Implementation Statement, covering the Scheme Year from 1 December 2024 to 30 November 2025 (the "Scheme Year")

The Trustee of the Asahi Glass Fluoropolymers Pension Scheme (the "Scheme") is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed its Statement of Investment Principles ("SIP") during the Scheme Year, as well as details of any review of the SIP during the Scheme Year, subsequent changes made with the reasons for the changes, and the date of the last SIP review. Information is provided on the last review of the SIP in Section 1 and on the implementation of the SIP in Sections 2-11 below. This Statement covers the Defined Benefit ("DB") Section of the Scheme only. **References in this Implementation Statement to the Scheme refer to the DB Section unless otherwise stated.**

The Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, the Trustee (including the most significant votes cast by the Trustee or on its behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 11 below.

In preparing the Statement, the Trustee has had regard to the guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions ("DWP's guidance") in June 2022.

This Statement is based on the latest SIP which was in place during the Scheme Year – dated November 2023 – and should be read in conjunction with the SIP which can be found here: Statement of Investment Principles - November 2023

1. Introduction

No review of the SIP was undertaken during the Scheme Year. The last time the SIP was formally reviewed was November 2023.

The Trustee has, in its opinion, followed all of the policies (including those specifically in relation to voting & engagement) in the SIP during the Scheme Year. The following Sections provide detail and commentary about how and the extent to which it has done so.

2. Investment objectives

With the help of its investment adviser, the Trustee is able to assess the Scheme's progress relative to its objective – being able to meet benefit payments as they fall due and moving towards a fully funded position on a Technical Provisions basis (equivalent to the long-term funding basis of gilts + 0.5% pa).

The Trustee remains comfortable that the level of risk and expected returns remains appropriate.

3. Investment strategy

The Trustee monitors the asset allocation on an ongoing basis and compares this to the strategic asset allocation. The Trustee undertook no rebalancing action over the Scheme Year.

In July 2025, the Trustee made a £300,000 disinvestment from the Scheme's investment in the L&G Sterling Liquidity Fund for cashflow purposes.

On 31 October 2025, L&G closed its Global Emerging Markets Equity Index Fund that the Scheme invested in. The holdings were switched into the L&G World Emerging Markets Equity Index Fund in which the Scheme already holds investments.

The Trustee continues to monitor the Scheme's asset allocation on an ongoing basis.

Shortly after the end of the Scheme Year, in January 2026, LCP recommended that the Scheme's allocation to equities should be trimmed to de-risk its investment strategy and "lock-in" equity gains. LCP recommended that the Trustee reduces its strategic allocation to equities to c15% (from c27%) of total assets, with the sales proceeds being invested temporarily in L&G's Sterling Liquidity Fund. This was implemented in early February 2026.

The Trustee also received additional advice on how the current strategy meets the needs of the new funding code regime.

4. Considerations in setting the investment arrangements

When assessing the Scheme's investment strategy, the Trustee considers the investment risks set out in Section 10 of this Statement. It also considers a wide range of asset classes for investment, taking account of the expected returns and risks associated with those asset classes as well as how these risks can be mitigated. The Trustee also considers the need for diversification and specific circumstances of the Scheme (eg the investment objectives, funding position).

The Trustee last formally reviewed its investment beliefs in November 2023 as part of the latest SIP update, making no material changes.

The Trustee invests for the long term, to provide for the Scheme’s members and beneficiaries. To achieve good outcomes for members and beneficiaries over this investment horizon, the Trustee seeks to appoint managers whose stewardship activities are aligned to the creation of long-term value and the management of long-run systemic risks.

The Scheme's investment adviser, LCP, monitors the Scheme’s investment managers on an ongoing basis, through regular research meetings and via other contacts. The investment adviser monitors developments at each of the Scheme’s managers and informs the Trustee promptly about any significant updates or events they become aware of with regard to the Scheme's investment managers that may affect the managers' ability to achieve their investment objectives. This includes any significant change to the investment process or key staff for any of the funds the Scheme invests in, or any material change in the level of diversification in the funds.

The Trustee monitors the overall performance of the Scheme’s investment managers on a frequent basis, using a performance monitoring dashboard prepared by the investment adviser, LCP. The reports show the performance of the Scheme over the relevant period. Performance is considered in the context of the managers’ benchmarks and objectives. The Trustee also informally monitors its managers’ responsible investment capabilities through updates from its investment adviser.

5. Implementation of the investment arrangements

The Trustee made no further changes to the Scheme’s investment arrangements over the course of the Scheme Year, other than those described in Section 3 above. No new investment managers were appointed over the Scheme Year.

The Trustee evaluates manager performance over both shorter and longer periods, considering alternative arrangements where managers are not meeting performance objectives.

Overall, the Trustee remained comfortable with all the Scheme’s investment manager arrangements over the Scheme Year, including their approach to ESG / RI, given the managers’ overall performance, service levels and the investment adviser’s assessment of them.

Overall, the Trustee believes the investment managers provide reasonable value for money.

6. Realisation of investments

The Trustee reviews the Scheme’s net current and future cashflow requirements on a regular basis. The Trustee’s policy is to have access to sufficient liquid assets in order to meet any outflows while maintaining a portfolio which is appropriately diversified across a range of factors, including suitable exposure to both liquid and illiquid assets.

As noted above in Section 3, in July 2025, the Trustee made a £300,000 disinvestment from the L&G Sterling Liquidity Fund, with proceeds being transferred to the Trustee bank account for cashflow purposes.

7. Financially material considerations, non-financial matters

As a key part of its advice on the selection and ongoing review of the investment managers, the Scheme's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers’ approaches to financially material considerations (including climate change and other ESG considerations).

Given the small size of the Scheme assets and the type of investments held, the Trustee has recognised that the Scheme’s influence on the investment managers’ asset selection and voting rights is extremely limited. The

Trustee’s policy is not to take non-financial matters into account when considering the selection, retention and realisation of assets.

No specific actions have been taken in relation to the selection, retention, and realisation of managers as a result of member and beneficiary views.

Overall, the Trustee has, in its opinion, followed the Scheme’s policies in relation to financially material considerations over the Scheme Year.

8. Voting and engagement

The Trustee has delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. However, the Trustee takes ownership of the Scheme’s stewardship by monitoring and engaging with managers as detailed below.

As part of its advice on the selection and ongoing review of the investment managers, the Scheme’s investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers’ approaches to voting and engagement.

Following the introduction of DWP’s guidance, in November 2022 the Trustee received training on understanding the DWP’s Stewardship Guidance. This covered what stewardship is, why trustees should take it seriously and what trustees are expected to do. As a result of this, the Trustee agreed to set stewardship priorities to focus its future monitoring and engagement with its investment managers on specific ESG factors. The Trustee’s chosen priority was Climate Change given the Trustee’s view that this is the most important and urgent ESG issue that needs to be addressed by the Scheme’s managers and more generally.

Subsequently, in March 2023, the Trustee discussed and agreed communications to send to the Scheme’s investment managers to inform them of the Trustee’s chosen stewardship priority and the Trustee’s expectations of them when investing the Scheme’s assets.

This stewardship priority remained the same for the Scheme Year to 30 November 2025.

The Trustee is conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustee aims to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

9. Investment governance, responsibilities, decisions-making and fees (Appendix 1 of SIP)

As noted in Section 4 and 5, the Trustee assesses the performance of the Scheme’s investments on an ongoing basis as part of the performance monitoring dashboards it receives.

The performance of the professional advisers is considered on an ongoing basis by the Trustee. More specifically, the Trustee has put in place formal objectives for its investment adviser and reviews the adviser’s performance against these objectives on a regular basis. The last such review was completed shortly after Scheme Year end, in December 2025, and the next review is to take place before December 2026.

The Trustee’s actuarial and investment advisers’ work is charged for by an agreed fixed fee or on a “time-cost” basis while the investment managers receive fees calculated by reference to the market value of assets under management. The fee rates are believed to be consistent with the managers’ general terms for institutional clients and are considered by the Trustee to be reasonable when compared with those of other similar providers.

10. Policy towards risk (Appendix 2 of SIP)

Risks are monitored on an ongoing basis with the help of the investment adviser. The Trustee also maintains a risk register, and this is discussed on an ongoing basis.

The Trustee’s policy for some risks, given their nature, is to understand them and to address them if it becomes necessary, based upon advice of the Scheme’s investment adviser or information provided to the Trustee by the Scheme’s investment managers. These include the risk of inadequate returns, credit risk, equity risk, currency risk, counterparty risk, collateral adequacy risk, valuation risk (for Scheme assets not valued on a regular basis) and ESG (including climate) risks.

From time to time, the Trustee monitors the Scheme’s risk of inadequate returns to ensure that there is a sufficient allocation to growth assets. Following the de-risking conducted in February 2026, the Scheme’s investment adviser, LCP, estimated that the expected return on the Scheme's assets was expected to be sufficient to produce the return needed over the long-term for the Scheme to be fully funded on its Technical Provisions basis.

The Trustee also monitors the Scheme's interest and inflation hedging levels on a frequent basis through performance monitoring dashboards.

With regard to collateral adequacy risk, the Trustee holds investments in the L&G Sterling Liquidity Fund, Absolute Return Bond Fund and Diversified Fund alongside the Scheme's Liability Driven Investment (LDI) portfolio, to be used should the LDI manager require cash to be posted for a deleveraging event. As at Scheme year end, the Scheme held more than enough liquid assets to meet the next capital call on the LDI funds should it be required.

Together, the investment and non-investment risks set out in Appendix 2 of the SIP give rise generally to funding risk. On a triennial basis, the Trustee formally reviews the funding position allowing for membership and other experience. The Trustee considers the Scheme's funding position as part of the annual actuarial report and also more informally monitors the funding position through performance monitoring dashboards, at the Trustee's meetings and as part of its investment strategy reviews. In addition, the Trustee monitors the overall one-year 95% Value at Risk of the funding position on an ongoing basis as required.

The following risks relating to the Scheme's assets are covered earlier in this Statement: diversification risk in Sections 3, 4 and 5, investment manager risk and excessive charges in Section 6, illiquidity/marketability risk in Section 6 and ESG risks in Sections 5, 7 and 8.

11. Description of voting behaviour during the Scheme Year

All of the Trustee's holdings in listed equities are within pooled funds and the Trustee has delegated to its investment managers the exercise of voting rights. Therefore, the Trustee is not able to direct how votes are exercised and the Trustee itself has not used proxy voting services over the Scheme Year. However, the Trustee monitors managers' voting and engagement behaviour and challenges managers where their activity has not been in line with the Trustee's expectations.

In this section we have sought to include voting data in line with the Pensions and Lifetime Savings Association (PLSA) guidance, PLSA Vote Reporting template and DWP's guidance, on the Scheme's funds that hold equities as follows:

- L&G UK Equity Index Fund
- L&G North America Equity Index Fund
- L&G Europe (ex-UK) Equity Index Fund (Hedged & Unhedged)
- L&G Asia Pacific (ex-Japan) Developed Equity Index Fund (Hedged & Unhedged)
- L&G World Emerging Markets Equity Index Fund
- L&G Global Emerging Markets Index Fund (*invested until 31 October 2025*)
- L&G Diversified Fund
- Newton BNY Mellon Real Return Fund

In addition to the above, the Trustee contacted the Scheme's other asset managers that don't hold listed equities, to ask if any of the assets held by the Scheme had voting opportunities over the period. Relevant commentary provided from these managers is set out in Section 11.4.

11.1 Description of the voting processes

Legal & General

L&G's voting and engagement activities are driven by ESG professionals and are reviewed annually, taking into account feedback from its clients. Every year, L&G holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as L&G develops its voting and engagement policies. L&G also takes into account client feedback received at regular meetings and/or ad-hoc comments or enquiries.

All decisions are made by L&G's Investment Stewardship team and are in accordance with the relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company.

The Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G and it does not outsource any part of its strategic decisions. L&G uses ISS recommendations but purely to augment its own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that L&G receives from ISS for UK companies when making specific voting decisions.

To ensure the proxy provider votes in accordance with L&G's position on ESG, L&G has put in place a custom voting policy with specific voting instructions that apply to all markets globally. L&G retains the ability in all markets to override any vote decisions, which are based on its custom voting policy.

Newton

Overall, Newton prefers to retain discretion in relation to exercising clients' voting rights and has established policies and procedures to ensure the exercise of global voting rights. Newton believes the value of clients' portfolios can be enhanced by the application of good stewardship. This is achieved by engagement with investee companies and through the considered exercise of voting rights. Newton considers the activities to be an integral and important part of its investment process. Newton's approach has been designed as an investment-led approach that is aligned with its wider investment activities. Newton's long-term approach to investing aligns well with its stewardship intentions by seeking to understand and influence the long-term sustainability of the investments and investment landscape and, ultimately, the long-term investment requirements for which its clients are seeking solutions.

Newton has established overarching stewardship principles which guide its ultimate voting decision, based on guidance established by internationally recognised governance principles including the OECD Corporate Governance Principles, the ICGN Global Governance Principles, the UK Investment Association's Principles of Remuneration and the UK Corporate Governance Code, in addition to other local governance codes. All voting decisions are taken on a case-by-case basis, reflecting Newton's investment rationale, engagement activity and the company's approach to relevant codes, market practices and regulations. These are applied to the company's unique situation, while also taking into account any explanations offered for why the company has adopted a certain position or policy. It is only in the event that Newton recognises a material conflict of interest that it applies the vote recommendations of its third-party voting administrator.

Newton seeks to make proxy voting decisions that are in the best long-term financial interests of its clients and which seek to support investor value by promoting sound economic, environmental, social and governance policies, procedures and practices through the support of proposals that are consistent with the following four key objectives:

- To support the alignment of the interests of a company's management and board of directors with those of the company's investors;
- To promote the accountability of a company's management to its board of directors, as well as the accountability of the board of directors to the company's investors;
- To uphold the rights of a company's investors to effect change by voting on those matters submitted for approval; and
- To promote adequate disclosure about a company's business operations and financial performance in a timely manner.

The Responsible Investment team reviews all resolutions for matters of concern. Any such contentious issues identified may be referred to the appropriate global fundamental equity analyst or portfolio manager for comment. Where an issue remains contentious, Newton may also decide to confer or engage with the company or other relevant stakeholders.

Newton utilises an independent voting service provider for the purposes of managing upcoming meetings and instructing voting decisions via its electronic platform, and for providing research. Its voting recommendations are not routinely followed; it is only in the event that Newton recognises a potential material conflict of interest that the recommendation of its external voting service provider will be applied.

11.2 Summary of voting behaviour

A summary of voting behaviour over the Scheme Year is provided in the table below.

Voting behaviour								
Manager name	**L&G Asset Management**							**Newton**
Fund name	UK Equity Index Fund	North America Equity Index Fund	Europe (ex-UK) Equity Index Fund	Asia Pacific (ex-Japan) Developed Equity Index Fund	World Emerging Markets Equity Index Fund	Global Emerging Markets Equity Index Fund*	Diversified Fund	BNY Mellon Real Return Fund
Total size of fund as at 31 December 2025	£9,403.8m	£20,517.7m	£6,138.8m	£2,545.2m	£3,178.2m	-	£11,238.4m	£1,996.2m
Value of Scheme assets at end of reporting period (30 November 2025)	£3.8m	£1.8m	£1.1m	£1.0m	£2.1m	-	£4.3m	£4.0m
Number of equity holdings at end of reporting period	476	569	380	494	1,927	2,535	6,166	65
Number of meetings eligible to vote	736	588	481	436	4,656	4,974	9,539	67
Number of resolutions eligible to vote	10,084	7,654	8,578	3,298	39,467	41,244	100,740	994
% of resolutions voted	100.0%	99.7%	100.0%	100.0%	99.9%	100.0%	99.9%	98.7%
Of the resolutions on which voted, % voted with management	93.6%	57.8%	82.9%	76.8%	77.1%	79.8%	75.8%	92.4%
Of the resolutions on which voted, % voted against management	6.4%	41.7%	16.6%	23.2%	20.3%	16.9%	23.0%	7.6%
Of the resolutions on which voted, % abstained from voting	0.0%	0.5%	0.5%	0.0%	2.7%	3.3%	1.2%	0.0%
Of the meetings in which the manager voted, % with at least one vote against management	45.5%	97.8%	75.5%	75.0%	55.3%	52.7%	70.2%	42.0%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	5.4%	37.8%	7.8%	12.9%	5.0%	6.4%	14.7%	6.7%

Source: L&G & Newton.
Figures may not sum due to rounding.
Fund level valuations are as at 31 December 2025
All voting data has been provided for the period 1 January 2025 to 31 December 2025, **except for the Global Emerging Markets Equity Index Fund. On 31 October 2025, L&G closed its Global Emerging Markets Equity Index Fund. The holdings were switched into the L&G World Emerging Markets Equity Index Fund in which the Scheme is already held invested. L&G was only able to provide data for the period 1 October 2024 to 30 September 2025.*
The Scheme's hedged equity funds have the same underlying holdings as their unhedged equivalents, and therefore the same voting data. The fund size and Scheme assets for the hedged and unhedged funds have been aggregated.

11.3 Most significant votes over the Scheme Year

Commentary on the most significant votes over the period, from the Scheme's asset managers who hold listed equities, is set out below.

Given the large number of votes which are cast by managers during every Annual General Meeting season, the timescales over which voting takes place as well as the resource requirements necessary to allow this, the Trustee did not identify significant voting ahead of the reporting period. Instead, the Trustee has retrospectively created a shortlist of most significant votes by requesting each manager provide a shortlist of votes, which comprises a minimum of ten most significant votes, and suggested the managers could use the PLSA's criteria[1] for creating this shortlist.

By informing its managers of its stewardship priority and through its regular interactions with the managers, the Trustee believes that its managers will understand how it expects them to vote on issues for the companies they invest in on its behalf. The Trustee has interpreted "significant votes" to mean those that align with its stewardship priority of Climate change.

Where managers have not provided a clear company management recommendation, or outcome, we have outlined this below.

L&G

Equity Index Funds

L&G determines the voting situations it deems to be significant to include but not be limited to: high profile votes which have such a degree of controversy that there is high client and/or public scrutiny; votes where there is significant client interest for a vote which has been directly communicated by clients to the Investment Stewardship team; sanction votes as a result of a direct or collaborative engagement; and votes linked to an L&G engagement campaign in line with L&G's 5-year ESG priority engagement themes.

For the votes below, please note L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is L&G's policy not to engage with investee companies in the three weeks prior to an AGM as L&G's engagement is not limited to shareholder meeting topics.

On 31 October 2025, L&G closed its Global Emerging Markets Equity Index Fund in which the Scheme is invested. The holdings were switched into the L&G World Emerging Markets Equity Index Fund. For simplicity, we have selected two votes over the period that were held by both of the Global and World Emerging Markets Equity Index funds below.

UK Equity Index Fund

Shell Plc, 20 May 2025

Summary of resolution: The resolution asks the company to disclose how its liquefied natural gas ("LNG") demand forecasts, LNG production and sales targets, and planned investment in natural-gas assets align with its climate commitments, including its goal to reach net-zero emissions by 2025.

Relevant stewardship priority: Climate change.

Approximate size of the fund's holding at the date of the vote: 6.0%.

Why this vote is considered to be most significant: This decision is underpinned by a series of direct and constructive engagements with Shell's leadership. Through these discussions, L&G received clear commitments that the company will enhance its reporting in line with L&G's expectations specifically, providing detailed disclosures on stranded asset risks and financial resilience related to Shell's growing exposure to liquefied natural gas. These gaps were key reasons L&G was unable to support the company's climate transition strategy at its 2024 AGM. Following a detailed analysis of the company's disclosures, L&G believe Shell's current reporting provides a basis for investors to consider alignment with various climate outcomes, contributing to the broader objectives of the resolution.

Company management recommendation: Against **Fund manager vote:** Against

[1] Vote reporting template for pension scheme implementation statement – Guidance for Trustees (plsa.co.uk). Trustees are expected to select "most significant votes" from the long-list of significant votes provided by their investment managers.

Rationale: While L&G recognises the intent behind the resolution, it has decided to vote against it following careful consideration. This decision follows a series of constructive engagements with Shell's leadership, during which the company committed to improving disclosures on stranded asset risks and financial resilience related to its LNG operations. L&G acknowledges meaningful progress in Shell's reporting, which now provides a clearer basis for assessing climate-related risks. In light of these developments, L&G believes the resolution's key objectives are being addressed through ongoing company actions.

Outcome and next steps: The resolution failed. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Rio Tinto Plc, 3 April 2025

Summary of resolution: Approve Climate Action Plan

Relevant stewardship priority: Climate change.

Approximate size of the fund's holding at the date of the vote: 2.0%.

Why this vote is considered to be most significant: L&G considers this vote most significant as it has been engaging in detailed and constructive discussions on this topic with the company since voting against its previous Climate Action Plan in 2022, aiming to bridge the remaining gaps, particularly regarding its approach to scope 3 emissions and customer decarbonisation. Following what L&G views as substantive progress by Rio Tinto in this area, primarily through enhanced disclosure of its plans to decarbonise its value chains, as well as the clear and quantified actions set out to meet its emission reduction targets, L&G believes the company's enhanced strategy closely aligns with its framework, and should support the company's decarbonisation journey and the creation of long-term value as the climate transition unfolds.

Company management recommendation: For **Fund manager vote:** For

Rationale: The mining and diversified metals sector produces minerals that are essential to the energy transition. L&G believes that long-term, responsible investors, such as L&G Asset Management, can support these companies as they decarbonise. Last year, L&G published its updated framework for assessing mining company climate transition plans. Rio Tinto is making significant strides in carrying out its core role in the transition in a sustainable manner and has demonstrated this through its constructive engagement, leading to substantial alignment of its Climate Action Plan with L&G's framework. L&G especially welcomed Rio Tinto's enhanced disclosures on its plans to decarbonise its value chains, as well as the clear and quantified actions set out to meet its emission reduction targets. L&G Asset Management will therefore be supporting Rio Tinto's Climate Action Plan.

Outcome and next steps: Not provided by L&G. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

North America Equity Index Fund

Bank of Montreal, 11 April 2025

Summary of resolution: Annual Energy Supply Ratio (metric used to compare a bank's financing of low-carbon energy supply to its financing of fossil fuel energy supply) Disclosure

Relevant stewardship priority: Climate change.

Approximate size of the fund's holding at the date of the vote: 0.1%.

Why this vote is considered to be most significant: L&G considers the vote to be significant due to the relatively high level of support received. L&G's Asset Management business believes that banks and financial institutions have a significant role to play in shifting financing away from 'brown' to funding the transition to 'green' opportunities. L&G expect companies to be undertaking appropriate analysis and reporting on climate change matters, as L&G consider this issue to be a material risk to companies' long-term profitability and value. These resolutions replicate similar proposals at banks in 2024 and focus on the commercial opportunities arising from the transition. A number of North American banks have since agreed to provide such information and L&G believe that the remainder would benefit from making similar disclosures.

Company management recommendation: Against **Fund manager vote:** For

Rationale: A vote in favour of this proposal is applied. L&G believes that banks and financial institutions have a significant role to play in shifting financing away from a ‘brown’ to funding the transition to ‘green’. L&G expects the company to be undertaking appropriate analysis and reporting on climate change matters, as L&G considers this issue to be a material risk to companies.

Outcome and next steps: The resolution failed. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

The Toronto-Dominion Bank, 10 April 2025

Summary of resolution: Annual Energy Supply Ratio (metric used to compare a bank’s financing of low-carbon energy supply to its financing of fossil fuel energy supply) Disclosure

Relevant stewardship priority: Climate change.

Approximate size of the fund’s holding at the date of the vote: 0.2%.

Why this vote is considered to be most significant: L&G considers this significant due to the relatively high level of support received.

Company management recommendation: Against **Fund manager vote:** For

Rationale: A vote in favour of this proposal is applied. L&G believes that banks and financial institutions have a significant role to play in shifting financing away from ‘brown’ to funding the transition to ‘green’ energy. L&G expects the company to be undertaking appropriate analysis and reporting on climate change matters, as L&G considers this issue to be a material risk to companies.

Outcome and next steps: The resolution failed. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Europe (ex-UK) Equity Index Fund (Hedged and Unhedged)

ENGIE SA, 24 April 2025

Summary of resolution: Approve Company's Climate Transition Plan

Relevant stewardship priority: Climate change.

Approximate size of the fund’s holding at the date of the vote: 0.4%

Why this vote is considered to be most significant: L&G’s Asset Management business is publicly supportive of so called "Say on Climate" votes (a shareholder resolution asking companies to put their climate transition action plan to an advisory vote). L&G expects transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5°C scenario. Given the high-profile nature of such votes, L&G’s Asset Management business deems such votes to be significant, particularly when L&G’s Asset Management business votes against the transition plan.

Company management recommendation: For **Fund manager vote:** Against

Rationale: L&G acknowledges the company's progress earning a “well below 2°C” verification from SBTi from the previous “2°C” aligned pathway, as well as its previously stated net-zero by 2045 target covering all scopes of emissions. L&G feels though there is additional context on the company's assumptions and strategy that is needed to support the transition plan. Concerns remain that the company’s electricity generation targets are not aligned with a 1.5°C pathway, and while the company explained challenges with selling its thermal assets to be aligned with 1.5°C by 2030, it is not clear whether other methods of achieving a lower carbon intensity by 2030 were considered and why they are not viable. Additionally, L&G encourages further disclosure on the risks related to the technology and policy dependencies of its medium- and long-term targets for its thermal assets.

Outcome and next steps: Not provided. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Equinor ASA, 14 May 2025

Summary of resolution: Approve Energy Transition Plan 2025

Relevant stewardship priority: Climate change.

Approximate size of the fund's holding at the date of the vote: 0.2%

Why this vote is considered to be most significant: L&G's Asset Management business is publicly supportive of so called "Say on Climate" votes. L&G expects transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5°C scenario. Given the high-profile nature of such votes, L&G's Asset Management business deems such votes to be significant, particularly when L&G's Asset Management business votes against the transition plan. This shareholder resolution is considered significant due to the concerns about the company's intention to expand oil and gas production internationally, associated financial risks, and the potential impact on the company's ability to meet its revised net carbon intensity (NCI) targets.

Company management recommendation: For **Fund manager vote:** Against

Rationale: L&G acknowledges the challenging market environment since Equinor first published its climate transition strategy in 2022. However, as highlighted in L&G's Oil and Gas sector principles blogs, L&G expects companies to establish robust emissions targets with clear, time-bound milestones, demonstrating alignment with net zero goals through transparent disclosures, and showcasing financial resilience against relevant outcomes. In this context, L&G is concerned about the company's intention to expand oil and gas production internationally, associated financial risks, and the potential impact on the company's ability to meet its revised net carbon intensity (NCI) targets. Therefore, a vote against is applied.

Outcome and next steps: Not provided. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

<u>Asia Pacific (ex-Japan) Developed Equity Index Fund (Hedged and Unhedged)</u>

Woolworths Group Limited, 30 October 2025

Summary of resolution: Approve Update of Pulp, Paper and Timber Policy

Relevant stewardship priority: Climate change.

Approximate size of the fund's holding at the date of the vote: 0.6%

Why this vote is considered to be most significant: L&G considers this vote to be significant as it is applied under its engagement program on deforestation, targeting companies in high-risk sectors.

Company management recommendation: Against **Fund manager vote:** For

Rationale: L&G would encourage the company to set targets to increase its use of FSC certified timber, which is considered a gold standard certification scheme. A vote for would support this.

Outcome and next steps: Not provided. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Santos Limited, 10 April 2025

Summary of resolution: Approve Advisory Vote on Climate Transition Approach

Relevant stewardship priority: Climate change.

Approximate size of the fund's holding at the date of the vote: 0.5%.

Why this vote is considered to be most significant: L&G's Asset Management business is publicly supportive of so called "Say on Climate" votes. L&G expects transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5°C scenario. Given the high-profile nature of such votes, L&G's Asset Management business deems such votes to be significant, particularly when L&G's Asset Management business votes against the transition plan.

Company management recommendation: For **Fund manager vote:** Against

Rationale: L&G acknowledges the progress the company has made in respect of its climate-related disclosures over recent years, as well as the enhanced approach to identifying and mitigating methane emissions. L&G also views positively the commitment to scaling carbon capture across operations and value chains. However, L&G remains concerned about the absence of quantifiable disclosures regarding portfolio resilience against relevant scenarios, the insufficiently ambitious mid-term operational emissions targets, and the extent of offsets used to meet these targets. Additionally, L&G would benefit from greater transparency regarding future capital investments in transition activities.

Outcome and next steps: The resolution was passed. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

World Emerging Markets Equity Index Fund and Global Emerging Markets Equity Index Fund

On 31 October 2025, L&G closed its Global Emerging Markets Equity Index Fund is which the Scheme is invested. The holdings were invested in the L&G World Emerging Markets Equity Index Fund. For simplicity, we have selected 2 votes over the period that relate to both of the Global and World Emerging Markets Equity Index funds below.

China Construction Bank Corporation, 27 June 2025

Summary of resolution: Elect Zhang Jinliang as Director

Relevant stewardship priority: Climate change.

Approximate size of the World Emerging Markets Equity Index Fund holding at the date of the vote: 1.0%

Approximate size of the Global Emerging Markets Equity Index Fund holding at the date of the vote: 0.8%

Why this vote is considered to be most significant: L&G's Asset Management business considers this vote to be significant as it is applied under the Climate Impact Pledge, its flagship engagement programme targeting companies in climate-critical sectors.

Company management recommendation: For **Fund manager vote:** Against.

Rationale: A vote against is applied as the company is deemed not to have made sufficient progress against L&G's climate expectations and red lines, as set out in L&G's sector guides through its dial-mover engagement programme.

Outcome and next steps: The resolution was passed. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Petroleo Brasileiro SA, 16 April 2025

Summary of resolution: Elect Directors

Relevant stewardship priority: Climate change.

Approximate size of the World Emerging Markets Equity Index Fund holding at the date of the vote: 0.5%

Approximate size of the Global Emerging Markets Equity Index Fund holding at the date of the vote: 0.3%

Why this vote is considered to be most significant: L&G's Asset Management business considers this vote to be significant as it is applied under the Climate Impact Pledge, its flagship engagement programme targeting companies in climate-critical sectors.

Company management recommendation: For **Fund manager vote:** Against

Rationale: A vote against is applied as the company is deemed not to have made sufficient progress against L&G's climate expectations and red lines, as set out in L&G's sector guides through its dial-mover engagement programme.

Outcome and next steps: Not provided. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Diversified Fund

Mitsubishi UFJ Financial Group, Inc., 27 June 2025

Summary of resolution: Amend Articles to Add Provision on Disclosure of Financial Risk Audit by Audit Committee

Relevant stewardship priority: Climate change.

Approximate size of the fund's holding at the date of the vote: 0.2%

Why this vote is considered to be most significant: This shareholder resolution is considered significant. This closely resembles a resolution from 2024 AGM season, reflecting continued concerns over limited progress despite notable shareholder support in the previous year. L&G continues to believe that decarbonisation of the banking sector and its clients is essential to protecting value and promoting growth through the opportunities presented by the climate transition, aiming towards achieving the goals of the Paris Agreement.

Company management recommendation: Against **Fund manager vote:** For

Rationale: A vote in favour of this proposal is applied. While L&G notes the Company's existing disclosures regarding its oversight of climate change risk management, L&G considers that there is room for further information on the oversight of risk controls within the Company's audit report. L&G believes that increased disclosures around the Audit Committee's assessment of the adequacy of these processes would help the Company and its Board in placing the appropriate focus on such risk assessments and the related resources and expertise required.

Outcome and next steps: Not provided. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

National Australia Bank Limited, 12 December 2025

Summary of resolution: Approve Strategy to Eliminate Financed Deforestation

Relevant stewardship priority: Climate change.

Approximate size of the fund's holding at the date of the vote: 0.2%

Why this vote is considered to be most significant: L&G considers this vote to be significant as it is applied under the firm's engagement program on deforestation, targeting companies in high-risk sectors.

Company management recommendation: Against **Fund manager vote:** For

Rationale: A vote in favour is applied as L&G expects 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 and next steps: Not provided. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Newton

Newton's significant holdings universe is determined based on the proportion of a shares of investee companies held, as well as the size of the investment based on its value above certain thresholds. The significant votes are drawn from this universe and are defined as votes that are likely to generate significant scrutiny from end clients or other stakeholders. They may relate to resolutions that receive a particularly high proportion of dissent from investors or involve a corporate transaction or resolutions raised by shareholders.

BNY Mellon Real Return Fund

We have included one relevant significant vote over the Scheme Year (based on the information available that was from Newton) that we have outlined below.

The Goldman Sachs Group, 23 April 2025

Summary of resolution: Report on Clean Energy Supply Financing Ratio (a metric used to compare a bank's financing of low-carbon energy supply to its financing of fossil fuel energy supply).

Relevant stewardship priority: Climate change.

Approximate size of the fund's holding at the date of the vote: 1.0 %.

Why this vote is considered to be most significant: Aligns with Newton's longer-term engagements and voting activity with the bank. Further, in the current context, Newton deemed the support to the proposal as noteworthy as well.

Company management recommendation: Not provided **Fund manager vote:** For

Rationale: Newton supported a shareholder proposal requesting the company to report on clean energy supply financing ratio as in its view, the ask is aligned to the sustainable financing activities of the company and should provide shareholders increased transparency in assessing the company's progress on the company's management of climate risks and opportunities.

Was the vote communicated to the company ahead of the vote: No

Outcome and next steps: The resolution was not passed. Newton supported this shareholder proposal as it believes the proposal complements the sustainable finance target set by the bank and would be helpful for investors to assess the bank's progress on financing clean energy as well as decarbonising its portfolio (where it has set targets). Further, the proposal does not seem to be prescriptive as peer banks have already disclosed or committed to disclose the same. In addition, the disclosure if directly provided by the bank would be more robust than third party estimates, as the bank would be better placed to include all relevant lending activities in the calculation.

11.4 Votes in relation to assets other than listed equity

The following comments were provided by the Scheme's asset managers who don't hold listed equities, but invest in assets that may have had voting opportunities during the period:

M&G – Credit Opportunities Fund IV (High Grade)

M&G stated that it does vote on ABS (asset-backed securities) corporate actions in a manner to reflect the best interest of clients; however, these are not published on its website.