIX INC	US64110L1061	06/06/2024	Director Election Resignation Bylaw Proposal	46	54	Against
DANAHER CORPORATION	US2358511028	07/05/2024	Right to Call Special Meetings	43	57	For
JPMORGAN CHASE & CO.	US46625H1005	21/05/2024	Introduce an Independent Chair Rule	43	57	Against
DOMINION ENERGY INC	US25746U1097	07/05/2024	Introduce an Independent Chair Rule	39	60	Against
ZOTIS INC.	US98978V1035	22/05/2024	Improvement to our Director Resignation Policy	100	0	Against
Environmental & Socially Focussed Shareholder Resolutions						
NETFLIX INC	US64110L1061	06/06/2024	Report on Netflix's Use of Artificial Intelligence	43	56	For
MICROSOFT CORPORATION	US5949181045	10/12/2024	Shareholder Resolution: Report on AI Data Sourcing Accountability	35	61	For
AMAZON.COM INC.	US0231351067	22/05/2024	Additional Reporting on Freedom of Association	32	68	Against
JPMORGAN CHASE & CO.	US46625H1005	21/05/2024	Indigenous Peoples' Rights Indicator	30	68	Against
DEERE & COMPANY	US2441991054	26/02/2025	Shareholder Resolution: Civil Rights Audit	29	70	Against

Note

Where an investment manager's voting record has not been provided for each fund, reliance is placed on periodic stock holding information to identify votes relevant to the fund. This means it is possible that some of the votes listed above may relate to companies that were not held within a pooled fund at the date of the vote. Equally, it is possible that there are votes not included above which relate to companies that were held within a fund at the date of the vote.

The relevant fund may not have voted on proposals that are deemed significant across all categories, hence some of the categories are blank.

Methodology for determining significant votes

The methodology used to identify significant votes for this statement uses an objective measure of significance: the extent to which a vote was contested - with the most Significant Votes being those which were most closely contested.

The Trustee believes that this is a good measure of significance because, firstly, a vote is likely to be contentious if it is finely balanced, and secondly, in voting on the Trustee's behalf in a finely balanced vote, an investment manager's action will have more bearing on the outcome.

If the analysis were to rely solely on identifying closely contested votes, there is a chance many votes would be on similar topics which would not help to assess an investment manager's entire voting record. Therefore, the assessment incorporates a thematic approach; splitting votes into nine separate categories and then identifying the most closely contested votes in each of those categories.

A consequence of this approach is that the number of Significant Votes is large. This is helpful for assessing a manager's voting record in detail but it presents a challenge when summarising the Significant Votes in this statement. Therefore, for practical purposes, the table on the previous page only includes summary information on each of the Significant Votes.

The Trustee has not provided the following information which DWP's guidance suggests could be included in an Implementation Statement:

- Approximate size of the Scheme's holding in the company as at the date of the vote.
- If the vote was against management, whether this intention was communicated by the investment manager to the company ahead of the vote.
- An explanation of the rationale for the voting decision, particularly where: there was a vote against the board; there were votes against shareholder proposals; a vote was withheld; or the vote was not in line with voting policy.
- Next steps, including whether the investment manager intends to escalate stewardship efforts.

The Trustee is satisfied that the approach used ensures that the analysis covers a broad range of themes and that this increases the likelihood of identifying concerns about a manager's voting behaviour. The Trustee has concluded that this approach provides a more informative assessment of an investment manager's overall voting approach than would be achieved by analysing a smaller number of votes in greater detail.

■ Investment manager voting policies

For more information concerning an investment manager's voting policies and rationale, please visit the below links.

[Newton](https://www.newtonim.com/assets/newtonim/pdf/special-document/stewardship-and-responsible-investment-policy.pdf) – <https://www.newtonim.com/assets/newtonim/pdf/special-document/stewardship-and-responsible-investment-policy.pdf>