

The Emerson UK Pension Plan ('the Plan')

Annual Implementation Statement (forming part of the Trustee's report)

Year ending 31 March 2025

1. Introduction and purpose of this Statement

This document is the Annual Implementation Statement ("the Statement") prepared by the Trustee covering the Defined Benefit ("DB") Segregated Section, the EBCO Segregated Section and the Defined Contribution ("DC") Segregated Section for the Plan year to ended 31 March 2025.

The purpose of this Statement is to:

- detail any reviews of the Statement of Investment Principles ('SIP') that the Trustee has undertaken, and any changes made to the SIP over the year;
- set out the extent to which, in the opinion of the Trustee, the Plan's SIP required under section 35 of the Pensions Act 1995 has been followed during the Plan year;
- describe the voting behaviour by, or on behalf of, the Trustee over the year; and
- set out the extent to which, in the opinion of the Trustee, the engagement policy within the SIP has been followed during the year.

The Plan makes use of a wide range of investments, therefore, the principles and policies in the SIP are intended to be applied in aggregate and proportionately, focusing on areas of maximum impact.

The EBCO Segregated Section entered into a full buy-in during 2021. The Trustee completed the buy-out and wind-up of the EBCO Segregated Section on 25 March 2025.

The Principal Company, Emerson Holding Company Limited ("the Company") decided to close the DC Segregated Section of the Plan from January 2025 and transfer all members' money purchase benefits to a master trust on 5 March 2025.

The Trustee confirms that the investments which the Plan holds within the DB Segregated Section and held within the DC Segregated Section until the transfer to the master trust were chosen in line with the requirements of s36 of the Pensions Act 1995. This implementation statement does not cover the Additional Voluntary Contributions ("AVCs") made by the members over the course of their employment with the Sponsor.

This statement will be made available within the Plan's annual report and accounts, and will be available alongside the Plan's SIP on this website:

<https://oneemerson.co.uk/resources/statements>

2. Review of and changes to the SIP

The SIP was reviewed and updated once in the year. The versions in place were dated:

- September 2023; and

- July 2024.

Over the Plan Year, the SIP was reviewed to reflect:

- An update to the wording on running costs until the EBCO Segregated Section approaches wind up;
- The increase in the DB Segregated Section's interest rate and inflation hedge ratios from 90% to 100% of the Section's liabilities (on a gilts flat discount rate basis); and
- Inclusion of wording around the DC Segregated Section's liquidity and realisation of investments.

Following the stewardship guidance published by DWP in 2022 for Trustees of UK Pension Scheme, the Trustee has updated the SIP for the inclusion of stewardship priorities in engagement and voting, where the Trustee expects investment managers to take climate and diversity, equity and inclusion as a key area of focus.

3. Adherence to the SIP

The Trustee believes that the policies set out in the SIP have been followed during the year and the justification for this is set out in the remainder of this section. As mentioned above, the DC Trust transferred to a master trust shortly before the year end and the SIP will be updated to reflect this change.

For ease of reference, compliance with the SIP has been sub-divided into separate Defined Benefit (including EBCO) and Defined Contribution sections to reflect the different considerations and policies applying to each section.

DB and EBCO Segregated Sections

Governance

The Trustee is responsible for investment matters related to the DB and EBCO Sections of the Plan. Investment matters are dealt with by the Finance and Investment Subcommittee (FISC). Two regular FISC and two Trustee meetings were held over the year.

The Trustee's duty is to act in the Member's best interests, and they have a collective responsibility to deliver member benefit security, therefore the fundamental mission is to meet its financial obligations. The Trustee does not take into account the views of members and beneficiaries of the DB Segregated section in the selection, retention and realisation of investments.

Investment strategy

DB Segregated Section

The current funding target adopted for the DB Segregated Section is to aim for the value of the assets to be at least equal to the value of the liabilities on the Technical Provisions basis.

The Trustee recognises that the Plan's investment strategy is of primary importance in seeking to achieve this objective.

The table below sets out the Strategic Asset Allocation ("SAA") benchmark that is currently in place for the DB Segregated Section, together with the actual asset allocation as at 31 March 2025.

Asset Class	Strategic Allocation	Actual Allocation
Equities	10.0%	9.6%
Global equities	10.0%	9.6%
Fixed Income	90.0%	90.4%
Corporate bonds	30.0%	33.7%
Alternative Credit	5.0%	5.1%
Liability Driven Investments	55.0%	51.5%
Total	100.0%	100.0%

Numbers may not sum due to rounding

EBCO Segregated Section

In December 2021, the Trustee entered into a bulk annuity contract with Just, to cover all members of the Section. This secured the Section's liabilities at a cost lower than the market value of the investment holdings, allowing for benefit outgo and expenses. This resulted in a more exact match for inflation and interest rate risk compared to the Section's previous bond holdings, and additionally removed longevity risk in respect of the Section's members.

In December 2023, the policy was converted to a buy-out whereby individual annuity policies were issued to members.

The EBCO Segregated Section was wound up on 25 March 2025.

Investment manager arrangements

The Trustee has appointed three investment managers, Towers Watson Investment Management ("TWIM"), BlackRock Advisors UK Limited ("BlackRock") and Legal and General Investment Management ("L&G") to manage the investments of the DB Segregated Section.

The Trustee is not involved in the investment managers' day-to-day method of operation, but their policy is to monitor the returns achieved by the managers relative to their respective benchmarks on a regular basis. During the year, the Trustee has received regular reporting on portfolio returns relative to the benchmark from the Investment Consultant. Any relevant investment manager updates have also been discussed at the Trustee meetings with the Investment Consultant.

WTW provides regular confirmation that investments are satisfactory. The most recent advice was provided in February 2025.

The DB Segregated Section portfolio is comprised of Global equities and fixed income (corporate bonds, alternative credit, and liability driven investment). The following investment managers have been chosen:

Asset Class	Investment Managers
Equities	
Global equities	Legal & General Investment Management
Fixed Income	
Corporate bonds	Legal & General Investment Management
Corporate Bonds	BlackRock Advisors UK Limited
Alternative Credit	Towers Watson Investment Management Limited
Liability Driven Investment	BlackRock Advisors UK Limited

The asset allocation and the investment vehicles through which the strategy is implemented ensures the portfolio has a suitable mix of return-seeking and liability hedging assets, consistent with the Trustee's policy.

Implementing the Plan's investment strategy in a manner consistent with the Trustee's policies ensures that the Plan's DB Segregated Section portfolio is consistent with the policies set out in the SIP.

The Trustee has provided a copy of the SIP to its investment managers. Managers are asked to confirm whether they comply with the UK Stewardship Code and, if they do not, are asked to explain their reasons for not doing so. As at 31 March 2025, all managers confirmed compliance with the code.

The Trustee monitors the costs associated with managing the Plan's assets on an annual basis, which includes the costs associated with portfolio turnover. In addition, the Trustee monitors the level of turnover within each mandate to ensure that this is consistent with the asset class and time horizon being targeted by each investment manager. The turnover levels for the 12 months to 31 March 2025 are set out below:

	Legal & General Investment Management ("L&G")	BlackRock	Towers Watson Investment Management (TWIM)
Portfolio turnover for 12 months to 31 March 2025 (%)	Global Equity Hedged: 90.6% Global Equity Unhedged: 21.4% Inv Corps > 15 Yr: 7.1% AAA-AA-A Over 15 Yr: 40.3%	Aquila Life Corporate Bond Index Fund Over 15 Years: 19.6%	Alternative Credit: 6.9%

Turnover has been calculated as the lesser of purchases or sales divided by the average fund value over the year to 31 March 2025. Overall turnover depends on the fund's mandate and individual manager's investment philosophy and process. Turnover figures will depend on specifics such as the manager process and market environment (more volatility may mean more or less trading than expected). The Trustee is satisfied that the fund turnover is consistent with the asset class and time horizon targeted by each manager.

Realisation of investments

The Trustee regularly considers the likely cash flow position of the Plan and determines whether investment or disinvestment will be required. Procedures are adopted to manage the cash flow position.

The Trustee will, when possible, provide the custodian and investment managers with reasonable notice of future cash needs.

Investment risk

The Trustee has identified several risks involved in the management of the Plan's assets which are taken into account when reviewing the investment arrangements.

Solvency and mismatching risk were considered through the analysis undertaken by WTW as part of the investment strategy review of the DB Segregated Section in 2022. This illustrated the expected progression of the growth in the assets relative to the liabilities as well as quantifying the downside risks under different strategies.

Manager risk is managed by the selection process of managers and the ongoing monitoring of each manager, where the expectation is that the manager will deliver returns which are very close to those of an underlying market index or provide exposures that align with the Plan's liabilities, whilst mitigating the risk of any one manager performing poorly.

Liquidity risk is managed by the Trustee and Plan's administrators who measure and manage the level of cash held in order to limit the impact of cash flow requirements.

Custodial risk is managed by appointing an appropriate custodian. The Trustee monitors the custodian on a regular basis and applies restrictions as to who can authorise transfers of cash and the accounts to which transfers can be made. The Plan has appointed Northern Trust as custodian for the assets.

Political risk is managed by having an investment portfolio that is diversified across multiple countries.

Sponsor risk is managed by assessing the interaction between the Plan and the sponsor's business, as measured by a number of factors, including the creditworthiness of the sponsor and the size of the pension liability relative to the financial strength of the sponsor.

Counterparty risk in relation to the Plan's annuity contracts is mitigated by industry protections (Financial Services Compensation Scheme) and the due diligence carried out by the Trustee during the selection of the appropriate insurer and the ongoing monitoring framework in place.

Environmental, Social and Governance ("ESG") (including climate change) risk is managed as part of the regular (at least annually) monitoring of the portfolio to ensure ESG risks are being appropriately considered in ongoing investment decisions.

Investment performance monitoring

The Trustee receives monthly independent performance reports from its main custodian, Northern Trust, and reviews the performance at FISC meetings.

Equity markets performed positively over the 12-month period to 31 March 2025 across most regions. The FTSE All World Index returned 5.5% in Sterling terms. China was the best performing region, returning 37.5% in Sterling terms. The worst performing region was Asia Pacific ex Japan, returning -5.7% over the year in Sterling terms.

DC Segregated Section (“DC Section”)

The DC Segregated Section of the Plan was transferred to a master trust on 5 March 2025.

Governance

The Trustee meets twice a year to conduct its business, which included monitoring the DC Section’s investment strategy. In addition, performance of the DC Section’s fund range was delegated to the Finance and Investment Sub-committee (“FISC”) who also meet twice a year.

In between these meetings, if a particular issue arises with its DC investment platform provider, Legal and General (“L&G”), or regarding one of the funds made available on L&G’s investment platform, the Trustee’s investment advisers, Willis Towers Watson (“WTW”), contacts the Trustee. The Trustee also reviewed the quarterly investment performance of the DC fund range in between these meetings via email.

Investment objectives and strategy

The Trustee’s overall investment objectives are set out in the SIP dated July 2024 which can be accessed at the following link: <https://www.oneemerson.co.uk/resources/statements>

The Trustee is obliged to act in the members’ best interests. One of the Trustee’s primary objectives therefore is to make available appropriate investment options to members.

The Trustee reviews the DC Section’s investment strategy on at least a triennial basis. The Trustee therefore kicked off the triennial investment review with training in December 2023, followed by a Trustee investment beliefs session in 2024 and then membership analysis. However, the Company decided to close the DC Segregated Section to new contributions from 31 January 2025. The Trustee reviewed the new arrangement used by the Company, LifeSight, and decided to transfer all members’ money purchase accounts (DC, AVC and PRA) to the new arrangement with LifeSight in March 2024. The transfer was concluded in March 2025.

The initial stages of the review considered such matters as: the demographic profile of the membership, the likely income choices members will make at retirement, the membership’s risk profile, the Trustee’s governance approach to the investment options to be made available and Environmental, Social and Governance (“ESG”) factors.

The SIP is in the process of being updated to reflect the transfer of the DC Segregated Section to the master trust.

Risk management

The Trustee considered and identified the key DC risks members were exposed to. These are shown on pages 15 and 16 of the SIP dated July 2024 which can be accessed here <https://www.oneemerson.co.uk/resources/statements>. All risks and opportunities were considered for materiality and impact, taking into account the DC Section’s investment time horizon and objectives.

The Trustee did not consider risk in isolation, but in conjunction with expected investment returns and outcomes for members. The Trustee monitored and managed these risks through:

- The regular reporting received from its investment advisers and managers;
- The range of Lifestyle strategies offered to members, which were designed to help members address different investment risks they face throughout their membership of the DC Section;

- Provided a diversified range of self-select options, which enabled members to consider the risks that are most relevant to them and to invest so as to mitigate these.

Investment performance monitoring

Whilst the Trustee was not involved in the investment managers' day to day operations and therefore cannot directly influence attainment of the performance target, it did regularly assess performance and review appointments.

Over the reporting period until the transfer to the master trust, the Trustee considered the performance of the fund range through quarterly investment monitoring reports and at each of the biannual Finance and Investment Sub-committee meetings. In doing this, the Trustee considered the market context alongside assessing how closely each of the funds had tracked their respective benchmarks as set out on page 18 and 19 of the SIP dated July 2024.

For the year to 31 March 2025, all of the investment funds produced returns broadly in line with their benchmarks, net of charges.

Environmental, Social and Governance (ESG) considerations

The Trustee considers financially material ESG risks and opportunities, as set out in the SIP.

The Trustee's policy is to delegate the day-to-day investment decisions including integration of financially material ESG risks and opportunities to its investment managers.

In addition, the default and lifestyle strategies explicitly took account of ESG factors; this was achieved through the incorporation of the L&G MSCI ACWI Adaptive Capped ESG Index Fund into the new lifestyles. This fund was also available on a self-select basis.

Stewardship

The Trustee delegated responsibility for stewardship activities (including voting rights and engagement activities) to the investment managers. As part of preparing this Statement, the Trustee reviewed the voting information provided by the investment managers. Overall, the Trustee was satisfied that L&G exercised an appropriate degree of stewardship over the companies in which the funds invested.

4. Voting and engagement

Details on voting and engagement have been sub-divided into separate Defined Benefit and Defined Contribution sections to reflect the different considerations and policies applying to each section.

Defined Benefit Section

The Trustee delegates the exercise of voting rights and engagement in respect of the Plan's underlying investments to the investment managers. Voting is undertaken in line with the voting policy of the equity investment manager, L&G. Other mandates do not hold voting rights.

As part of the Trustee's ongoing engagement with, and monitoring of the Plan's investment managers, the Trustee has set out the voting activities of the Plan's equity investment manager over the Plan Year, including detail of the manager's use of proxy voting. The Trustee recognises that with a largely passive portfolio, the manager takes no material decisions on the holdings to be included in the portfolio. However, the Trustee expects the manager to engage with the companies and issuers in which it invests in relation to the financial and non-financial implications of sustainability issues.

The Trustee's policy is to engage with the managers to understand their policies on sustainability and stewardship, and review these policies regularly to ensure that the managers are carrying out their delegated responsibilities in line with the Trustee's views and beliefs. The Trustee, in partnership with its investment advisor, has assessed the investment managers' voting and engagement policies. The Trustee considers these policies to be appropriate, and consistent with the Trustee's own policies and objectives, therefore ultimately in the best financial interests of the members. The Trustee have endeavoured to select "significant" votes which align with the Trustee's identified priorities for voting and engagement – climate risk and diversity, equity and inclusion– where the data has allowed.

Summary of voting over the year

The Plan's equity investments are managed by L&G via pooled funds on an index-tracking basis. Given the indexed nature of the mandates, the managers are limited by the equities they must hold in the portfolio. Voting information on the Plan's bond holdings (managed by BlackRock, TWIM and L&G) is not provided as the vast majority of loan and debt securities do not come with voting rights.

The below table sets out the voting activity of the Plan's investment manager, on behalf of the Trustee, over the one year to 31 March 2025:

Asset class	Number of resolutions eligible to vote on	Proportion eligible votes voted	Of resolutions voted:		
			For	Against	Abstained
L&G All World Equity Fund	63,689	99.8%	79.5%	19.0%	1.5%

Voting statistics are out of total eligible votes and are sourced from the investment manager, L&G.

The following table outlines four significant votes cast by the Plan's investment manager for each fund on the Trustee's behalf. Many of the votes have been deemed significant as they relate to issues around climate risk and diversity, equity and inclusion, in alignment with the Trustee's views.

The commentary set out below is based on detail in the relevant manager's reports on the votes cast:

Significant votes cast

Company 1: Meta Platforms, Inc.

Date of vote: 29 May 2024

Approximate size of fund (% of portfolio): 1.33

Summary of resolution: Resolution 1.1: Elect Director Peggy Alford

Vote casted: Against

Decision: A vote against is applied as L&G expects a company to have at least one-third women on the board.

Rationale for voting decision: L&G views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.

Outcome: N/A

Company 2: Broadcom Inc.

Date of vote: 22 April 2024

Approximate size of fund (% of portfolio): 0.78

Summary of resolution: Resolution 1g: Elect Director Henry Samueli

Vote casted: Against

Decision: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management according to L&G.

Rationale for voting decision: L&G considers this vote to be significant as it is applied under the Climate Impact Pledge, L&G's flagship engagement programme targeting companies in climate-critical sectors.

Outcome: Pass

Company 3: UnitedHealth Group Incorporated

Date of vote: 3 June 2024

Approximate size of fund (% of portfolio): 0.63

Summary of resolution: Resolution 1i: Elect Director John Noseworthy

Vote casted: Against

Decision: A vote against is applied as L&G expects a company to have at least one-third women on the board.

Rationale for voting decision: L&G views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.

Outcome: N/A

Company 4: Netflix, Inc.

Date of vote: 6 June 2024

Approximate size of fund (% of portfolio): 0.37

Summary of resolution: Resolution 1d: Elect Director Jay C. Hoag

Vote casted: Against

Decision: A vote against is applied as L&G expects a company to have at least one-third women on the board. L&G expects the Chair of the Committee to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background.

Rationale for voting decision: L&G views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.

Outcome: N/A

Engagement

Across both public and private assets, L&G have established a fully integrated framework for responsible investing to strengthen long-term returns and raise market standards. This is based on investment stewardship with impact and collaborative, active research across asset classes. Ongoing dialogue with companies is a fundamental aspect of L&G's commitment to responsible investment. Engagement will be triggered in a variety of ways, such as a regular catch-ups; analysis of responsible investment themes and voting issues; general knowledge of the company; or a media report. L&G incorporate ESG assessments into their dialogue with companies, in order to push for real change and long-term sustainable value creation. 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 continue to develop their voting and engagement policies and define strategic priorities in the years ahead. They also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

The TWIM ACF has Article 8 Sustainable Finance Disclosure Regulation designation. This covers a Fund which promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices, amongst other requirements.

TWIM intends for the Sub-Fund to achieve at least a 50% reduction in greenhouse gases by 2030 in its portfolio and continue beyond that time to further reduce greenhouse gases from the portfolio with an aim of net zero emissions by 2050. Progress is measured using multiple climate metrics.

Use of proxy voting service

L&G use ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G and they do not outsource any part of the strategic decisions. L&G's use of ISS recommendations is purely to augment their own research and proprietary environmental, social and governance (ESG) assessment tools. To ensure their proxy provider votes in accordance with their position on ESG, L&G have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what they consider are minimum best practice standards which L&G believe all companies globally should observe, irrespective of local regulation or practice. L&G retains the ability in all markets to override any vote decisions, which are based on their custom voting policy. They have strict monitoring controls to ensure their votes are fully and effectively executed in accordance with their voting policies, including regular manual checks of the votes, and electronic alerts to inform them of any rejected votes which may require further action.

DC Segregated Section ("DC Section")

The DC Section offered a diverse range of asset classes through the Lifestyle strategies and self-select fund range. All investments were held within pooled funds which were made available via a platform with Legal & General ("L&G"). Therefore, the voting entitlements in these funds lie with the investment managers.

As set out in the SIP, the Trustee's policy is to delegate the exercising of rights (including voting and stewardship) to the investment managers. This section sets out the voting activities of L&G and HSBC over the year in relation to the equity investments, including details of their use of proxy voting services.

L&G's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes are in accordance with their position on ESG, L&G have put in place a custom voting policy with specific voting instructions.

HSBC use the leading voting research and platform provider Institutional Shareholder Services (ISS) to assist with the global application of their voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene HSBC's guidelines. HSBC then review voting policy recommendations according to the scale of their overall holdings. The bulk of holdings are voted in line with the recommendation based on their guidelines.

The table below sets out the voting activity of L&G and HSBC, on behalf of the Trustee, over the year:

Fund	Exposure within the Plan's funds	Question	Response
EUKPP Global Equity Fund	Pooled equity fund	Number of meetings at which the manager was eligible to vote:	3,064
		Number of resolutions on which manager was eligible to vote:	35,560
		Percentage of eligible votes cast:	99.69%
		Percentage of votes with management:	78.07%
		Percentage of votes against management:	20.26%
		Percentage of votes abstained from:	1.66%
		Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management:	68.05%
		Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser:	13.63%
EUKPP Diversified Fund	Pooled equity fund	Number of meetings at which the manager was eligible to vote:	10,796
		Number of resolutions on which manager was eligible to vote:	107,020
		Percentage of eligible votes cast:	99.77%
		Percentage of votes with management:	76.53%
		Percentage of votes against management:	22.37%
		Percentage of votes abstained from:	1.10%
		Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management:	69.33%
		Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser:	13.71%
EUKPP UK Equity Fund	Pooled equity fund	Number of meetings at which the manager was eligible to vote:	717
		Number of resolutions on which manager was eligible to vote:	10,134
		Percentage of eligible votes cast:	100.00%
		Percentage of votes with management:	93.79%

		Percentage of votes against management:	6.21%
		Percentage of votes abstained from:	0.00%
		Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management:	42.54%
		Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser:	5.29%
EUKPP World (ex UK) Equity Fund	Pooled equity fund	Number of meetings at which the manager was eligible to vote:	2,810
		Number of resolutions on which manager was eligible to vote:	33,434
		Percentage of eligible votes cast:	99.72%
		Percentage of votes with management:	77.92%
		Percentage of votes against management:	21.78 %
		Percentage of votes abstained from:	0.31%
		Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management:	76.01%
		Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser:	15.43%
EUKPP Shariah Global Equity Fund	Pooled equity fund	Number of meetings at which the manager was eligible to vote:	105
		Number of resolutions on which manager was eligible to vote:	1,719
		Percentage of eligible votes cast:	96%
		Percentage of votes with management:	78%
		Percentage of votes against management:	21%
		Percentage of votes abstained from:	0%
		Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management:	78%
		Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser:	1%

The following table outlines the significant votes cast by L&G and HSBC on the Trustee's behalf for each of the funds outlined in the previous pages. The Trustee have endeavoured to select "significant" votes which align with the Trustee's identified priorities for voting and engagement – climate risk and diversity, equity and inclusion– where the data has allowed.

Fund	Significant votes cast
L&G EUKPP World ex UK Index	<p>Company 1: General Electric Company</p> <p>Approximate size of fund (% of portfolio): 0.3%</p> <p>Summary of resolution: Resolution 1i: Elect Director Catherine Lesjak Decision: Against</p> <p>Rationale for voting decision: Diversity: A vote against is applied as L&G expects a company to have at least one-third women on the board. Shareholder Resolution - Joint Chair/CEO: A vote against the relevant directors is applied as L&G expects companies to respond to a meaningful level of shareholder support requesting the company to implement an independent Board Chair.</p>
	<p>Company 2: Verizon Communications Inc.</p> <p>Approximate size of fund (% of portfolio): 0.26%</p> <p>Summary of resolution: Resolution 1.1: Elect Director Shellye Archambeau</p> <p>Decision: Against Rationale for voting decision: Diversity: A vote against is applied as L&G expects a company to have at least one-third women on the board. Joint Chair/CEO: A vote against is applied as L&G expects companies to respond to a meaningful level of shareholder support requesting the company to implement an independent Board Chair.</p>
L&G EUKPP UK Equity Fund	<p>Company 1: Unilever Plc</p> <p>Approximate size of fund (% of portfolio): 4.2%</p> <p>Summary of resolution: Resolution 4: Approve Climate Transition Action Plan</p> <p>Decision: For</p> <p>Rationale for voting decision: Climate change: A vote FOR the CTAP is applied as L&G understand it to meet their minimum expectations. 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 a 1.5°C Paris goal. Despite the SBTi recently removing their approval of the company's long-term scope 3 target, L&G note that the company has recently submitted near term 1.5 degree aligned scope 3 targets to the SBTi for validation and therefore at this stage believe the company's ambition level to be adequate. L&G therefore remain supportive of the net zero trajectory of the company at this stage.</p>
	<p>Company 2: Glencore Plc</p> <p>Approximate size of fund (% of portfolio): 2.3%</p> <p>Summary of resolution: Resolution 12: Approve 2024-2026 Climate Action Transition Plan</p> <p>Decision: Against</p> <p>Rationale for voting decision: Climate Change: A vote against is applied as L&G expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. While L&G note the progress the company has made in terms of disclosure, they remain concerned over the company's thermal coal activities, as it remains unclear how the planned thermal coal production aligns with global demand for thermal coal under a 1.5°C scenario.</p>

L&G EUKPP Global Equity Fund	<p>Company 1: Broadcom Inc.</p> <p>Approximate size of fund (% of portfolio): 0.23%</p> <p>Summary of resolution: Resolution 1g: Elect Director Henry Samueli</p> <p>Decision: Against</p> <p>Rationale for voting decision: Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management.</p>
	<p>Company 2: Deere & Company</p> <p>Approximate size of fund (% of portfolio): 0.21%</p> <p>Summary of resolution: Resolution 7: Report on a Civil Rights Audit</p> <p>Decision: For</p> <p>Rationale for voting decision: Shareholder Resolution - Civil Rights Audit: A vote in favour is applied as such an audit is a transparent way in which the company can demonstrate that its code of conduct is operating as it should, and that there are no inequalities based on gender or ethnicity, which may cause potential legal and/or financial risks to the company.</p>
L&G EUKPP Diversified Fund	<p>Company 1: Shell Plc</p> <p>Approximate size of fund (% of portfolio): 0.33%</p> <p>Summary of resolution: Resolution 22: Approve the Shell Energy Transition Strategy</p> <p>Decision: Against</p> <p>Rationale for voting decision: Climate change: A vote against is applied. L&G acknowledge the substantive progress the company has made in respect of climate related disclosure over recent years, and view positively the commitments made to reduce emissions from operated assets and oil products, the strong position taken on tackling methane emissions, as well as the pledge of not pursuing frontier exploration activities beyond 2025. Nevertheless, in light of the revisions made to the Net Carbon Intensity (NCI) targets, coupled with the ambition to grow its gas and LNG business this decade, L&G expect the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050. In essence, L&G seek more clarity regarding the expected lifespan of the assets Shell is looking to further develop, the level of flexibility in revising production levels against a range of scenarios and tangible actions taken across the value chain to deliver customer decarbonisation. Additionally, L&G would benefit from further transparency regarding lobbying activities in regions where hydrocarbon production is expected to play a significant role, guidance on capex allocated to low carbon beyond 2025 and the application of responsible divestment principles involved in asset sales, given portfolio changes form a material lever in Shell's decarbonization strategy.</p>
	<p>Company 2: National Grid Plc</p> <p>Approximate size of fund (% of portfolio): 0.23%</p> <p>Summary of resolution: Resolution 17: Approve Climate Transition Plan</p> <p>Decision: For</p> <p>Rationale for voting decision: Climate Change: L&G is voting in favour of the National Grid Climate Transition plan. L&G commend the company's efforts in committing to net-zero emissions across all scopes by 2050 and setting 1.5C-aligned near term science based targets. L&G also appreciate the clarity provided in the 'Delivering for 2035 report' and look forward to seeing the results of National Grid's engagement with SBTi regarding the decarbonisation of heating .</p>
HSBC EUKPP Shariah Global Equity Fund	<p>Company 1: NVIDIA Corporation</p> <p>Approximate size of fund (% of portfolio): 7.69%</p> <p>Summary of resolution: Elect Director Stephen C. Neal</p> <p>Decision: Voted Against</p>

	Rationale for voting decision: HSBC are voting against this Nomination Committee Chair as they have concerns about insufficient gender diversity of the board.
	<p>Company 2: Microsoft Corporation</p> <p>Approximate size of fund (% of portfolio): 8.07%</p> <p>Summary of resolution: Ratify Deloitte & Touche LLP as Auditors</p> <p>Decision: Voted Against</p> <p>Rationale for voting decision: HSBC have concerns about the auditor's independence.</p>