
The Atos UK 2019 Pension Scheme Implementation Statement – 1 January 2024 to 31 December 2024

Introduction

This Implementation Statement ("the Statement") has been prepared by Atos Pension Schemes Limited ("the Trustee") in relation to the Atos UK 2019 Pension Scheme ("the Scheme"). The Statement is required by the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (as amended) and states how the policies covered in the Statement of Investment Principles (the 'SIP') have been followed.

Based on regulatory requirements, the Statement will cover the period from 1st January 2024 to the end of the Scheme's financial year on 31st December 2024. There are separate sections within the SIP for both the DB and DC elements of the Scheme. The Statement is therefore split accordingly, to reflect the differing content and relevance to different members. The Scheme's Additional Voluntary Contribution ("AVC") arrangements are also covered within the SIP and hence this statement.

The Statement is split into four sections:

1. an overview of SIP updates and stewardship-related policies;
2. a summary of Trustee actions and alignment with SIP policies;
3. examples of manager engagement over the year (appendix);
4. summary of voting over the year (appendix).

From 1 October 2022, further Department of Work and Pensions ('DWP') guidance on the reporting of stewardship activities through Implementation Statements came into effect. This statement continues to consider this guidance and outlines the actions the Trustee has taken in 2024 to meet the DWP's updated stewardship expectations, although the Trustee recognises this is an evolving area, where best practice develops over time.

1. Overview of SIP updates and stewardship-related policies

Summary of Statement of Investment Principles Updates Over the Period

The SIP was last updated in October 2023 to incorporate the Trustee's new Stewardship Policy, which was set in cognisance of the Department for Work and Pension's ("DWP") updated SIP and Stewardship Policy guidance (released October 2022). Further minor updates were made to the SIP, including removing reference to a secondary risk constraint which is no longer utilised and updating wording referencing how the DC section is managed, to ensure wording remains accurate.

For the purposes of assessing how the policies in the Scheme's SIP have been followed, this Statement addresses the October 2023 version of the SIP.

The Scheme's SIP can be found [here](#).

Overview of the Trustee's Stewardship Policy (i.e. voting and engagement policies)

In 2023, the Scheme updated its Stewardship Policy which sits within the SIP to align with the DWP's updated guidance on stewardship and engagement, which came into effect in October 2022. This Policy articulates how the Trustee practises effective stewardship through the oversight and challenge of investment managers, rather than the Trustee themselves operating directly as stewards of the underlying assets in which the Scheme invests. There were no updates to the Stewardship Policy in 2024.

The previously updated Stewardship Policy has raised the expectation for managers' stewardship activities, including outlining the significance of stewardship in the selection and monitoring of investment managers, expectations for investment managers' engagement activities, and expectations for investment managers' voting activities where relevant.

As per the DWP's suggestions, the Trustee has selected a key stewardship theme, which will be used to channel its stewardship efforts. The Trustee recognises there is a spectrum of sustainability-related challenges that are potentially financially material but believes it will be most effective in its oversight of investment managers by focussing its efforts initially. The chosen stewardship theme is "Climate Change". However, the Trustee recognises that a successful climate transition is also dependent on the restoration of biodiversity and nature loss, as well as a just transition (i.e. seeking to ensure that the benefits of a transition to a green economy are shared across society and supporting those who stand to be adversely affected by such a transition).

The Trustee uses data, such as size of holdings and exposure to particular risks, to direct its engagement efforts into particular areas which are viewed to be most material for the Scheme and its members. For example, following the Trustee's agreement to transition the segregated buy and maintain credit mandate from Amundi to Schroders, this provided an opportunity to revisit ESG integration. Through discussions with Schroders, the Trustee incorporated enhanced ESG guidelines into the new mandate. These included climate-related exclusions, a framework used to avoid lending to banks which are material financers of fossil fuel expansion and not reducing this financing as well as calculating estimates of both the positive and negative 'externalities' that companies may create for society or the environment.

The Trustee's Stewardship Policy can be found within its Statement of Investment Principles, which is publicly available.

Significance of stewardship in appointment and monitoring of investment managers

When selecting and monitoring the Scheme's investment managers, the Trustee considers managers' ESG and Stewardship capabilities. This information is provided by the Scheme's investment consultant.

The Trustee monitors and engages with the Scheme's investment managers (via the Scheme's investment consultant) on an ongoing basis.

Engagement

The Trustee delegates responsibility for engaging with individual issuers to the Scheme's investment managers, which the Trustee views as a minimum expectation. The Trustee expects investment managers to engage with issuers to preserve or increase the long-term value of their investments, while minimizing negative externalities on the environment and society, except for within Liability-driven Investment ("LDI") where the issuer is the UK government. Where engagement has made little progress, the Trustee expects its investment managers to escalate engagement accordingly.

The Trustee requests that its investment managers provide engagement case studies to support its monitoring and oversight. With that in mind, examples of engagement activities across the Scheme's managers are included in Appendix A.

These engagement examples in Appendix A have been selected for their relevance to the Scheme's chosen theme of climate change, also with a focus on biodiversity and a just transition.

Voting

The Trustee delegates responsibility for the exercise of rights (including voting rights) attached to investments to the Scheme's investment managers. Investment managers are expected to have their own voting policies and the exercise of voting rights on the Scheme's behalf should form part of a wider engagement dialogue.

The Trustee is not aware of any material departures from the managers' stated voting policies. Given the nature of these mandates and the fact that voting activities appear to be undertaken in line with the managers' voting policies, the Trustee is comfortable that the voting policies for the Scheme have been adequately followed over the period.

Whereas voting responsibilities are outsourced to the Scheme's investment managers, the Trustee recognises that it has a fiduciary and regulatory responsibility to retain agency in the process. Investment manager oversight is the key mechanism for this, and the Trustee therefore holds its investment managers accountable not only for voting activity as a whole, but also how they have voted in significant votes. It is the Trustee's responsibility to define the significance of votes placed on their behalf, and to be transparent with stakeholders and beneficiaries regarding outcomes.

The Scheme's Stewardship Policy offers a definition of what the Trustee deems to be a significant vote. A significant vote is described as a vote which meets one of more of the following criteria:

- Votes relating to the key stewardship theme (climate change);
- Votes relating to issues interconnected with the key stewardship theme, defined as biodiversity and nature-loss resolutions or votes related to a just transition;
- Votes relating to an issuer to which the Scheme has a large £ exposure;
- Votes which may be inconsistent between investment managers; and
- Votes identified due to potential controversy, which may be driven by the size and public significance of a company, the nature of the resolution, and the weight of shareholder vote against management recommendation.

Voting statistics and a selection of most significant votes cast on behalf of the Scheme over the period are shown in Appendix B, for each of the Scheme's relevant managers. These are LGIM for the DB Section, and BlackRock for the DC Section.

In many cases, BlackRock's voting in relation to DC Section assets has not aligned with the Trustee's climate objectives. However, the Trustee has opted to focus its time in relation to the DC Section on reviewing the approach for delivering DC benefits, which resulted in the transfer of most DC assets to the Aegon Master Trust. Due to focus being on this area, the Trustee has not spent time engaging with BlackRock directly on the matter of their voting. It is noted, however, the Trustee's investment consultant has, in its wider capacity, engaged with BlackRock on various occasions on such voting matters.

2. Summary of Trustee actions and alignment with SIP policies

Overview of Trustee's Actions - DB

Investment Objectives and Strategy

During the reporting period, there were no changes to the Scheme's investment objectives.

The Trustee has made informed strategic investment decisions in accordance with its rights and responsibilities to enable the achievement of the Trustee's long-term investment objectives as set out in the SIP. When assembling and reviewing information to guide decision-making, the Trustee considers the extent to which these actions are expected to make a difference in achieving these long-term investment objectives and how these are aligned with the SIP.

The Scheme's investment strategy was not materially amended over the year, however there were some notable developments.

- In April 2024, an almost full redemption of c.£97m (c.99.9%) was placed from the LGIM FTSE TPI Global (ex Fossil Fuels) Equity Index Fund for risk management purposes. The proceeds were largely held in the LDI portfolio (c.£80m), but with a portion used to top up both the Trustee Bank Account (£6m) and the Schroders USD Liquidity Fund (£11m) used to fund Stonepeak capital calls.
- Following a full redemption placed from the LGIM LPI Income Property Fund in December 2023 (c.£56m) to increase the Scheme's liquidity, the proceeds were received in three tranches in June, July and August 2024 and reinvested across the Scheme's absolute return bonds manager, PIMCO, and the LDI portfolio.
- In July 2024 the Scheme placed a full redemption from the Hermes Absolute Return Credit Fund following advice from the investment consultant due to a reduced conviction in the strategy's ongoing robustness. The proceeds from the redemption (c.£19m) were held in the Trustee Bank Account and funded the payment for the transfer of former NS&I members to the CSPA for future service accrual which took place in July.

Overall, the Scheme's agreed strategic asset allocation reflects the Trustee's view of the most appropriate investments, balancing risk/reward characteristics of the funds the Scheme is invested in, to support the Scheme's full funding objective.

Trustee's policies for investment managers

The Trustee relies on investment managers for the day-to-day management of the Scheme's assets, but retains control over the Scheme's investment strategy.

The Investment Managers are responsible for the day-to-day management of the Scheme's assets in accordance with guidelines agreed with the Trustee, as set out in the Investment Management Agreements ("IMAs") or pooled fund prospectuses. The Investment Managers have discretion to buy, sell or retain individual securities in accordance with these guidelines. The Investment Managers report to the Investment & Funding Committee ("IFC") regularly regarding their performance, which in turn reports back to the Trustee. Each of the Investment Managers' fees are related to the amount of assets managed within their portfolios. Minimum fees may also apply in some cases.

Each of the Scheme's managers have also received a copy of the SIP, which includes the Sustainable Investment Beliefs Statement and the Stewardship Policy, and have been asked to adhere to this where possible.

Overview of Trustee's Actions - DC

Investment Arrangements

The Trustee continues to monitor all managers on a regular basis, considering both the performance of the funds and other prevailing circumstances. At the end of 2024 the majority of DC and AVC assets were transferred in bulk to the Aegon Master Trust.

Final remarks

As demonstrated in the following sections of this Statement, the actions the Trustee has undertaken during the relevant reporting period reflect the policies within the Scheme's SIP. Any changes to the investment strategy agreed during the period but implemented after the period had ended will be reported against in the next implementation statement.

The responsibility for managing the Scheme's holdings is delegated to its Investment Managers. The Trustee believes that the Scheme's Investment Managers are well placed to engage with invested companies on environmental, social and governance ("ESG") matters, given their knowledge of the company and the level of access they have to company management. This is also a pragmatic approach because of the number of stocks owned by the Scheme, and the amount of time corporate entities have available for single investors. However, the Scheme sets out its expectations to its asset managers in terms of Corporate Governance via the 'Sustainable Investment Beliefs Statement' and 'Stewardship Policy' sections within the SIP.

The Trustee believes that it should act as a responsible steward of the assets in which the Scheme invests as this can improve the longer-term returns of its investments. The Trustee notes that sustainable financial outcomes are better leveraged when supported by good governing practices,

such as board accountability.

It is the Trustee’s belief that the policies set out in the SIP regarding the exercise of rights attaching to investments and the undertaking of engagement activities in respect of the investments has been followed over 2024.

Review of DB SIP Policies

Policy	Has the policy been followed?	Evidence
Investment Objectives		
<p>The Trustee has worked collaboratively with the Principal Employer to adopt a Pension Risk Management Framework (“PRMF”) to guide the strategic asset allocation (“SAA”) and risk management strategy of the Scheme.</p> <p>The PRMF sets out the key investment objectives of the Scheme, the metrics used to measure these objectives and the constraints within which the objectives will be targeted.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The PRMF is reviewed on a quarterly basis by the Trustee, with clear written advice provided by the investment consultant if any of the metrics used to measure the objectives fall outside the pre-agreed constraints.</p>

<p>The asset return required to achieve the investment and funding objectives ("required return") is assessed on an ongoing basis against the expected return on the Scheme's assets.</p> <p>If expected return is below required return, the Trustee may adjust the strategic asset allocation to ensure that the Scheme remains on course to achieve its objective. Similarly, if expected return is above required return, the Trustee may reduce expected return and investment risk to enable the fund to progress on a less volatile path towards the funding objective.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Trustee monitors the expected return versus the required return on at least a quarterly basis, via the PRMF. All asset allocation changes throughout the period were made in consideration of the required return against the expected return, as well as wider Scheme context.</p> <p>Although the expected return was behind the required return to reach full funding by 2034 on the Gilts + 0.5% basis as at 31 December 2024, the Trustee, based on advice from its investment consultant, opted not to take any immediate action as this funding target was due to be reviewed and likely updated following the completion of the, at the time, ongoing funding valuation.</p>
<p>Required return, expected return, risk and collateral requirements are calculated and reported to the Trustee on a quarterly basis by the Scheme's investment adviser.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The stated metrics are provided within the PRMF, which is provided to the Trustee on a quarterly basis by its investment consultant.</p>
<p>The kind of investments and the balance between different kinds of investments is driven by the objectives and constraints from the Pension Risk Management Framework, which helps balance the risks and returns required to reach the investment objective.</p> <p>The Trustee aims to align with the Principal Employer by dedicating resource to considering how the Scheme could potentially achieve net-zero carbon emissions by 2035, by exploring how the Scheme's investments and asset managers can help the Scheme move towards this target.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>All asset allocation changes throughout the period were made in consideration of the objectives and constraints from the PRMF, wider Scheme context and the ambition to achieve net-zero carbon emissions by 2035.</p>

<p>The Trustee will consult with the Principal Employer as appropriate on proposed changes to the strategic asset allocation, for example, if the level of return required reduces as a result of favourable experience.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Principal Employer is represented at all IFC and Trustee meetings, and has been involved in discussions regarding all asset allocation changes throughout the period.</p>
<p>Risk</p>		
<p>The Trustee's willingness to take investment risk is dependent on the continuing financial strength of the Principal Employer and its willingness to contribute appropriately to the Scheme. The financial strength of the Principal Employer and its perceived commitment to the Scheme is monitored and the Trustee will reduce investment risk relative to the liabilities should either of these deteriorate.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The financial strength of the Principal Employer was taken into account as part of the Trustee's decision to remove almost all of the Scheme's equity exposure in Q2 2024.</p> <p>The Trustee continues to monitor the financial strength of the Principal Employer on an ongoing basis and factors this into investment strategy considerations.</p>
<p>In addition to targeting an appropriate overall level of investment risk, the Trustee seeks to spread risks across a range of different sources. The Trustee aims to take on those risks for which they expect to be rewarded over time, in the form of excess returns.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The investment portfolio is diversified across several risk sources, which the Trustee receives reporting on quarterly from its investment consultant.</p> <p>Risks viewed by the Trustee as unrewarded risks are hedged.</p>

<p>The Trustee believes that the asset allocation policy should provide an adequately diversified distribution of assets. In addition, the Trustee also considers the risk arising from investment in specific asset classes. The risks, as stated in the SIP, are taken into account by the Trustee.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The SIP lists a number of risk factors that the Trustee believes may result in a failure to meet the agreed objectives. The Trustee monitors and manages these risk factors through measures specific to each risk on a quarterly basis. It seeks guidance and written advice from its investment consultant as appropriate.</p>
<p>The Trustee considers the balance between active and passive management, in asset classes where passive management is a practicable option. In determining this balance, the Trustee will consider whether active management offers sufficient potential to outperform to justify the additional risks and fees compared with passive management.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The relative considerations between active and passive management are considered as part of any relevant asset allocation and manager selection decisions.</p> <p>The Trustee's quarterly reporting from its investment consultant displays any active risk in the portfolio as well as the contribution to expected returns from each manager, and considers active manager performance net of fees.</p>
<p>The Trustee monitors the risk and return characteristics of the Scheme on a quarterly basis. On a quarterly basis, the Trustee monitors the volatility of the Scheme's funding level and sources thereof.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The risk and return characteristics of the Scheme, including volatility of the Scheme's funding level and sources thereof, are included in the investment consultant's quarterly reporting and reviewed by the Trustee.</p>
<p>Expected Return</p>		

The Trustee recognises that, depending on the prevailing level of funding, the Scheme requires a strategy to be implemented which is intended to produce a return consistent with that assumed in the actuarial valuation for funding purposes.

There is also a dual objective of ensuring an expected return that allows the Scheme to meet its primary investment objective of being 100% fully funded by 2034 on a Gilts+0.5% basis.

Yes, the Trustee is satisfied that this policy has been followed.

The required return for full funding by 2034 on the Gilts+0.5% basis is monitored within the PRMF, which is provided at least quarterly. The Scheme's latest funding valuation was completed in December 2024, so the investment objective was then reviewed and updated in early 2025.

Although over 2024 the expected return of the Scheme was behind the required return (to be 100% fully funded by 2034 on a Gilts+0.5% basis), the Trustee considered its options and decided not to take any immediate actions to rectify this. This was due to the ongoing Scheme valuation and Employer covenant considerations.

Investment Policy

An investment policy has been established for the Scheme's DB assets to ensure that the portfolio meets the agreed risk and return objectives. The Trustee will formally review its investment policy after each actuarial valuation of the Scheme, or more frequently if required or advised by its investment consultant.

Yes, the Trustee is satisfied that this policy has been followed.

The Trustee has taken actions so that the Scheme has adhered to the investment policy set out in the SIP.

The asset allocation broadly aligned with the Scheme's strategic asset allocation (SAA) as at 31 December 2024.

There were some divergences, but these were in the context of appropriately managing the investment portfolio over time whilst awaiting the completion of the actuarial valuation before the investment strategy and SAA are to be reviewed in detail in 2025.

Investment Manager Policy

<p>The Scheme holds investments in both segregated and pooled arrangements. For the segregated arrangements, the long-term relationships between the Trustee and its managers are set out in separate Investment Manager Agreements ("IMAs"). These document the Trustee's expectations of their managers, alongside the investment guidelines they are required to operate under.</p> <p>For pooled arrangements, the Scheme's investments are managed according to standardised fund terms, which are reviewed by the Scheme's legal and investment advisors at the point of investment to ensure that they are aligned with the Scheme's long-term investment strategy and market best practice.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The IMAs for segregated mandates are reviewed to maintain alignment with the Trustee's policies and aims. For example, over 2024, the IMA in place with Schroders, the Scheme's LDI manager, was updated to ensure the hedging guidelines aligned with the Trustee's strategic targets.</p> <p>The Trustee, supported by its investment consultant, monitors pooled fund terms both at the point of investment and periodically on an ongoing basis to ensure alignment with the Scheme's long-term investment strategy and market best practice.</p>
<p>The Trustee shares its SIP with the managers periodically, with the aim of ensuring managers invest in line with the Trustee's policies.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The SIP has been circulated to each of the Scheme's managers.</p>
<p>The Trustee reviews the fees managers are paid periodically to confirm they are in line with market practices, notably when the Trustee expects the manager to take an active ownership approach and consider both long-term ESG risk factors and opportunities to decarbonise the portfolio.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>Manager fees are reviewed on an ongoing basis by the Scheme's investment consultant.</p> <p>The Manager Monitoring Report provided by the Trustee's investment consultant on a quarterly basis outlines the fees for investment managers.</p>

<p>The Trustee reviews the portfolio transaction costs and managers' portfolio turnover ranges, where the data is disclosed and available. The Trustee will then determine whether the costs incurred were within reasonable expectations.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Trustee's investment consultant supports the Trustee in these reviews. There were no reports of materially high portfolio transaction and turnover costs over the period.</p>
<p>The Trustee appoints its investment managers with an expectation of a long-term partnership, which encourages active ownership of the Scheme's assets where appropriate to that asset class. When assessing a manager's performance, the focus is on longer-term outcomes and is assessed over a medium to longer-term timeframe.</p> <p>The Trustee would not expect to terminate a manager's appointment based purely on short-term performance. However, a manager's appointment could be terminated within a shorter timeframe than three years due to other factors such as a significant change in business structure or the investment team.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Manager Monitoring Report provided by the Trustee's investment consultant on a quarterly basis sets out performance statistics over longer and shorter timeframes, but with a focus on the longer periods.</p> <p>No asset allocation changes throughout the period were made due to managers' short-term performance.</p> <p>The full redemption from the Hermes Absolute Return Credit Fund in July 2024 was within three years of the Fund's inception. This was driven by changes to the Trustee's investment consultant's forward-looking view of the fund following business changes at the fund manager, rather than due to performance. It is also noted the Scheme was previously invested in a segregated mandate which was similar to the pooled fund.</p>

Should the Trustee's monitoring process reveal that a manager's portfolio is not aligned with the Trustee's policies, the Trustee will engage with the manager further to encourage alignment. This monitoring process includes specific consideration of the sustainable investment/ESG characteristics of the portfolio and managers' engagement activities. If, following engagement, it is the view of the Trustee that the degree of alignment remains unsatisfactory, the manager will be terminated and replaced.

Yes, the Trustee is satisfied that this policy has been followed.

The Trustee receives ongoing monitoring of its managers, including on ESG factors, from its investment consultant. The investment consultant engages with managers on behalf of the Trustee and reports developments.

Day-to-day management of the assets

<p>The Trustee employs Investment Managers, with whom day-to-day responsibility for the investment of the Scheme's assets rest.</p> <p>Details of the mandates set for the Investment Managers by the Trustee are set out in the DB Investment Policy Implementation Document ("IPID").</p> <p>Where assets are managed on a segregated basis, the Trustee is able to tailor the nature of the investment mandate and set restrictions on how assets are managed to meet the Scheme's specific requirements.</p> <p>The Trustee accepts that it is not possible to specify investment restrictions where assets are managed via pooled funds as the Investment Manager has discretion over the timing and realisation of investments.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Trustee has amended the IMA in place with its LDI manager over 2024 to tailor the investment mandate and restrictions, to improve alignment with the Scheme's specific requirements.</p>
<p>The IFC meets each investment manager regularly to discuss their performance and any wider issues, in order to review the continued suitability of the appointed investment managers.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The IFC meets with relevant investment managers where considered an appropriate use of time and depending on time allocated for other priority agenda items.</p> <p>The investment consultant continues to meet with managers more often than this internally and flags to the Trustee when beneficial to schedule a meeting with a manager.</p>
<p>Additional Voluntary Contribution Assets ("AVCs")</p>		

With the assistance of the Scheme's consultants, the AVC arrangements will be reviewed periodically to ensure that the investment profile of the funds available remains consistent with the objectives of the Trustee and the needs of the members.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee completed the transfer of members whose AVCs were invested in the Scheme assets to the Aegon Master Trust on 5 th December.
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Review of DC SIP Policies

Policy	Has the policy been followed?	Evidence
Investment Policy		
The Trustee regards its prime DC duty as providing a default investment strategy to meet the requirements of members who do not or are unable to make an investment decision. In addition, its duty is also to make available a range of investment options sufficient to enable members to tailor their investment strategy to their own needs, recognising these may change during the course of the members' working lives.	Yes, the Trustee is satisfied that this policy has been followed.	<p>An annuity focused lifestyle option was selected as the default investment at the last review, based on an analysis of the membership, including its risk tolerance, members' projected account values and wider industry experience.</p> <p>In line with the Trustee's objective to provide a range of investment options, the Trustee also makes available a range of self-select funds.</p> <p>Members who prefer to make their own investment choices can therefore choose from a range of individual funds, which have been selected by the Trustee after taking professional investment advice.</p>
Default Investment Strategy		

<p>Default investment strategies are designed to meet the dual objectives of maximising growth in the value of the member's DC account and protecting that value as the member approaches retirement.</p> <p>The Trustee will periodically review the default investment strategy to ensure it remains suitable.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Trustee is comfortable with the Lifestyle investment strategy currently in place.</p>
<p>Risk</p>		
<p>The risks, as stated in the SIP are assessed and monitored regularly.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>Risk is not considered in isolation, but in conjunction with expected investment returns and outcomes for members.</p> <p>The default lifestyle investment strategy balances the trade-off between the expected returns and the different risks DC members face during their retirement savings journey.</p> <p>This is achieved both through the selection of investment funds and the de-risking strategy which switches members' DC accounts into lower risk investments as they approach their selected retirement date.</p> <p>The Trustee also makes available a range of funds with different levels of risk, across various asset classes, for members wanting to build their own investment strategy.</p>

3. Appendix A – Examples of manager engagement over the year

Where a manager has provided engagement examples across one of biodiversity or just transition, alongside the Scheme's key stewardship priority of climate change, we have included multiple engagement examples per manager.

Engagement examples from the DB Section

In all examples below, the engagement activity took place either in full or in part over 2024. Often, engagement with a company occurs over several years, so the activity which took place over 2024 may be part of a longer-term engagement program.

Where initial engagement examples provided by managers lacked sufficient detail on the focus and outcome of the engagement, the Trustee (via its investment consultant) successfully challenged the manager to provide further detail.

Schroders

1. **Company:** Barclays (Counterparty bank within the LDI portfolio)

Topic: Climate Change

Details of the engagement: Schroders have extensively and consistently engaged with Barclays, an LDI counterparty bank, since 2008 on their climate policies and targets. Discussions have dated back to 2008 with more structured engagements occurring around three times a year since 2020. In earlier engagements, Schroders encouraged Barclays to measure emissions related to its financing activities, set climate targets and develop detailed climate policies. As the bank has made progress, Schroders' more recent engagements have focused more on the scope and completeness of targets, assurance over emissions measurement and providing disclosure on client transition.

Outcome of the engagement: Schroders noted that there has been a one-third reduction in absolute emissions linked to Barclays' financing of the energy sector over the last three years, as well as a commitment to cease financing for oil sands exploration, production companies, and related projects. Following the positive changes made by the bank, ShareAction has withdrawn its climate resolution issued in 2020 but also commented that the company's climate strategy could have gone further. Barclays has reaffirmed its commitment to driving the energy transition through policy, targets, and its Client Transition Framework. Schroders have committed to continuing to engage with Barclays on several topics, including its progress against their Climate Change Statement, expansion of financed emissions targets to cover a higher proportion of the company's total financed emissions, and greater levels of disclosure around financing of clients engaged in fracking.

Legal and General Investment Management ("LGIM")

1. **Company:** TJX

Topic: Climate Change

Details of the engagement: Since 2020, LGIM met with the company several times on the topic of climate change, including twice in 2024. Their dialogue was centred on the key areas from LGIM's

Climate Impact Pledge, which for TJX included expectations around emissions disclosure, deforestation, and net zero planning. Due to lagging LGIM's minimum expectations in this regard, LGIM voted against the re-election of the Chair in the company's AGM between 2020 and 2023.

Outcome of the engagement: Over the period of the engagement, LGIM saw some improvements. The issuer took steps to estimate the relevant Scope 3 categories and to reduce those emissions. TJX also set interim operational emissions targets including attempting to source 100% of renewable energy in operations by 2030 and steadily increased their share of renewable energy usage (31%). Nevertheless, LGIM remain concerned that TJX does not have a zero-deforestation policy in place and does not appear to have the intention to analyse its potential exposure to commodity-driven deforestation. TJX also do not provide comprehensive disclosure of material scope 3 emissions and has no plans to develop a net zero transition plan in the next few years. Due to continued failure to meet LGIM's minimum expectations, LGIM took the decision in 2024 to divest from the company across relevant LGIM portfolios, under their Climate Impact Pledge sanctions.

2. Company: PepsiCo

Topic: Biodiversity

Details of the engagement: Plastic pollution poses a global threat to ecosystems and human health. PepsiCo, identified by LGIM as a top plastic polluter, has ambitious commitments and targets related to sustainable packaging, but progress has stalled. LGIM's core objectives for their engagement with PepsiCo is for the company to phase out single-use (fossil-fuel-based) plastics, support the Global Plastics Treaty, and avoid negative lobbying regarding the Treaty or any other plastic-related regulations (e.g. EPR). In 2024, LGIM co-led engagement with PepsiCo to discuss their plastics strategy and sustainable packaging efforts. LGIM expect the company to disclose plans on how it aims to transition away from single-use plastics by increasing the sales of reuse products and concentrate (e.g. Sodastream), increasing recycled content in its packaging and reducing virgin plastics, tackling challenges related to flexible packaging, and advocating for supportive regulatory environments. At PepsiCo's 2024 AGM, LGIM supported a shareholder resolution requesting a report on PepsiCo's risks related to biodiversity and nature loss.

Outcome of the engagement: While PepsiCo reports on various sustainability initiatives, including biodiversity loss and protection associated with the company's agriculture practices, LGIM believes a comprehensive assessment identifying the nature-related impact and dependencies, risks and opportunities across the company's supply chains and operations would benefit both the company and its investors. LGIM consider the objective outlined above to be in progress and look forward to continuing their engagement with PepsiCo for the company to adopt more sustainable practices. No escalation actions (e.g. voting or divestment) have been taken yet.

Amundi

1. Company: Intesa San Palo

Topic: Climate Change

Details of the engagement: Although the European bank updated its thermal coal policy in July 2021, Amundi identified gaps in alignment with the Paris Agreement to limit global warming to 1.5°C. These gaps were present because there was no commitment to phase out exposure to thermal coal power

generation and limited transparency on their inclusion of coal developers. In 2023, this triggered Amundi to engage with the issuer to address these concerns and the bank's broader climate strategy. A key engagement point for Amundi was a minimum level of commitment from all banks to limit and reduce brown financing, specifically a commitment to phase out thermal coal by 2030/2040. Crucially, this issuer is one of the few large European banks that had not yet committed to phase out thermal coal power generation. As such, to escalate this engagement, Amundi participated in the 2024 AGM to encourage the bank to align their thermal coal policy with leading practice in the sector.

Outcome of the engagement: In June 2024, the bank updated its unconventional oil & gas policy, incorporating Amundi's recommendation to clarify the definition of companies covered by this policy. Despite positive developments with regards to SBTi target setting in March 2024, Amundi did not observe any progress regarding their demand for a commitment to phase out exposure to thermal coal-fired power plants. Amundi also did not observe any progress regarding their recommendation for a full extension of the bank's thermal coal policy to also cover investment activities and securities underwriting. As there was a lack of progress on the evolution of their thermal coal policy, Amundi decided in December 2024 and July 2025 to close the engagement streams linked to thermal coal (exclusion of coal developers, commitment to phase out thermal coal power generation, commitment to phase out thermal coal for the investment activities and securities underwriting). They continue to engage with the bank on other climate related issues, such as the extension of sectoral decarbonisation targets to cover capital markets activities (i.e. facilitated emissions) and the development and publication of a client transition framework.

2. **Company:** Lloyds Banking Group

Topic: Just Transition

Details of the engagement: This was Amundi's second year of engagement with the company on the topic of just transition. As one of the largest financial services providers in the UK, Amundi were interested in engaging with the bank to further understand how it was integrating just transition into its net zero strategy. In early 2023, Amundi engaged with the bank on its climate strategy, including its financed emissions and related decarbonisation targets. Part of this discussion focused on how the bank was incorporating just transition into its lending process. In a collaborative engagement in October 2023, Amundi further engaged with the bank on the topic of just transition. The engagement aimed to strengthen the bank's just transition strategy by integrating it into its climate plan and disclosing UK-specific resources to support local just transition efforts.

Outcome of the engagement: Amundi note that the bank appears to be advanced in its thinking about how it can incorporate just transition into its climate transition strategy and, in their 2023 meeting, demonstrated good awareness of the role financial institutions are expected to play in achieving a fair transition to a more sustainable economy. The bank shows that it has already been embedding just transition into its environmental sustainability strategy - for example, by considering just transition when setting its decarbonisation targets for residential mortgages. Following a meeting in 2024, Amundi communicated feedback to the issuer outlining that the bank should disclose what regional resources are made available at the local level for the implementation of its just transition efforts. Despite some strong practices, Amundi would like the bank to further integrate just transition throughout its climate transition plan to more robustly support its customers, clients and local communities transition to a net zero economy in a fair and just manner. Amundi plan to continue the engagement in 2025 via collective engagement and will also monitor for any further integration of just transition in the bank's climate transition plan.

3. **Company:** Procter & Gamble

Topic: Biodiversity

Details of the engagement: The company is one of the largest consumer goods manufacturers, operating in approximately 180 countries, and has frequently been cited as one of the largest contributors to plastic packaging waste globally. Engagement began in 2019 due to concerns about its significant plastic footprint. Despite having a sustainability strategy, the company was seen as trailing peers in addressing plastic-related risks. It was encouraged to join the Ellen MacArthur New Plastics Economy Global Commitment to align with peers on targets such as 100% reusable and recyclable packaging and increased recycled content by 2025. Even though the company set a goal for 100% recyclable packaging by 2030 and launched pilot projects on sustainable materials, progress over the years was limited and still behind peers. In 2022 and 2023, shareholder votes were cast against key board members due to slow progress and concerns around deforestation. By 2024, engagement with the company had become limited. Although pilot initiatives continue to improve the recyclability of products and drive recycling technologies, updates on their projects were vague and disclosures on plastic risk remained high-level, making it difficult to assess internal commitment.

Outcome of the engagement: After several years of limited progress and weak transparency, Amundi continue to monitor the company's progress on its plastic strategy, as well as broader environmental concerns including deforestation. In 2024, Amundi did not support the election of the Chair of the Audit Committee, similar to 2023, reflecting ongoing concerns around oversight in these areas. As the engagement has been active for several years with limited observable progress, Amundi have closed the engagement with an outcome marked as unresolved.

Hermes

1. **Company:** A US Oil & Gas Company

Topic: Climate Change

Details of the engagement: Hermes' objective was for the company to disclose its methane intensity and set methane targets in line with the Oil and Gas Methane Partnership Reporting Framework 2.0 and encourage upstream producers to do the same.

Outcome of the engagement: The company explained it is engaging with joint partners to see the value of the initiative, and the main pushback is that OGMP 2.0 is burdensome, and companies feel concerned that they are not resourced enough to satisfy the measurement and monitoring requirements of the framework. The company explained it is sharing best practices with these companies. Regarding its current methane intensity targets, it has submitted its mitigation plan to OGMP 2.0 and has met the gold standard at level 4.

2. **Company:** A UK based retailer

Topic: Biodiversity

Details of the engagement: The engagement objective was for the company to achieve its commodity goals for deforestation and land conversion-free sourcing.

Outcome of the engagement: In its 2023/24 ESG report, Hermes noted that the issuer demonstrated strong progress against its sustainable sourcing targets. Its segregated RSPO-certified palm oil procurement remained at 98%, whilst its share of soy procured from physically certified deforestation-

and conversion-free supply chains meaningfully increased to 66% from 39% the previous year. In the same year, the issuer updated its Animal Feed Policy to highlight its demand for higher uptake of certified soy, requiring suppliers to submit and implement action plans for deforestation- and conversion-free supply chains by 2025. Hermes also noted that the issuer achieved meaningful progress on polyester (recycled sourcing increased from 49% to 70%), and it achieved its target to source 100% of leather from certified finishing tanneries.

3. **Company:** A US based Electric Utility Company

Topic: Just Transition

Details of the engagement: The engagement objective was to ensure fair treatment of workers impacted by the energy transition. This was a focus for Hermes as exiting coal power generation assets, which is a part of the company's energy transition strategy, can displace many employees, negatively impacting local communities. Hermes introduced an objective for the issuer to articulate a just transition policy and its outcomes in public reporting. Hermes first raised the topic in 2021, suggesting a dedicated just transition strategy be included in future reports. Over six engagements, Hermes provided feedback and examples of best-practice reporting from sector peers.

Outcome of the engagement: Despite learning of the company's support initiatives for employees at coal plants being decommissioned, reporting remained limited to two paragraphs in its annual reports. The 2023 Improving Lives report introduced greater transparency with a dedicated section on initiatives like reskilling, early retirement packages, and collaboration with local labour organisations. Data on the number of employees benefiting from these initiatives was included, expanding on previous anecdotal evidence. In their most recent engagement, Hermes recommended the issuer continue this reporting approach until 2027, when it expects to complete its exit from coal.

PIMCO

1. **Company:** Financial Services Company

Topic: Climate change

Details of the engagement: PIMCO followed-up on detailed recommendations shared in 2022, with a prime focus on the issuer's climate strategy implementation, looking to obtain further details such as their strategy for client engagements and reporting. PIMCO recommended the issuer to enhance transparency by disclosing criteria for assessing clients' transition progress and engagement strategies, including targeting top emitters and tracking outcomes, aligning with their commitment to decarbonisation. PIMCO recommended incorporating carbon attribution analysis in climate transition updates to clarify the impact of real-economy GHG reductions versus other factors, building on previous recommendations. PIMCO encouraged the issuer to establish formal expectations around methane emissions for oil and gas companies and to consider implementing recommendations from the TNFD to address nature-related risks and impacts.

Outcome of the engagement: The issuer has partly met PIMCO's engagement disclosure expectations, as it clarified it has made concrete steps to support their engagement with clients on decarbonisation and has set various green financing targets which are not broadly communicated, although there are still areas of improvement. They have also made strides with the preparation of their nature disclosure. PIMCO will continue to monitor progress towards their recommendations, such as enhanced transparency and implementation of TNFD guidelines, the set-up of methane targets, and

follow up as required.

2. **Company:** Automobile Company

Topic: Climate Change & Just Transition

Details of the engagement: The issuer is a US based auto manufacturer with a significant market share with whom PIMCO have engaged regularly on their sustainability strategy and green bond program. The focus of the engagement has been to mitigate sustainability risks associated with the transition to battery electric vehicles (EVs). Group collaborative engagement in H2-2023 addressed the topics of Environmental Protection Agency (EPA) emissions rulemaking, Internal combustion Engine (ICE Vehicles) investments, and Just Transition. Regarding ICE, the issuer noted that better charging signage and standardisation is needed to facilitate the transition to EVs. On the topic of just transition, the issuer noted that they have reskilling and upskilling programs in place and the recommendation was made to enhance its disclosure on those.

Outcome of the engagement: The issuer has shown progress in climate lobbying transparency and just transition planning. Notably, the issuer now provides qualitative disclosures related to the Just Transition. Accompanying quantitative disclosures is an area of opportunities for the company, which PIMCO will look to cover in their forthcoming engagement scheduled in Q4-2025.

Insight

1. **Company:** Electricite de France SA

Topic: Climate Change

Details of the engagement: The issuer is a European state-owned energy company and the primary sources of its generating capacity comes from nuclear and renewables, making up 93% of its total energy production. Insight engaged with the issuer on its energy split and wanted to explore PCAF's consultation on Green Bond Carbon Footprinting with the company to understand feasibility. Insight also engaged on the issuer's water risk. The issuer's water usage is lagging its global peers and independent analysis has indicated 35% of the issuer's operations occur in high water stress issues.

Outcome of the engagement: Following engagement, the issuer confirmed that it has a commitment to exit coal by 2030 and stated its one remaining coal plant will shut down in 2027. However, it will retain some minority shareholdings in coal power plants in China. These coal plants are unlikely to cease operations, so the issuer stated it is likely to divest from these plants. When Insight challenged the issuer on its water usage in high stress areas, the issuer confirmed that water is becoming scarce in several regions but that they have implemented various initiatives for mitigating water use. For example, for its open cycle nuclear reactors, it is looking at if it can collect and reuse the steam that occurs as a byproduct, but this is costly. Whilst the issuer's carbon intensity is low due to its large nuclear portfolio, Insight believe this brings increased risks in terms of health and safety and waste issues. However, Insight believes the issuer is the best in class around nuclear security, due to its home market regulation and its diversified sources of uranium. On its water risk, the issuer has high water usage and operates in water scarce areas. Insight will monitor these issues going forward.

2. Company: Haleon Plc

Topic: Biodiversity

Details of the engagement: The issuer is a UK-based multinational consumer healthcare company. The issuer previously demerged from a larger multinational, which meant the issuer's Prime ESG rating was initially rated at 5, the lowest rating possible on our Prime ESG scoring system. However, the issuer produced some additional policies and disclosures which increased its ESG Prime rating to 4. Insight wanted to focus their engagement on the issuers purchases of palm oil derivatives and the impact they have on deforestation, as well as the issuer's deforestation targets and nature-based metrics. The issuer is currently rated at B for palm oil and B- for timber by the Carbon Disclosure Project (CDP). The issuer stated CDP likely penalise them because the issuer didn't disclose the percentage of sustainability sourced paper, which it has recently increased. As such, the issuer intends to report the new figure in the next iteration.

Outcome of the engagement: Insight will continue to monitor the issuers progress and expect a continuation of improving scores over time as the company's track record as a standalone entity improves. Insight plan to revisit the scores once their debut ESG report has been published and incorporated into the reports of the ESG rating agencies. Considering the increasing attention of the EU to the issue of deforestation, Insight recommended to Haleon that they bring forward the target date and align with peers (committed to source 100% deforestation-free products by 2025).

3. Company: Enel Spa

Topic: Climate Change & Just Transition

Details of the engagement: The issuer is a multinational manufacturer and distributor of electricity and gas. Insight initiated the current engagement after their water research indicated the company has a large number of sites in areas of high-water stress, such as Italy, Spain and Chile. As such, Insight wanted to understand the issuer's awareness of this fact and their mitigation efforts. The issuer considers water risk less significant due to reduced reliance on coal and nuclear energy. As these sources historically drove high water usage, their decline—alongside increased adoption of low-water-intensity renewables—has led to falling water demand. The issuer expects water stress to continue decreasing as part of its decarbonisation strategy. For its remaining thermal plants, the issuer confirmed it is using improved cooling water management. This was initially prompted by the Italian drought in 2022, which forced the issuer to find new ways of saving water. Techniques it cited include developing drones to clean PV panels without using water and increasing the use of wastewater wherever possible.

Outcome of the engagement: Going forward, Insight will monitor the issuer's progress in ensuring a Just Transition, specific to their coal phase-out plan. Insight will also look out for any updates the issuer has in terms of their gas phase out plan, noting this may not be published until 2030.

3. Appendix B – Summary of voting over the year

The managers below were provided with the Trustee's definition of a 'most significant vote', as outlined in the Scheme's SIP. The voting examples provided all meet the criteria as they are related to the Trustee's key stewardship theme of climate change.

The Trustee has no reason to believe that the voting data provided is inaccurate or incomplete.

Summary of voting behaviour in DB Section over the period

Legal and General Investment Management ("LGIM")

The Trustee invests in pooled fund arrangements, and as such, it is not necessary for managers to consult with the Trustee before voting. As part of its wider due diligence of the implementation of investment strategies, the Trustee requests the managers to produce information that demonstrate the manager is exercising good stewardship (**see table below**) in line with the Pensions and Lifetime Savings Association's Vote Reporting Template.

The Scheme's equity exposure is achieved through the Trustee's investment in the LGIM FTSE TPI Global (ex Fossil Fuels) Equity Index Fund OFC. Following the almost full redemption placed from this Fund over the year, the Trustee has only very minimal equity exposure left (c.£100k). This is a pooled fund arrangement and voting information over the year for the Fund is summarised in the below table.

	FTSE TPI Global (ex Fossil Fuels) Equity Index Fund OFC
How many meetings were you eligible to vote at over the year to 31/12/2024?	1,690
How many resolutions were you eligible to vote on over the year to 31/12/2024?	21,818
What % of resolutions did you vote on for which you were eligible?	100%
Of the resolutions on which you voted, what % did you vote with management?	79%
Of the resolutions on which you voted, what % did you vote against management?	20%
Of the resolutions on which you voted, what % did you abstain from?	1%
In what % of meetings, for which you did vote, did you vote at least once against management?	72%
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?	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser?	15.5%

Most significant votes

LGIM provided details of all votes related to the Trustee's stewardship priority of climate change. The following examples have been deemed most significant by the Trustee, with support from its investment consultant, based on the rest of the criteria outlined by the Trustee and detailed in the 'Voting' section within this Statement. The rationale as classifying each as a most significant vote is outlined in the table.

LGIM's most significant votes on behalf of the Trustee are as follows:

	Vote 1	Vote 2	Vote 3	Vote 4
Company name	Bank of America Corporation	Unilever Plc	The Goldman Sachs Group, Inc.	Canadian National Railway Company
Date of vote	24/04/2024	01/05/2024	24/04/2024	26/04/2024
Approximate size of % holding as at the date of the vote	0.40%	0.26%	0.21%	0.17%
Summary of the resolution	Report on clean energy supply financing ratio	Approve Climate Transition Action Plan	Report on clean energy supply financing ratio	Management advisory vote on climate change
LGIM's vote	For	For	For	For
Rationale	LGIM believe that banks and financial institutions have a significant role to play in shifting financing away from "brown" to funding the transition to "green". LGIM expects the company to be undertaking appropriate analysis and reporting on climate change matters, as they consider this issue to be a material risk to companies.	LGIM is publicly supportive of so called "Say on Climate" votes. LGIM expects transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. The plan should include the disclosure of scope 1, 2 and material scope 3 GHG emissions and short, medium and long-term GHG emissions reduction targets consistent with a 1.5°C Paris goal.	LGIM believe that banks and financial institutions have a significant role to play in shifting financing away from "brown" to funding the transition to "green". LGIM expects companies to be undertaking appropriate analysis and reporting on climate change matters, as LGIM consider this issue to be a material risk to companies.	LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5°C goal.

	Vote 1	Vote 2	Vote 3	Vote 4
Outcome of the vote	N/A	Pass	Fail	Pass
Under what criteria does the Trustee deem this vote to be significant?	These votes are deemed to be most significant votes as they relate to climate change, the holdings each represent a relatively large £ exposure in the fund and the nature of each resolution appear relevant to the Trustee's beliefs and aims for the Scheme.			

Summary of voting behaviour in DC Section over the period

BlackRock

BlackRock's Investment Stewardship team periodically publish detailed explanations of specific key votes in "vote bulletins". BlackRock believe these vote bulletins provide explanations of the most significant votes for the purpose of the Shareholder Rights Directive II.

The Trustee invests in a mixture of actively and passively managed pooled fund arrangements.

Although for passive investment portfolios the aim is to replicate the index, the Investment Managers are able to take ESG guidelines into considerations via two key approaches:

- 1) Firstly, by selecting an index that incorporates ESG guidelines at the outset. As a significant partner to the major index providers, BlackRock provide input into their methodology and product offering.
- 2) Secondly, where clients are invested across an index and in cases are unable to sell underperforming companies, engagement with companies, including proxy voting, is a key means to integrate ESG factors into investing.

The corporate governance program led by BlackRock's Investment Stewardship team is integrated within all portfolios investing in public companies, whether clients invest in branded sustainable investing funds or in BlackRock's core index-tracked and active investment strategies. The Investment Stewardship team acts as a central clearing house of BlackRock's views across the various portfolios with holdings in individual companies and aims to present a consistent message. BlackRock determine their engagement priorities based on their observation of market developments and emerging governance themes and evolve them year over year, as necessary. The team's key engagement priorities include:

- Board quality and effectiveness
- Strategy, purpose, and financial resilience
- Incentives aligned with financial value creation
- Climate-related risks and natural capital
- Company impacts on people

As part of its wider due diligence of the implementation of investment strategies, the Trustee requests its investment managers to produce information that demonstrates the manager is exercising good stewardship (see table below) in line with the Pensions and Lifetime Savings Association's Vote Reporting Template.

The DC section has equity exposure through the following funds:

- BlackRock 60/40 Global Equity Index Tracker
- BlackRock DC 70/30 Global Growth
- BlackRock DC Aquila World Ex-UK Equity Index
- BlackRock DC UK Growth
- BlackRock UK Equity Index Tracker
- BlackRock 60/40 Global Growth

These funds share a relatively similar investment profile and have material overlap in underlying holdings. Given that most DC and AVC assets were transferred in bulk to the Aegon Master Trust at the end of 2024, the DC section is now comparatively very small compared to the DB section. As such, the Trustee has taken a proportionate approach and reported below voting information for the largest of these funds as a proxy for all. The largest fund is the BlackRock DC 70/30 Global Growth Fund, which makes up c.28% of DC assets as at 31/12/24.

	BlackRock DC 70/30 Global Growth Fund
How many meetings were you eligible to vote at over the year to 31/12/2024?	2,981
How many resolutions were you eligible to vote on over the year to 31/12/2024?	25,220
What % of resolutions did you vote on for which you were eligible?	99%
Of the resolutions on which you voted, what % did you vote with management?	90%*
Of the resolutions on which you voted, what % did you vote against management?	9%*
Of the resolutions on which you voted, what % did you abstain from?	0%*
In what % of meetings, for which you did vote, did you vote at least once against management?	35%
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?	BlackRock use Institutional Shareholder Services' (ISS) electronic platform to execute their vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, BlackRock work with proxy research firms who apply their proxy voting guidelines to filter out routine or non-contentious proposals and refer to BlackRock any meetings where additional research and possibly engagement might be required to inform their voting decision.
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser?	0%

* Figures may not sum to 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote.

Most significant votes

BlackRock provided details of all votes related to the Trustee's stewardship priority of climate change. The following examples have been deemed most significant by the Trustee, with support from its investment consultant, based on the rest of the criteria outlined by the Trustee and detailed in the 'Voting' section within this Statement. The rationale as classifying each as a most significant vote is outlined in the table.

BlackRock's most significant votes for the BlackRock 70/30 Global Growth Fund on behalf of the Trustee are detailed below.

	Vote 1	Vote 2	Vote 3	Vote 4
Company name	Amazon.com, Inc	Shell Plc	Toyota Motor Corp	Berkshire Hathaway, Inc.
Date of vote	22/05/2024	21/05/2024	18/06/2024	04/05/2024
Approximate size of % holding as at the date of the vote	Not provided			
Summary of the resolution	Report on Efforts to Reduce Plastic Use	Advise Shell to align its medium-term emissions reduction target covering the Greenhouse Gas (GHG) emissions of the use of its energy products (Scope 3) with the goal of the Paris Climate Agreement	Amend articles to report on corporate climate lobbying aligned with the Paris Agreement	Disclose Berkshire Hathaway Energy's Emissions and Progress Towards Goal in Consolidated Report
BlackRock's vote	Against	Against	Against	For

	Vote 1	Vote 2	Vote 3	Vote 4
Rationale	The company already provides sufficient disclosure and/or reporting regarding this issue or is already enhancing its relevant disclosures.	The request was either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company.	The proposal will not serve shareholders' interests.	Additional information regarding the company's plan to manage their strategy in the context of a transition to a low-carbon economy will help investors assess long-term risks and opportunities on this economically material issue.
Outcome of the vote	Fail	Fail	Fail	Fail
Under what criteria does the Trustee deem this vote to be significant?	These votes are deemed to be most significant votes as they relate to climate change (and in some cases also biodiversity) and the nature of each resolution appear relevant to the Trustee's beliefs and aims for the Scheme.			

Final Remarks

Overall, the Trustee continues to make investment decisions in line with the policies set out in the SIP.

The reporting period for this Statement covers 1st January 2024 to 31st December 2024. Any actions undertaken by the Trustee after this date will be covered in the next Statement. The Trustee considers Stewardship and effective engagement important tools to achieving more sustainable outcomes and where applicable, the Trustee does seek to incorporate its voting and engagement policies into its appointment terms with managers.