Imperial Tobacco Pension Fund Implementation Statement

June 2026

Background and Implementation Statement

Background

The Department for Work and Pensions ("DWP") introduced regulation to improve disclosure of financially material risks. This regulatory change recognises Environmental, Social and Governance ("ESG") factors as financially material and schemes need to consider how these factors are managed as part of their fiduciary duty. The regulatory changes require that schemes detail their policies in their Statement of Investment Principles ("SIP") and demonstrate adherence to these policies in an implementation statement.

Statement of Investment Principles ("SIP")

The latest SIP can be found here and changes to the SIP are detailed further on the following pages.

Implementation Statement

This Implementation Statement is to provide evidence that the Fund continues to follow and act on the principles outlined in the SIP. This statement details:

- actions the Trustee has taken to manage financially material risks and implement the key policies in its SIP
- the current policy and approach with regards to ESG and the actions taken with managers on managing ESG risks
- the extent to which the Trustee has followed policies on engagement, covering engagement actions with its fund managers and in turn the engagement activity of the fund managers with the companies they invest
- voting behaviour covering the year up to 31 March 2026 for and on behalf of the Fund including, where available, the most significant votes cast by the Fund or on its behalf
- the policies in place to ensure the default strategy of the DC section remains in the best interest of its members.

Summary of key actions undertaken over the Fund's reporting year

- During the year, the Trustee reviewed the position of the DB Section and potential options for further risk reduction. This included reviewing the LDI portfolio and monitoring cash inflow from illiquid assets.

- A full LDI refresh with new liability cashflows was also completed and the Fund now targets a 100% hedge on this new basis.

- Over the period, some of the PGIM and DTZ property assets were sold with the proceeds invested into the corporate bonds and LDI portfolios held with L&G.

- During the year the Trustee broadened the range of options available within the DC section to reflect the varying beliefs and objectives of members. This included the introduction of an additional lifestyle strategy for members who wish to adhere to Shariah Law, and within the self-select range the addition of Shariah-compliant bond and multi-asset funds.

Implementation Statement

This statement demonstrates that the Trustee of the Imperial Tobacco Pension Fund has adhered to its investment principles and its policies for managing financially-material considerations including ESG factors and climate change.

Signed

Position

Date

Managing risks and policy actions

Trustee policies for managing risks

The Trustee has identified the following risks that it has considered in the Fund's SIP. These risks and the Trustee's policies are set out in the tables below.

The key actions the Trustee has taken over the accounting year to address some of these risks have been highlighted in the table.

Defined Benefit Section

Risk / Policy	Definition	Policy	Actions
Interest rate and inflation	The Fund suffers a financial loss through exposure to interest rate and inflation risks on its liabilities or through exposure to interest rate and inflation risks on its assets, which differ from those on the liabilities.	The Trustee uses LDI to hedge a portion of the interest rate and inflation exposure, reducing the risk.	The Trustee has a segregated LDI portfolio to provide a bespoke interest rate and inflation hedge that replicates the majority of the sensitivities of the Fund's liabilities to these risk factors. The Trustee considers the liquidity of the Fund's assets when setting the target hedge ratio.
Credit	Default on payments by issuers of corporate bonds and other debt assets the Fund holds or through reductions in the market values of those assets.	The Trustee diversifies this risk by investing in a range of credit opportunities.	The Fund is exposed to credit risk through its investments in Hayfin, AXA and the segregated Buy & Maintain portfolio. This exposure is expected to reduce gradually over time.
Longevity	The risk that life expectancy and actual survival rates exceed expectations or the Fund's pricing assumptions.	The Trustee considers the risks associated with longevity when implementing the investment policy.	The Fund previously purchased a bulk annuity policy which covers part of the Fund's overall longevity risk.
Concentration	Over-exposure to a single asset which suffers losses relative to the Fund's liabilities.	The Trustee has set an investment strategy that uses multiple asset types, strategies, regions and sectors to ensure diversification.	No action.
Currency	The Fund suffers a financial loss through exposure to currencies other than sterling.	The Investment Managers are responsible for hedging any currency risk to reduce the potential impact of overseas currency exposure on the performance of	No action.

		mandates with exposure outside of the UK.	
Counterparty	The Fund suffers a financial loss as a result of the failure of a counterparty to meet its obligations to the Fund (or to a fund in which the Fund invests).	The Fund and the counterparty both post collateral to the other party on a daily basis to account for market movements in the value of derivatives held.	No action.
Manager	The risk associated with one manager having responsibility for all of the Fund's assets.	The Trustee reduces this risk by dividing the assets between a number of investment managers.	No action.
Custodian	A custodian defaults or fails in its safekeeping of the Fund's assets leading to a financial loss for the Fund.	The Trustee has a written agreement in place with the custodian to assure the physical security of the Fund's assets held by the custodian.	No action.
Liquidity	The Fund is unable to raise cash when it needs to without incurring excessive costs.	The Trustee considered the liquidity of the Fund's assets in the context of likely cash flow needs.	The Trustee increased liquidity over the year.
Environmental, Social and Governance	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can have a material impact on investment risk and return outcomes.	The Trustee has a separate policy for ESG factors, and this can be found later in this document.	ESG actions undertaken: • The managers' ESG policies were reviewed and presented to the Investment Committee in a Sustainability Integration Assessment report. • As part of the Task Force on Climate-related Financial Disclosure ("TCFD") requirements, the Trustee conducted a review of the DB and DC Section's climate-related metrics. More details of the ESG policy and how it was implemented are presented later in this statement.

Defined Contribution Section

Risk / Policy	Definition	Policy	Actions
Inflation Risk	The real value (i.e. post inflation) value of members' accounts decreases.	The Trustee offers a default option which invests in a diversified range of assets which are likely to grow in real terms. There are also self-select fund options available across a range of asset classes, with the	The Trustee, along with their investment advisors, monitor the ongoing suitability of the L&G default investment solution on an ongoing basis.

		majority expected to keep pace with inflation. Members can set their own investment allocations, in line with their requirements versus inflation.	
Pension Conversion Risk	Members' investments do not match how they would like to use their pots in retirement.	The Trustee makes available a universal default in addition to six lifestyle strategies for DC members, each targeting either cash, drawdown or annuity purchase at retirement. The default investment option is a lifestyle strategy which targets flexible access income drawdown as a retirement destination.	No action.
Market Risk	The value of securities, including equities and interest-bearing assets, can go down as well as up.	The default investment strategy is set with the intention of diversifying this risk to reach a level of risk deemed appropriate for the relevant members by the Trustee.	The Trustee monitored the performance of different markets and the impact on the fund performance throughout the year as part of their quarterly reporting and meeting structure.
Counterparty Risk	A counterparty, either an underlying holding or pooled arrangement, cannot meet its obligation.	Investment strategy is set with the intention of diversifying this risk to reach a level of risk deemed appropriate for the relevant members by the Trustee.	The Trustee monitored the performance of different markets and the impact on the fund performance throughout the year as part of their quarterly reporting and meeting structure.
Currency Risk	The value of an investment in the member's base currency may change as a result of fluctuating foreign exchange rates.	Investment strategy is set with the intention of diversifying this risk to reach a level of risk deemed appropriate for the relevant members by the Trustee. Within the diversified growth funds the currency risk management is delegated to Investment Managers.	No action.
Operational Risk	A lack of robust internal processes, people and systems.	The Investment Consultant's ratings for fund managers include consideration of management of operational risk. Furthermore, L&G, who now manage the day-to-day management of the portfolio, have a rigorous manager due-diligence process.	The Trustee monitors the fund managers as part of its quarterly Investment Committee meetings, with the Investment Consultant providing material and advice to assist in this process.
Liquidity Risk	Assets may not be readily marketable when required	The Trustee accesses daily dealt and daily priced pooled funds through a unit-linked insurance contract from L&G. Illiquid assets are accessed via a fund structure which is priced daily, with liquidity of the illiquid assets managed within this structure.	There is a small allocation to illiquids as part of the default at L&G. The appropriateness of this was considered within ongoing reviews of the default carried out over the year.
Valuation Risk	The value of an illiquid asset is based	The investment strategy predominantly invests in liquid	There is a small allocation to illiquids as part of the new

	on a valuer's opinion, realised value upon sale may differ from this valuation.	assets. However, there is exposure to illiquid assets within some of the funds. The diversified growth funds may hold illiquid assets. However, the management of valuation risk is delegated to Investment Managers.	default at L&G. The appropriateness of this was considered within ongoing reviews of the default carried out over the year.
Environmental, Social and Governance Risk	ESG factors can have a significant effect on the performance of the investments held by the Fund e.g. extreme weather events, poor governance.	The Trustee has a separate policy for ESG factors, and this can be found later in this document. In addition, the Trustee has made available a range of sustainable focussed funds in the self-select range.	The Trustee reviewed the extent to which ESG is embedded within the processes of the investment managers as part of the continued review of the default carried out over the year. In addition, the following ESG actions were undertaken: • The managers' ESG policies were reviewed and presented to the Investment Committee in a Sustainability Integration Assessment report. • As part of the Task Force on Climate-related Financial Disclosure ("TCFD") requirements, the Trustee conducted a review of the DB and DC Section's climate-related metrics. More details of the ESG policy and how it was implemented are presented later in this statement.
Manager Skill / Alpha Risk	Returns from active investment management may not meet expectations, leading to lower-than-expected returns to members.	The Trustee makes use of a number of actively managed funds to DC members where they deem appropriate. The actively managed funds made available are reviewed by its Investment Consultant, based on forward-looking expectations of meeting objectives.	The Trustee monitors the performance and ratings of the active funds regularly throughout the year at the quarterly Trustee meetings.

Changes to the SIP

DB SIP – updated in January 2026
The Statement of Investment Principles (SIP) was updated in January 2026 to reflect the evolution of the portfolio over the year. This included the Trustee's collateral management policy for the segregated LDI mandate. The Fund will invest available cashflow into corporate bonds up to an initial target allocation. After this initial allocation has been reached, available cashflow will be invested into the LDI mandate, and as a result the LDI headroom is expected to increase further.
The Trustee also reviewed its governance framework, implementing an effective system of governance in line with regulatory guidance and undertaking a gap analysis against the General Code of Practice, and this was noted in the SIP.

DC SIP – updated in January 2026
The SIP was updated in January 2026 in line with the governance note referred to in the DB SIP section above. In addition, it was updated to reflect the introduction of an additional lifestyle strategy for members who wish to adhere to Shariah Law and the new Shariah-compliant self-select options.

Implementing the current ESG policy and approach

ESG as a financially material risk

The SIP describes the Trustee's policy with regards to ESG as a financially material risk. This section details the Trustee's ESG policy and how it is implemented, as well as the Trustee's ESG beliefs.

The Trustee agreed the ESG beliefs set out in the ESG Policy in December 2020. The policy was updated in 2022 to reflect climate related ESG beliefs as part of the TCFD requirements and was refined following review in 2023. The following information reflects the 2023 update of the Trustee's ESG Policy. The annual review of the ESG Policy took place following the Fund year end and no changes were implemented.

Rationale for the policy

The Fund is a large institutional investor, investing on behalf of its members. As part of the Trustee's fiduciary duty, which includes a comprehensive approach to risk management, it has been recognised that ESG factors, including, but not limited to, climate change, can be financially material. The Trustee recognises that there is a need for the Fund to be a long-term, responsible investor to achieve sustainable returns.

The Trustee believes that it should be a responsible steward of its assets and consider the wider impacts, where possible, of its investment decisions on the environment and society. Where possible, and in line with the beliefs set out in the Policy, positive ESG outcomes will be targeted within the investment portfolios.

Impact of the policy on investment decision making

The Trustee decides the Fund's investment strategy and asset allocation. This includes which asset classes the Fund should be invested in. In making any portfolio construction decisions, the Trustee will have regard for the policy.

Within each asset class, the Trustee delegates the day-to-day investment decision making to the investment managers e.g. holding a bond issued by a particular company or exposure to a particular sector. In appointing and reviewing the Fund's investment managers, the Trustee, with the assistance of its investment consultant, considers the managers' expertise, track record and stated policies and frameworks on ESG related issues. As part of the initial and ongoing due diligence of the Fund's investment managers, the Trustee assesses and monitors their considerations of ESG factors and how these are incorporated into their investment decision making.

In addition, the Trustee will consider opportunities that may arise from regulation on ESG factors or market dislocations and will receive training and updates periodically to update them on these trends and opportunities.

Implementing the policy

The Trustee will implement the policy through the following steps:

i. The Trustee will continue to develop its understanding of ESG factors through annual training on ESG and keep themselves up to date on the latest sustainable investment opportunities.

ii. The Trustee's ESG beliefs will be formally reviewed annually or more frequently if required by the Trustee.

iii. The Trustee will incorporate ESG criteria as part of new manager selection exercises, with explicit consideration of ESG factors for any segregated mandates.

iv. The Trustee, with support from its investment consultant, will undertake annual reviews of the investment managers' approach to integrating ESG factors.

v. Following the initial review, actions will be identified where investment managers are misaligned with the Trustee's ESG beliefs. The investment consultant will engage with each manager on the Trustee's behalf to remedy these issues where possible.

vi. The investment managers' stewardship and engagement activities will be monitored on an ongoing basis and the Trustee will seek to understand the effectiveness of these activities.

vii. The Investment Committee will receive any relevant climate-related updates from the investment consultant and investment managers, potentially covering the investment managers' climate capabilities, progress on various climate workstreams and any relevant market or regulatory updates.

viii. The Trustee, with support from its investment consultant, will produce an annual TCFD report.

Monitoring and reviewing the policy

The Trustee will monitor the Fund's assets against this policy on an ongoing basis, with the assistance of its investment consultant. The Trustee views the development of the policy as an ongoing process as approaches to integrating ESG factors continue to evolve over time. When reviewing the policy, the Trustee will take account of any significant developments in the market to assess whether they are taking a best practice approach.

The Trustee's ESG beliefs

The Trustee has formulated a set of ESG beliefs to help underpin overall investment decision making. The Trustee's ESG beliefs have been summarised below.

Risk Management	1. ESG factors can be financially material; identifying and mitigating these risks where possible forms part of the Trustee's fiduciary duty. 2. Whilst the Trustee wishes to invest in managers and funds that exhibit best practice in terms of ESG integration, the Trustee will continue to maximise the risk / reward profile of any investment. Any positive tilts to ESG factors will be made where the Trustee feels that these investments will generate superior long-term returns and/or lower risk. 3. The Trustee will consider the ESG values and priority areas of the Sponsor. 4. The Trustee recognises that climate change risk poses significant investment risk that could become incrementally more severe over time.
Approach / Framework	5. The Trustee will seek to understand how investment managers integrate ESG considerations into their investment decisions and include reference to ESG capabilities in future evaluation criteria when selecting new investment managers. 6. Specialist ESG fund/s will be offered in the self-select range in the DC section.
Voting & Engagement	7. The Trustee will seek to understand each investment manager's approach to engaging with portfolio companies and the effectiveness of these activities. 8. Managers investing in companies' debt, as well as equity, have a responsibility to engage with the management of investee companies on ESG issues. 9. Engaging with investment managers is an effective way of initiating change and ensuring better alignment with the Trustee's ESG beliefs. There is a desire to engage with investment managers in the first instance rather than sell the Fund's holdings if issues are identified.
Reporting & Monitoring	10. ESG factors are dynamic and continually evolving; therefore, the Trustee will receive training to develop and maintain an understanding of these factors. 11. Through the Trustee's regular reporting and ongoing due diligence of the Fund's investment managers, supported by its investment consultant, the Trustee will seek to monitor suitable ESG metrics to understand the impact of investments. 12. The Trustee will take advice from its investment consultant to set appropriate ESG targets for the Fund.

Collaboration	13. Investment managers should sign up and comply with common codes and practices such as the UN PRI and the UK Stewardship Code. If they do not sign up, they should provide a valid reason why. 14. Investment managers should engage and collaborate with other market participants to encourage best practice on various issues such as board structure, remuneration, sustainability, social issues, risk management and debtholder rights.

ESG summary and engagement with the investment managers

Sustainability Integration Assessment results

In Q1 2026, Isio assessed the ESG processes of the Fund's investment managers. The results were reported back to the Investment Committee in the form of a Sustainability Integration Assessment.

The review was conducted in line with the Trustee's ESG beliefs and Isio gave each manager an overall ESG score and climate score, and rated them in each of the following areas:

- Risk Management
- Investment Approach/Framework
- Stewardship
- Reporting
- Collaboration

Using the results, Isio advised the Trustee on the potential engagement points, and progress against these points will be monitored over time.
A summary of Isio's view on each manager's ESG approach and key engagement points is set out in the table below. Since the previous assessment, the Fund invested in a bespoke Buy & Maintain corporate bond mandate.

Defined Benefit Section

Manager and Fund	ESG Summary	Actions identified
DTZ Property Portfolio	ESG integration is a key component of DTZ's investment process. The firm has a clear pathway in place in order to reach Net Zero by 2040 and encourages ESG-related improvements across their asset base through asset management plans to mitigate ESG risks. DTZ engage with ESG organisations and initiatives such as GRESB and provide quarterly reporting of ESG initiatives to boost EPC ratings and mitigate flood risks.	DTZ should strengthen stewardship practices by evidencing engagement activity and outcomes at the portfolio level. DTZ should enhance ESG reporting beyond climate to provide more comprehensive coverage across social and governance pillars. DTZ should also aim to become a signatory of the 2020 UK Stewardship Code and Net Zero Asset Management Initiative.
AXA Secured Finance	AXA has firm-wide stewardship policies in place across climate, nature and social factors and has a mandatory ESG training programme for analysts and PM teams. Whilst positive at the firm-level, integration of ESG considerations at the mandate level is weak. This is partly due to securitised assets offering limited data accessibility and potential for engagement and as the fund is outside of its investment period, material ESG improvements are unlikely.	AXA should consider adopting clearly defined ESG objectives at a fund level. AXA should aim to capture social and nature risks in their ESG due diligence and monitoring processes. AXA should improve coverage of GHG emissions data at a fund level. AXA should consider reporting on social metrics as part of regular ESG reporting. AXA should provide examples and case studies where

		engagement has been taken to manage ESG risks.
Hayfin Private Debt II & III	Whilst Hayfin has an established firm-wide ESG policy, integration of the policy and fund-level ESG objectives is severely limited in relation to the Private Debt vintages invested in by the Fund with no signs of improvement. This is mainly due to the vintages being past their investment periods.	Across both DLF II and III, Hayfin should aim to improve ESG reporting capabilities as the information provided remains limited. Hayfin should increase its participation in collaborative engagement initiatives to enhance its ability to drive positive real-world ESG outcomes. Hayfin should look to integrate ESG specialists within PM teams.
PGIM Ground Lease Property	The nature of the strategy means PGIM hold the assets at an "arms' length", resulting in limited influence over the management of ESG related issues. PGIM has a firm-wide ESG policy in place, however the portfolio does not have a separate ESG policy or quantifiable ESG objectives in place. PGIM collaborate with a number of external, global organisations and use Moody's ESG solutions/EPC ratings to support monitoring of ESG risks.	PGIM should consider adopting climate scenario or risk modelling as part of the risk management process. PGIM should enhance ESG reporting coverage and improve availability of ESG metrics at the portfolio level. PGIM should provide evidence where it has engaged on underlying assets to enhance value creation. PGIM should become a signatory of the Net Zero Asset Manager's Initiative and consider producing white papers which support the favorable outcomes of ESG.
L&G Buy & Maintain	At a firm level, L&G demonstrates a robust and well-established approach to ESG integration and stewardship, supported by its membership of over 50 key ESG initiatives and a dedicated ESG team that enhances risk management through proprietary tools. At the mandate level, the Buy & Maintain strategy is focused on delivering the clearly defined sustainability objectives set out in the segregated IMA, with L&G's tools and ESG expertise supporting the effective integration and implementation of these objectives.	L&G should enhance the Fund's ESG framework by introducing clearly defined social and biodiversity objectives, supported by measurable qualitative and quantitative targets where appropriate.
L&G LDI	L&G is actively committed to integrating ESG considerations into LDI funds via their Active ESG tool and counterparty engagements. Their dedicated ESG team plays a crucial role in responsible investment and stewardship, ensuring premium risk management through their proprietary tools. At a firm level, L&G demonstrate a robust approach to ESG and stewardship and is a member or signatory to over 50 key ESG initiatives.	L&G should enhance climate scenario modelling within the portfolio. L&G should consider providing further detail on engagements undertaken with counterparties. L&G should consider expanding the approach to assessing green gilts. L&G should introduce a formal ESG training program for its employees with defined training priorities.

The Defined Benefit Section of the Fund also holds a buy-in policy with Standard Life. The Trustee reviews monitoring on Standard Life's ESG credentials periodically.

Defined Contribution Section

For this section, we are reporting on the funds which make up the DC Section's default investment strategy. We will continue to monitor the self-select options and may consider including popular self-select funds in future reporting.

Manager and Fund	ESG Summary	Actions identified
L&G Target Date Funds (managed by L&G)	L&G have strong firm-level policies, including a net zero by 2050 commitment with an interim 2030 target, and have a strong approach to stewardship and collaboration. The fund range excludes companies involved in thermal coal mining, agreeing to the Paris-aligned plan to phase out coal by 2040. L&G can provide clear evidence of the consideration of ESG factors through capturing opportunities and the application of screening at the strategy and underlying product level, in line with the firm-level policies.	L&G should require underlying managers to adhere to stricter minimum requirements (e.g. requiring managers to be signatories to the UK Stewardship Code). L&G should consider utilising ESG scorecards within private assets to consistently apply L&G's ESG policies during the due diligence phase and ongoing monitoring. L&G should identify physical climate risks within private assets and capture them within the due diligence process.

Engagement

As the Fund invests via fund managers, the managers provided details on their engagement activity including a summary of the engagements by category. The managers also provided examples of any significant ESG-related engagements where relevant.

Defined Benefit Section – 12 months to 31 March 2026 (unless stated otherwise)

Fund name	Engagement summary	Commentary
DTZ Property Portfolio	DTZ has not undertaken engagement activity, as most assets have been sold and other assets may be sold within the next year.	Given the limited number of DTZ assets remaining, ESG engagement activity has been scaled back, reflecting the short timeframe available to meaningfully implement any outcomes from such engagements.
AXA Secured Finance	AXA were unable to provide details of their engagement activity for the Secured Finance Fund.	AXA has confirmed that no fund-level engagement data is available for the period, as the fund is in run-off and no new investments were made during 2025. Despite this, at a firm level AXA continue to engage with underlying companies.
Hayfin Direct Lending fund II	Hayfin currently do not provide details of their engagement activity for DLF II.	Given DLF II ended its investment period in 2019 and Hayfin are only the lenders, Hayfin's ability for engagement is limited. However, they do take corporate engagement seriously and it is reflected in the other vintages in their funding/investment period.
Hayfin Direct Lending fund III	Lending fund III Total engagements: 1 Environmental: 1 Social: 0 Governance: 0 Other: 0	At a fund level, Hayfin determines engagement objectives based on the unique challenges portfolio companies are facing on their ESG journeys. Engagement outcomes can be derived from Hayfin's individual efforts and collaborative efforts, depending on whether Hayfin is a majority or minority lender. Hayfin is typically able to engage more thoroughly with borrowers where it is the majority or sole lender. Whilst DLF III's investment period has ended, it holds some assets that are also held within DLF IV, which reports under Article 8 of the SFDR. Engagements are therefore only covered under deals which overlap between DLF III and DLF IV. Details on the engagement undertaken can be seen below: **Engagement company: FSN Capital** **Engagement example (Climate Change):** Hayfin engaged with FSN Capital in November 2025 via a discussion focused on the climate strategy of its portfolio company, OptiGroup, which represents approximately 0.1% of the portfolio as at 31 March 2026. In this engagement, Hayfin sought to understand enhancements made to OptiGroup's climate strategy, including newly established emissions reduction targets

		verified by the Science Based Targets initiative (SBTi) in January 2025. Discussions covered the company's approach to reducing Scope 3 emissions through supplier engagement, as well as its use of marginal abatement cost curves to prioritise cost-effective decarbonisation measures. FSN Capital outlined its ESG framework, including its focus on decarbonisation, and provided updates on upcoming emissions reporting. No formal engagement objectives were set, with the primary purpose being to better understand the company's approach to managing climate-related risks and opportunities. FSN Capital confirmed that it would share material updates, including future emissions reporting, and both parties agreed to continue engagement as part of ongoing monitoring of climate strategy development.
PGIM Ground Lease Property Portfolio	PGIM currently do not provide details of their engagement activity for the Ground Lease Property portfolio.	The nature of the Ground Lease Property portfolio means that PGIM hold the assets at an "arm's length", resulting in limited influence over the management of ESG-related issues. PGIM would be able to engage with the leaseholder in the event of discussing an asset management deal but there have been no instances of this across the portfolio during the reporting year.
L&G LDI	Total engagements: 60 Environmental: 34 Social: 3 Governance:21 Other: 2	The Fund's LDI portfolio has a counterparty panel of 20. Over the reporting period in question L&G engaged with 17 of 20 counterparties. A breakdown of these engagements by topic areas can be seen to the left. L&G also engage with governments and regulators regarding LDI matters, including topics such as RPI reform, the pension scheme exemption for derivative clearing and green gilt issuance.
L&G Buy & Maintain	Total engagements: 345 Environmental: 200 Social: 22 Governance: 75 Other: 48 Engagement totals across the above breakdown have been calculated on a combined basis for the GBP/EUR and USD portfolios within the B&M mandate.	L&G engages extensively with portfolio companies on a wide range of environmental, social and governance issues, while also participating in regular engagement with industry bodies, policymakers and collaborative investor initiatives. This large-scale and systematic approach enables L&G to address both company-specific risks and wider market challenges, using its position as a significant institutional investor to drive positive change and enhance outcomes for clients. Examples of fund-level engagements are set out below: **Engagement company: Unilever PLC** **Engagement example (Remuneration):** L&G engaged with Unilever in February 2026 via written correspondence, with engagement directed to the Company Secretary. Engagement focused on the company's approach to circular economy considerations, including its transition away from single-use plastics and increasing recycled content in packaging. Through this engagement, L&G encouraged the company to enhance disclosures relating to its transition away from single-use plastics, including increasing recycled content in

packaging and providing greater transparency on strategy and progress. L&G also reiterated expectations for the company to support the Global Plastics Treaty and to avoid negative lobbying on plastic-related regulation.

Unilever acknowledged the feedback and indicated that it is currently facing operational challenges in delivering against its plastics commitments, with work ongoing to identify and implement solutions to overcome these constraints.

L&G recognises the complexity of transitioning away from single-use plastics and, through continued engagement, aims to support and encourage improved disclosure and more ambitious progress in line with more modern market expectations. L&G will continue to monitor developments and maintain engagement with the company on this topic.

Engagement company: BP plc

Engagement example (Climate Mitigation):
L&G engaged with BP in March 2026 via a conference call on climate-related disclosures. Engagement focused on enhancing transparency on the company's financial and operational resilience under Net Zero–aligned scenarios, including the disclosure of quantified impacts on cash flows and balance sheet items, alongside clearer methodologies and assumptions.

Through this engagement, L&G encouraged BP to enhance transparency around its financial and operational resilience under multiple Net Zero–aligned climate scenarios. In particular, L&G requested more detailed and quantified disclosure of potential impacts on cash flows and balance sheet items, alongside clearer methodologies, assumptions and input parameters underpinning scenario analysis.

BP acknowledged this feedback and indicated that it is reviewing its approach to climate scenario analysis and related disclosures.

L&G recognises the importance of robust and decision-useful climate reporting in assessing long-term resilience and, through continued engagement, aims to support improvements in BP's disclosures. L&G will continue to monitor progress to ensure alignment with investor expectations and best practice in climate risk reporting.

Defined Contribution Section – 12 months to 31 March 2026

For this section, we are reporting on the funds which make up the default strategy and which captures c.91% of the DC Section's assets at the end of the reporting year. As the Fund invests via fund managers, the managers provided details on their engagement activity including a summary of the engagements by category, which may not sum to total engagements as multiple ESG themes may be covered in one engagement. The managers also provided examples of any significant ESG-related engagements where relevant.

Fund name	Engagement summary	Commentary
Target Date Fund 3 2020-2025	Total Engagements: 2,716 Environmental: 3,230 Social: 86 Governance: 666 Other: 119	**Engagement company: Barclays PLC** **Engagement example (Climate):** L&G believe the financial sector's lending activities, corporate facilitation, insurance and asset management activities are key to speeding up or delaying the transition to a low-carbon economy. As such, L&G have engaged extensively and productively with Barclays on its approach to climate risks and opportunities. L&G engaged with Barclays in 2025 on approximately ten occasions through a combination of face-to-face meetings, collaborative group calls and detailed email exchanges. Engagement was led by L&G's Climate Solutions and Investment Stewardship teams, with participants typically including the Chief Sustainability Officer, members of the Sustainability team and, on governance matters, the Board Chair. Through these engagements, L&G explored the commercial opportunities presented by the climate transition and developed a clearer understanding of the key challenges facing the bank in progressing its strategy. Regarding renumeration, L&G supported both the renumeration policy and the long-term incentive plan (LTIP) at the Company's 2025 AGM. This support reflected the company's shift in pay structure from fixed to variable renumeration, including a reduction in salary and fixed share allowances in favour of enhanced bonus and LTIP opportunities. L&G recognises that opportunities arising from the climate transition will materialise over time and, through continued engagement, aims to both support and challenge the company in setting ambitious yet achievable targets that drive long-term investor returns.
Target Date Fund 3 2025-30	Total Engagements: 2,716 Environmental: 3,230 Social: 86 Governance: 666 Other: 119	**Engagement company: BP Plc** **Engagement example (Climate, Governance):** In 2025, L&G held 12 engagements with BP to discuss net zero objectives. These dialogues were led by L&G's Investment Stewardship and Climate Solutions teams and involved senior leadership, including the CEO, the current and former Chair, the CFO, and the Senior Independent Director. As one of their longest-standing company relationships, built over many years, L&G continue to maintain an active and constructive dialogue with members of the board. L&G recognise the significant steps BP took earlier this decade on climate-related commitments, which they supported through extensive engagement aimed at creating

		long-term value during the energy transition. However, L&G were deeply concerned by the substantive revisions to the company's strategy announced at the 2025 Capital Markets Day on 26 February, coupled with the decision not to allow a shareholder vote on the amended climate transition strategy at the 2025 AGM. These developments led them to vote against the re-election of the Chair, Helge Lund, at the AGM. This decision was pre-declared, given L&G's expectation that the succession process should follow a clearer and more expedited timeframe to ensure an orderly and meaningful transition. L&G also note similar concerns that informed their vote against Mr Lund's re-election at the 2023 AGM, primarily related to governance and accountability. As one of L&G's most engaged and longest-standing portfolio companies, L&G will continue its dialogue with BP on the long-term objectives and will closely monitor the company's progress.
Target Date Fund 3 2030-2035	Total Engagements: 2,716 Environmental: 3,230 Social: 86 Governance: 666 Other: 119	**Engagement company: Microsoft Corporation** **Engagement example (Governance, Human Rights):** L&G first engaged with Microsoft on AI governance in 2023 following the publication of its 'safe AI' expectations. The company has been viewed as a leader in transparency among large technology peers in recent years. In late 2025, L&G engaged with Microsoft ahead of its AGM to discuss shareholder resolutions relating to AI and data governance, as well as human rights. These discussions aimed to better understand the company's approach to managing associated risks and its response to evolving stakeholder expectations. Engagement was typically conducted with the Governance and Engagement Director. Microsoft has demonstrated improved transparency in its approach to responsible AI governance and human rights. While disclosures are generally stronger than those of its international peers, L&G identified further scope for enhancement, particularly in relation to data governance disclosures, including how the company handles government requests for content removal and user data. L&G views positively the company's amendments to its internal risk classification processes, including identification of projects requiring additional human rights due diligence. In terms of voting, L&G opposed two shareholder resolutions on human rights at the 2025 AGM, reflecting the company's responsiveness to stakeholder feedback and corrective actions taken. However, L&G supported a shareholder proposal requesting enhanced reporting on AI data usage oversight, in recognition of the evolving regulatory landscape and increasing legal and reputational risks, particularly those linked to copyright and data sourcing practices. L&G will continue to engage with Microsoft to monitor progress in AI governance.
Target Date Fund 3 2035-2040	Total Engagements: 2,623 Environmental: 3,057 Social: 83 Governance: 649 Other: 110	**Engagement company: Apple Inc** **Engagement example (Governance):** L&G met with Apple twice in 2025. The first engagement took place ahead of their AGM to discuss a shareholder resolution requesting disclosure on ethical AI data acquisition and usage. L&G sought to understand how Apple approaches

		these issues and what measures the company has taken to manage risks. While L&G had supported a similar shareholder resolution at the company's AGM in 2024, they voted against the resolution in 2025, as L&G deemed that Apple was taking sufficient care and efforts to protect personal data when it comes to AI training. L&G subsequently engaged with Apple in late 2025 on a more detailed discussion of the company's AI governance and risk management. Following its 2024 AGM, Apple published responsible AI principles. Although Apple's disclosures did not fully align with L&G's expectations, particularly regarding board education and risk management, L&G found that the company has been disclosing more information and taking actions to improve its practices over the past year, including child safety tools, content check and feedback mechanism, and Generative AI Human interface guidelines for app developers. L&G will continue to engage with Apple and monitor progress on L&G's expectations.
Target Date Fund 3 2040-2045	Total Engagements: 2,594 Environmental: 2,766 Social: 63 Governance: 456 Other: 79	Please see above.
Target Date Fund 3 2045-2050	Total Engagements: 2,594 Environmental: 2,766 Social: 63 Governance: 456 Other: 79	**Engagement company: JPMorgan Chase & Co** **Engagement example (Renumeration, Climate):** L&G engaged with JPMorgan on five occasions in 2025, through calls and email exchanges. Engagement was led by L&G's Investment Stewardship and Climate Solutions teams. A focus of the engagement was on how the bank identifies and communicates the value of "green opportunities" within its business. At JPMorgan's AGM, L&G's voting reflected continuing concern around certain aspects of governance, including director independence, a combined Chair/ CEO role, and aspects of the bank's executive remuneration policy. L&G supported a shareholder resolution requesting a report on the social aspects of transition finance. A vote in favour of this proposal was applied, given the resolution is drafted to provide management discretion as to the form and timing of the requested reporting. L&G expect companies to be undertaking appropriate analysis and reporting on environmental topics, including climate risk management and transition financing, as we consider these issues to be a material risk to companies. L&G considers this objective complete. Other engagement objectives remain in progress, and L&G will continue engagement with JPMorgan on these.
Target Date Fund 3 2050-2055	Total Engagements: 2,594 Environmental: 2,766 Social: 63 Governance: 456 Other: 79	Please see above.

Target Date Fund 3 2055-2060	Total Engagements: 2,594 Environmental: 2,766 Social: 63 Governance: 456 Other: 79	Please see above.
Target Date Fund 3 2060-2065	Total Engagements: 2,594 Environmental: 2,766 Social: 63 Governance: 456 Other: 79	Please see above.
Target Date Fund 3 2065-2070	Total Engagements: 2,594 Environmental: 2,766 Social: 63 Governance: 456 Other: 79	Please see above.
Target Date Fund 3 2070-2075	Total Engagements: 2,594 Environmental: 2,766 Social: 63 Governance: 456 Other: 79	Please see above.

Note: L&G have confirmed that as their ICSWG (Investment Consultants Sustainability Working Group) guides are only produced on a calendar year basis, they are not able to provide engagement data for the scheme year end. The engagement data therefore covers the period from 31 December 2024 to 31 December 2025. Given that engagements are often ongoing and across multiple years, we believe that the engagements outlined above are still relevant. Furthermore, given the overlap of funds within the different target date vintages, there are engagements that hold true for multiple vintages.

Voting

DB Section
Given the DB Section does not have any equity investments, there are no voting actions to report.

DC Section
For this section, we are reporting on the funds which make up the default strategy and which captures c.91% of the DC Section's assets.

As the Fund invests in pooled funds managed by fund managers, where applicable each manager has provided details on their voting actions, including a summary of the activity covering the reporting year up to 31 March 2026. The managers were also asked for examples of any significant votes.

The Trustee has adopted the managers' definition of significant votes and has not set stewardship priorities. The managers have provided examples of votes they deem to be significant.

Description of voting processes

Legal and General (L&G)

L&G's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all clients. Their voting policies are reviewed annually and take into account feedback from clients.

L&G have developed a granular custom voting policy with specific voting instructions driven by their expectations. These instructions apply to all markets globally, with minimum best practice standards that L&G believe all companies should observe, irrespective of local regulations or practices. In addition, L&G have also set country-specific expectations for those markets in which they adopt a differentiated stance. All of L&G's custom voting policies are developed in accordance with our publicly disclosed position on good governance and sustainability-related criteria in our guideline documents and country-specific policies.

L&G retain the ability in all markets to override any voting decisions that are based on their custom voting policy. This may happen when a company has provided additional insight that allows them to apply a qualitative overlay to their assessment.

L&G regularly monitor the votes cast on their behalf to ensure they are executed in accordance with their policy intentions. They also undertake additional quality checks on short-notice vote instructions and rejected votes.

Fund name	Voting summary	Examples of most significant votes
Target Date Fund 3 2020-2025	Meetings eligible to vote on: 10,820 Resolutions eligible to vote on: 110,402 Proposal voted: 99.9% Votes with management: 75.8% Votes against management: 23.4% Abstain votes: 0.9% Use of proxy voter: Yes (ISS's ProxyExchange) Votes contrary to the proxy advisor: 13.5%	**National Australia Bank Limited** - *Date of vote: December 12, 2025* - *Reasoning for significant vote: This shareholder resolution is considered significant as it is applied under their engagement program on deforestation, targeting companies in high-risk sectors.* - *Approx. holding size: 0.1%* - *Summary of resolution: Approve Strategy to Eliminate Financed Deforestation* - *Manager vote: For* - *Vote against management, was intent communicated ahead of the vote: n/a* - *Voting rationale: L&G has voted in favour as they expect companies to be taking sufficient action on the key issue of climate and nature. Disclosure of a strategy to eliminate financed deforestation in line with credible frameworks such as the Accountability Framework Initiative (AFI) would provide shareholders with visibility on governance, targets, client expectations, controls, and escalation pathways for this financially material risk. L&G acknowledge that none of the big four*

		Australian banks has yet set a formal no-deforestation commitment and NAB has enhanced elements of its risk processes. However, a clear, board-overseen strategy and disclosure is considered beneficial for shareholders. - *Outcome of vote: n/a*
Target Date Fund 3 2025-30	Meetings eligible to vote on: 10,820 Resolutions eligible to vote on: 110,402 Proposal voted: 99.9% Votes with management: 75.8% Votes against management: 23.4% Abstain votes: 0.9% Use of proxy voter: Yes (ISS's ProxyExchange) Votes contrary to the proxy advisor: 13.5%	**Meta Platforms, Inc.** - *Date of vote: May 28, 2025* - *Reasoning for significant vote: L&G views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.* - *Approx. holding size: 0.3%* - *Summary of resolution: Elect Peggy Alford as Director* - *Manager vote: Against* - *Vote against management, was intent communicated ahead of the vote: n/a* - *Voting rationale: Lead Independent Director - Accountability: A vote against is applied as L&G expects companies to elect an independent lead director where there is a combined Board Chair and CEO. Remuneration/Nomination/Governance Committee - Accountability: WITHHOLD votes are further warranted for Peggy Alford in her capacity as chair of the compensation, nominating, & governance committee due to consecutive years of high director pay without reasonable rationale disclosed.* - *Outcome of vote: N/a*
Target Date Fund 3 2030-35	Meetings eligible to vote on: 10,820 Resolutions eligible to vote on: 110,402 Proposal voted: 99.9% Votes with management: 75.8% Votes against management: 23.4% Abstain votes: 0.9% Use of proxy voter: Yes (ISS's ProxyExchange) Votes contrary to the proxy advisor: 13.5%	**Tesla, Inc.** - *Date of vote: November 6, 2025* - *Reasoning for significant vote: L&G views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.* - *Approx. holding size: 0.4%* - *Summary of resolution: Elect Director Ira Ehrenpreis* - *Manager vote: Against* - *Vote against management, was intent communicated ahead of the vote: n/a* - *Voting rationale: Independence: A vote against is applied as L&G expects the Chair of the Remuneration and Nominations/Governance Committees to have served on the board for no more than 12 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background. Classified Board: A vote against is applied as L&G supports a declassified board as directors should stand for re-election on an annual basis. Average board tenure: A vote against is applied as L&G expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Diversity: A*

		vote against is applied because the company's current level of gender diversity on their board does not meet our minimum expectations. Diversity - Executive Committee: A vote against is applied because the company's current level of gender diversity within its senior leadership team does not meet with our minimum expectations. Board accountability: A vote against is applied as part of L&Gs escalation strategy as we expect companies to implement majority supported shareholder proposals. Nomination and Corporate Governance Committee - Accountability: A vote against the Nominating and Corporate Governance Committee Chair is warranted in light of the boards unilateral adoption of a bylaw that materially restricts shareholders' litigation rights. – *Outcome of vote: n/a*
Target Date Fund 3 2035-2040	Meetings eligible to vote on: 10,203 Resolutions eligible to vote on: 103,762 Proposal voted: 99.9% Votes with management: 75.4% Votes against management: 23.8% Abstain votes: 0.8% Use of proxy voter: Yes (ISS's ProxyExchange) Votes contrary to the proxy advisor: 13.8%	**Intuit Inc.** – *Date of vote: January 22, 2026* – *Reasoning for significant vote: L&G views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.* – *Approx. holding size: 0.4%* – *Summary of resolution: Elect Director Thomas Szkutak* – *Manager vote: Against* – *Vote against management, was intent communicated ahead of the vote: L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with investee companies in the three weeks prior to an AGM as engagement is not limited to shareholder meeting topics.* – *Voting rationale: A vote against is applied as the company's current level of gender diversity on their board does not meet with L&G's minimum expectations. L&G also expects companies not to recombine the roles of Board Chair and CEO without prior shareholder approval.* – *Outcome of vote: n/a*
Target Date Fund 3 2040-2045	Meetings eligible to vote on: 10,205 Resolutions eligible to vote on: 103,777 Proposal voted: 99.9% Votes with management: 75.4% Votes against management: 23.8% Abstain votes: 0.8% Use of proxy voter: Yes (ISS's Proxy Exchange) Votes contrary to the proxy advisor: 13.8%	**Mastercard Incorporated** – *Date of vote: June 24, 2025* – *Reasoning for significant vote: L&G views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.* – *Approx. holding size: 0.4%* – *Summary of resolution: Oversee and Report on a Racial Equity Audit* – *Manager vote: For* – *Vote against management, was intent communicated ahead of the vote: n/a* – *Voting rationale: A vote in favour is applied as L&G support such information and risk management approach to Diversity.* – *Outcome of vote: Fail*

Target Date Fund 3 2045-2050	Meetings eligible to vote on: 10,205 Resolutions eligible to vote on: 103,777 Proposal voted: 99.9% Votes with management: 75.4% Votes against management: 23.8% Abstain votes: 0.8% Use of proxy voter: Yes (ISS's Proxy Exchange) Votes contrary to the proxy advisor: 13.8%	**Deere & Company** - *Date of vote: February 25, 2026* - *Reasoning for significant vote: L&G views this shareholder resolution as significant due to its focus on climate-related disclosure and its implications for long-term value creation.* - *Approx. holding size: 0.3%* - *Summary of resolution: Report on Expected Return on Investment of Company's Emissions Reduction Goals* - *Manager vote: Against* - *Vote against management, was intent communicated ahead of the vote: L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with investee companies in the three weeks prior to an AGM as engagement is not limited to shareholder meeting topics.* - *Voting rationale: A vote against is applied as L&G expects companies to be taking sufficient action on the key issue of climate change. While they recognise the proponents stated intent to link emissions goals to financial performance, they do not believe this specific request would enhance investor understanding beyond Deeres existing disclosures and the commitments the company has already made.* - *Outcome of vote: n/a*
Target Date Fund 3 2050-2055	Meetings eligible to vote on: 10,205 Resolutions eligible to vote on: 103,777 Proposal voted: 99.9% Votes with management: 75.4% Votes against management: 23.8% Abstain votes: 0.8% Use of proxy voter: Yes (ISS's ProxyExchange) Votes contrary to the proxy advisor: 13.8%	- **PepsiCo, Inc.** - *Date of vote: May 7, 2025* - *Reasoning for significant vote: L&G views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.* - *Approx. holding size: 0.2%* - *Summary of resolution: Report on Third-Party Racial Equity Audit* - *Manager vote: For* - *Vote against management, was intent communicated ahead of the vote: n/a* - *Voting rationale: A vote in favour is applied as L&G supports proposals related to diversity and inclusion policies as they consider these issues to be a material risk to companies.* - *Outcome of vote: n/a*
Target Date Fund 3 2055-2060	Meetings eligible to vote on: 10,205 Resolutions eligible to vote on: 103,777 Proposal voted: 99.9% Votes with management: 75.4% Votes against management: 23.8% Abstain votes: 0.8%	**Microsoft Corporation** - *Date of vote: December 5, 2025* - *Reasoning for significant vote: L&G considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO.* - *Approx. holding size: 3.1%* - *Summary of resolution: Elect Director Satya Nadella* - *Manager vote: Against* - *Vote against management, was intent communicated ahead of the vote: n/a*

	Use of proxy voter: Yes (ISS's ProxyExchange) Votes contrary to the proxy advisor: 13.8%	- *Voting rationale: A vote against is applied as L&G expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.* - *Outcome of vote: Pass*
Target Date Fund 3 2060-2065	Meetings eligible to vote on: 10,205 Resolutions eligible to vote on: 103,777 Proposal voted: 99.9% Votes with management: 75.4% Votes against management: 23.8% Abstain votes: 0.8% Use of proxy voter: Yes (ISS's ProxyExchange) Votes contrary to the proxy advisor: 13.8%	**SK hynix, Inc.** - *Date of vote: March 25, 2025* - *Reasoning for significant vote: This shareholder resolution is considered significant due to director elections taking place during the first proxy season following reforms to the Korean Commercial Act, which enhanced expectations around board and audit committee independence and oversight.* - *Approx. holding size: 2.4%* - *Summary of resolution: Elect Kim Jeong-gyu as Non-Independent Non-Executive Director* - *Manager vote: For* - *Vote against management, was intent communicated ahead of the vote: n/a* - *Voting rationale: A vote for is applied as no major concerns have been highlighted.* - *Outcome of vote: n/a*
Target Date Fund 3 2065-2070	Meetings eligible to vote on: 10,205 Resolutions eligible to vote on: 103,777 Proposal voted: 99.9% Votes with management: 75.4% Votes against management: 23.8% Abstain votes: 0.8% Use of proxy voter: Yes (ISS's ProxyExchange) Votes contrary to the proxy advisor: 13.8%	**Hyundai Motor Co., Ltd** - *Date of vote: March 26, 2025* - *Reasoning for significant vote This shareholder resolution is considered significant due to director elections taking place during the first proxy season following reforms to the Korean Commercial Act, which enhanced expectations around board and audit committee independence and oversight. Approx. holding size: 1.0%* - *Summary of resolution: Elect Jose Munoz as Inside Director* - *Manager vote: For* - *Vote against management, was intent communicated ahead of the vote: n/a* - *Voting rationale: A vote for is applied as no major concerns have been highlighted.* - *Outcome of vote: n/a*
Target Date Fund 3 2070-2075	Meetings eligible to vote on: 10,204 Resolutions eligible to vote on: 103,776 Proposal voted: 99.9% Votes with management: 75.4% Votes against management: 23.8% Abstain votes: 0.8% Use of proxy voter: Yes (ISS's ProxyExchange) Votes contrary to the proxy advisor: 13.8%	**JPMorgan Chase & Co.** - *Date of vote: May 20, 2025* - *Reasoning for significant vote: L&G considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO.* - *Approx. holding size: 0.6%* - *Summary of resolution: Elect Director James Dimon* - *Manager vote: Against* - *Vote against management, was intent communicated ahead of the vote: L&G publicly communicates its vote instructions on its website with the rationale for all votes against management.*

		– *Voting rationale: A vote against is applied as L&G expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.* – *Outcome of vote: Pass*

Proxy voting:

L&G's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G and they do not outsource any part of the strategic decisions. L&G's use of ISS recommendations is only to augment their own research and proprietary ESG assessment tools.

To ensure the proxy provider votes in accordance with L&G's position on ESG, they have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what they consider are minimum best practice standards which they believe all companies globally should observe, irrespective of local regulation or practice.

L&G retain the ability in all markets to override any vote decisions, which are based on their custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows L&G to apply a qualitative overlay to their voting judgement. L&G have strict monitoring controls to ensure their votes are fully and effectively executed in accordance with their voting policies by their service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform them of rejected votes which require further action.