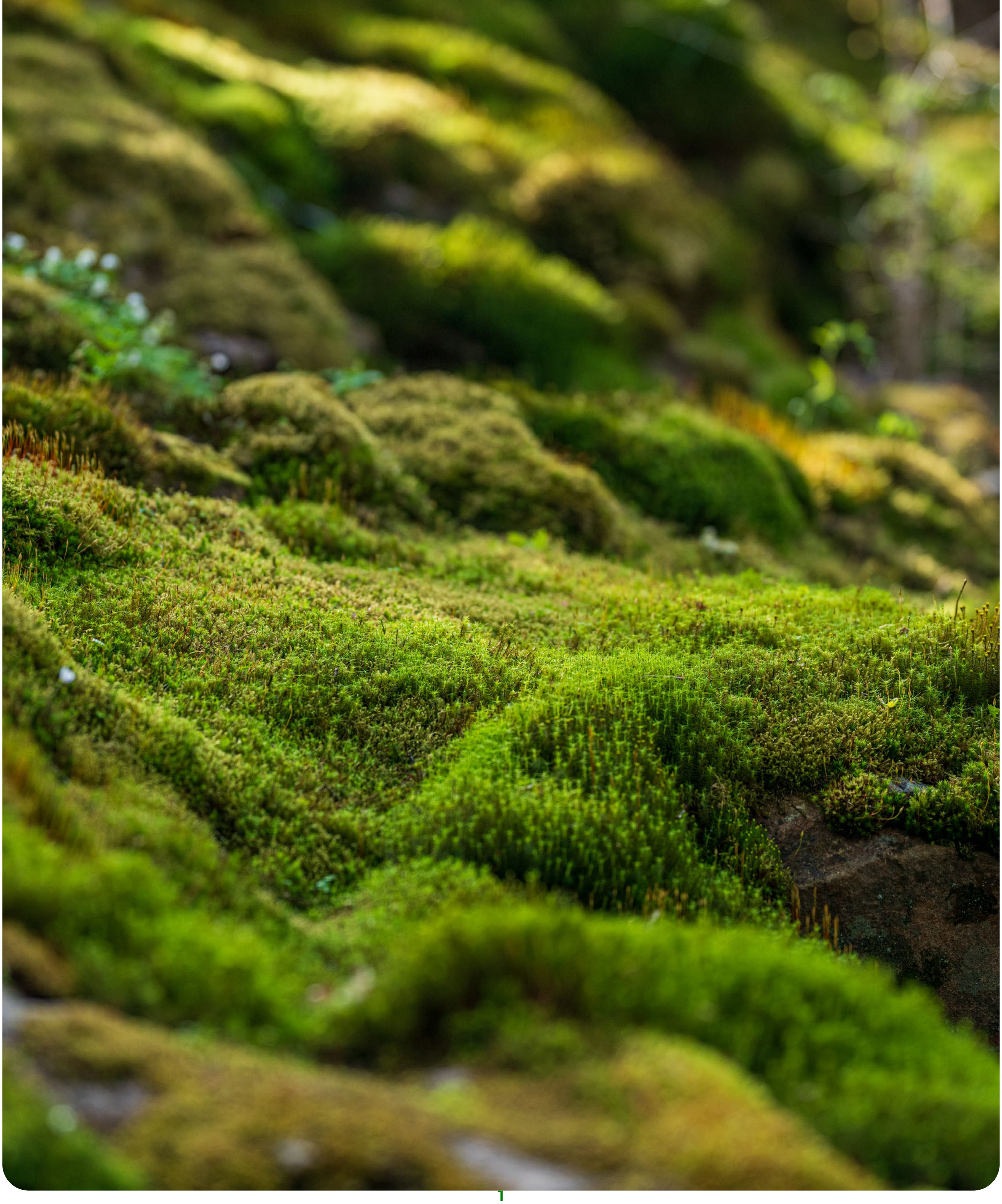
BP Pension Fund

# 2025 Implementation Statement



# About this statement

This Implementation Statement explains how the Trustee[1] of BP Pension Fund (the Fund) followed the stewardship-related principles set out in the Fund's Statement of Investment Principles (SIP) during 2025. The content covers how the Trustee followed its policies on voting and engagement and describes its voting behaviour through the year.

This content explains:

- engagement with companies by the Fund's asset managers, alongside oversight of and direct engagement with asset managers.
- the exercise of voting rights in relation to listed equities investments, including the most significant votes[2].
- collaborative engagement with relevant market participants.

This statement is available on the Fund's website, **PensionLine**, alongside the SIP, Responsible Investment (RI) Policy and Climate Change Report. It is also included in the Fund's Annual Report and Financial Statements.

## 1. Approach to responsible investment

In line with the Trustee's RI Policy, the Trustee considers responsible investment to be essential to delivering the long-term risk-adjusted returns required to meet the Fund's purpose. The Trustee's RI strategy is designed to support the delivery of the Fund's objectives while meeting its regulatory and fiduciary obligations. These require the Trustee to act prudently and solely in the best financial interests of members and beneficiaries.

During 2025, the Trustee undertook a review of the RI strategy, with the support of an external adviser. The Trustee Board (Board) approved all recommendations arising from the review, the most significant of which included:

- refreshing the RI beliefs, including the explicit recognition of systemic risks[3].
- delegating voting responsibilities to the Fund's passive listed equities manager.
- prioritising engagement with asset managers based on asset-class relevance and stewardship capability.
- discontinuing public reporting to the Financial Reporting Council (FRC), thereby ending formal UK Stewardship Code signatory status, while continuing to align stewardship activities with the underlying principles.
- updating the RI Policy to reflect the outcomes of the RI strategy review.

Further information on the Trustee's approach to RI, including its RI beliefs and strategy, is set out in the RI Policy.

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[1] For simplicity, references to the "Trustee" include both the Trustee Board, which retains ultimate responsibility for the governance and oversight of the Fund, and the Trustee Executive, which supports the Board through the implementation of agreed policies and the operational management of the Fund.

[2] Please refer to section 2.2 for an explanation of criteria the Trustee uses to identify significant votes.

[3] Systemic risks such as climate change or social instability may impact entire financial systems. These risks are interconnected and cannot be diversified away. This means they can impact the Fund's long-term investment returns.

# 2. Stewardship practices

Consistent with the RI Policy, the Trustee recognises that financially material environmental, social and governance (ESG) factors can present both risks and opportunities for investment performance.

The Trustee seeks to manage investment and systemic risks, such as climate change, through effective stewardship, encompassing the responsible allocation, management, and oversight of assets. This includes exercising, or overseeing the exercise of, the rights attached to the Fund's investments – such as voting – to encourage improved practices among companies held in the Fund. The Trustee also sets clear stewardship expectations for asset managers, maintains proportionate oversight and engagement, and collaborates across the investment industry to support the management of systemic risks and the resilience of financial markets.

The Fund has been a signatory to the UK Stewardship Code (the Code) since 2023. Following a three-year period as a signatory, the Trustee has concluded that it can continue to uphold the principles of the Code without producing a public Stewardship Report. The Trustee therefore decided to end its formal signatory status, while remaining committed to maintaining the high stewardship standards demonstrated to date. The Fund continues to align its stewardship activities with the principles of the Code and expects its asset managers to adhere to the UK Stewardship Code or equivalent standards.

## 2.1. Asset manager stewardship expectations, oversight and engagement

During 2025, no new asset managers were appointed, and one asset manager relationship was brought to a close. The Fund continued to operate its established asset manager monitoring framework.

### Setting stewardship expectations

External asset managers manage the majority of the Fund's assets. The Trustee shares the RI Policy with managers on appointment and following any significant updates and expects the Fund's investments to be managed in line with the policy.

The RI Policy sets out the Trustee's expectations for asset managers to incorporate financially material ESG factors when investing and managing the Fund's assets. This includes the exercise of stewardship, where appropriate and in the best interests of the Fund, through engagement with companies.

The Trustee's stewardship priorities had been communicated to managers when they were introduced and are set out in the RI Policy, alongside the expectation that managers also address other ESG themes deemed financially material to the Fund's investments. The provision of clear and transparent reporting by asset managers supports this approach and enables the Trustee to monitor compliance with the RI Policy on an ongoing basis and report regularly to the Board.

### Overseeing and engaging with asset managers

The Trustee maintains oversight of asset managers by monitoring how they apply the RI Policy. Oversight is delivered through a proportionate RI monitoring framework, designed to provide assurance that managers are meeting the Trustee's expectations.

The framework takes account of the nature of each asset class, the length of each manager's appointment and the resources available to managers and combines quantitative and qualitative assessment. As part of this process, the Trustee reviews managers' stewardship approaches and progress against the Fund's stewardship priorities – climate change, human rights, and board composition and oversight – which the Trustee has identified as having the potential to impact long-term investment outcomes materially. Other financially material ESG issues identified through research and engagement are also considered.

Engagement between managers and companies remains the Trustee's preferred way of encouraging long-term positive change and enables the Trustee to influence corporate practices across a wide range of companies, including those not held directly by the Fund.

## Manager monitoring frequency

Monitoring takes place on a quarterly and annual basis, supported by additional RI-focused meetings where appropriate.

- **Quarterly monitoring**
  Quarterly investment review meetings are held to assess each manager's investment performance, business developments, and progress on stewardship activities. A structured RI agenda supports consistent discussion of the Fund's stewardship priorities.

- **Annual in-depth review**
  An annual review assesses each manager's compliance with the RI Policy and provides a basis for feedback and improvement. This includes reviewing how managers identify, prioritise, and track engagement activity, alongside discussion of engagement case studies.

- **Additional RI-focused engagement**
  Additional meetings are held as required to discuss RI developments at the industry, asset-class, or mandate level. Climate-related discussions typically focus on emissions reduction opportunities, development and understanding of key climate risk metrics, as well as progress towards meeting net-zero-aligned objectives and targets.

## Ongoing constructive feedback

The manager oversight process supports constructive relationships with asset managers and enables the Trustee to encourage continuous improvement in stewardship practices. This includes:

- **Strengthening the monitoring of engagement activities and outcomes**
  Over the past few years, the Trustee has placed increased emphasis on the need for robust tracking of engagement activities and outcomes to enable a more effective assessment of progress. For example, managers were asked to clearly distinguish between case studies representing new engagement activities and those reflecting follow up actions or next steps within ongoing engagements, which often span multiple years. While progress has been made, implementation remains uneven across managers.

- **Ensuring case studies are provided across all stewardship priorities**
  Managers are expected to provide engagement case studies across each of the Fund's stewardship priorities. For example, one manager with an otherwise well-developed engagement approach did not initially provide case studies for one priority. Following Trustee feedback, the manager provided at least one case study for each priority.

- **Encouraging participation in industry bodies and collaborative initiatives**
  The Trustee encourages managers to work with industry bodies and participate in collaborative stewardship initiatives where appropriate. For example, one manager who invested in a soft drinks company, was encouraged to consider strengthening its influence by joining a collaborative initiative focused on maintaining ambitious plastic-reduction targets, which it subsequently joined.

- **Aligning with recognised stewardship standards**
  Managers are encouraged to follow the principles of the UK Stewardship Code, equivalent international frameworks, or principles-based organisations such as the UN-supported PRI[4]. All 15 of the Fund's asset managers are PRI signatories and 12 are signatories to the UK Stewardship Code or an international equivalent.

[4] A UN-supported global initiative that encourages investors to incorporate ESG factors into investment decision-making and stewardship practices to support long-term value creation for beneficiaries, markets and society.

## Annual in-depth review

For the 2025 reporting period, the annual RI questionnaire was simplified to allow managers to update only aspects that had changed. The revised format focused on asset classes most relevant to the Fund's long-term strategy, where engagement was expected to have the greatest impact and provided greater visibility of policy-advocacy activity. This streamlined approach allowed for more efficient use of the Fund's resources when reviewing information provided by managers.

All managers evidenced compliance with the Fund's RI Policy. High-level summary findings for 2025 included the following:

- Overall engagement activity across the Fund's stewardship priorities remained broadly consistent, although managers reported fewer *engagements for change and more engagements for information*. This shift was most notable among US-based managers amid heightened regulatory scrutiny and a more cautious engagement approach avoiding the perception of influencing corporate strategy and increasing focus on material ESG issues, escalating only where appropriate.
- Climate change continued to account for the highest number of *engagements for change*, followed by board composition and oversight, and human rights. Nature-related engagements, often linked to climate considerations, increased, which reflects growing industry focus in this area.
- The majority of asset managers reported active involvement in policy-advocacy activities, either directly or through participation in industry bodies and trade associations.

## Progressing the Fund's stewardship priorities

In line with the RI Policy, the Trustee continued to oversee asset managers' delivery against the Fund's stewardship priorities during 2025. This oversight was exercised through a combination of ongoing monitoring, indirect engagement via asset managers, and targeted direct engagement with asset managers. The key areas of focus were as follows:

- **Environmental priority: climate change**
  - Continued engagement with asset managers on stewardship expectations in relation to climate change, including discussions on transition plans of the Fund's highest carbon-emitting holdings, in support of long-term investment outcomes.
  - Discussed with managers the challenges associated with lags in emissions data availability and the ongoing development of climate-related targets.
- **Social priority: human rights**
  - Reinforced expectations for asset managers to monitor and address human rights risks, particularly in relation to companies with complex global supply chains.
  - Managers highlighted increasing challenges for companies in monitoring complex supply chains beyond direct suppliers, especially in jurisdictions with restrictions on data sharing.
- **Governance priority: board composition and oversight**
  - Emphasised to managers the critical role of ongoing engagement with companies on governance practices, recognising that good governance underpins long-term value creation and can materially influence the management of environmental and social risks and opportunities.
  - Reinforced the importance of alignment with local corporate governance guidelines or, where appropriate, the International Corporate Governance Network (ICGN) guidelines.
- **Other ESG considerations**
  - Discussed additional material ESG themes, including nature loss, water stress, supply chain transparency and ESG litigation, which may present material risks across a range of sectors.
  - Explored managers' approaches to artificial intelligence (AI) as a cross-cutting ESG issue. Managers identified several AI-related ESG issues, including increased electricity demand, challenges around the licence to operate, legal risks from using personal data and copyrighted content, impacts on jobs and skills, and the need for robust governance to manage risks arising from AI errors.

  Examples of relevant case studies are set out in Appendix 1.

## 2.2. The Fund's approach to voting

Shareholder voting is a key stewardship tool and an important investor right, enabling the expression of views on financially material issues and the influence on company behaviour in support of positive long-term outcomes.

During 2025, the Trustee exercised voting rights for all shares it directly owned in its listed equity portfolios, with voting decisions judged to be in the best interests of the Fund's members. The Trustee's approach to voting was informed by research and recommendations from its proxy voting adviser, Institutional Shareholder Services (ISS) and its external passive equity asset manager, L&G Asset Management (L&G). The Trustee exercised discretion when determining whether to follow these recommendations. A full record was maintained of all votes cast and the rationale for each decision. Further information, including voting statistics and examples of significant votes, is provided in Appendix 2.

### The Fund's significant votes

The Trustee gives special attention to votes that it considers to be of high importance. The determination of which votes are deemed significant is based on various criteria which are periodically reviewed. While individual votes carry limited weight given the Fund's relatively small, listed equity holdings, the Trustee considers it important to contribute to collective investor efforts by using its votes to support company actions that lead to tangible and lasting positive change.

The key criteria the Trustee used to identify significant votes during the year included:

- The nature of the resolution, particularly where it related to the Fund's stewardship priorities or other themes under active monitoring.
- The level of investor opposition to management or the degree of media interest.
- The size and public profile of the company.

While significant votes were generally identified in advance of the vote taking place, the Trustee also considered post-vote factors, including the final voting outcome. The examples set out in Appendix 2 therefore include the overall voting result alongside management's recommendation.

To support this process, the Trustee used an internally developed tool, drawing on data from its proxy voting adviser, ISS, to identify resolutions flagged by collaborative stewardship initiatives such as the UN-supported PRI. It also monitored votes linked to potential concerns under the UN Global Compact.

### Voting approach going forward

Following the RI strategy review, voting authority was delegated to the Fund's sole listed equities manager, L&G. This decision was driven by a significant reduction in listed equity exposure in recent years and the Trustee's desire to manage costs efficiently, while leveraging the manager's expertise and resources. With effect from 27 February 2026, L&G has exercised the Trustee's voting rights at all eligible company meetings in line with its voting policy, except in markets where voting is restricted due to global sanctions.

## 2.3. The Fund's collaborative engagements

As set out in the RI Policy, the Trustee recognises the importance of working collaboratively with other investors to help address systemic risks, such as climate change. While individual investors can influence the allocation of capital through their investment and stewardship decisions, collaborative engagement can enable investor influence to be amplified through the delivery of a consistent and collective message to companies. This approach can be more effective in shaping corporate strategies and capital-allocation decisions, supporting the flow of capital towards more sustainable economic activities. In turn, this contributes to long-term market resilience and helps safeguard investment returns.

Membership of relevant RI organisations enables the Trustee to stay informed on regulatory developments and emerging best practice, collaborate with peer investors, and provide input to policymakers and regulators on the issues that may present material long-term risks to the Fund.

The Trustee keeps all memberships under review to ensure alignment with the Fund's objectives and RI strategy. Following the latest review, the Fund retained membership in the Asset Owner Council (AOC), the Institutional Investors Group on Climate Change (IIGCC) and the Principles for Responsible Investment (PRI).

During 2025 the Trustee's participation and contributions included:

- Serving on the AOC Steering Group, supporting the strategic direction and priorities of the organisation.
- Contributing to the AOC's collective response to the Department for Work and Pensions post-implementation review of the 2021 Climate Governance and Reporting Regulations.
- Participating in UK asset owner discussions with the FRC in relation to the UK Stewardship Code consultation.
- Taking part in the IIGCC net zero surgery series which facilitated peer-to-peer learning on the integration of climate risk and scenario analysis into strategic asset allocation, and on addressing common challenges in the development and implementation of climate strategies aimed at achieving real world impact.

# Appendix 1: Engagement case studies

The Trustee delivers its stewardship responsibilities through a combination of direct engagement with its asset managers and indirect engagement with companies via those managers. The case studies below demonstrate how both approaches are implemented in practice, and how this supports the Trustee's RI Policy and stewardship priorities.

## 1 Direct Engagement

As part of the annual in-depth reviews, the Trustee engages directly with its asset managers to assess how RI and stewardship expectations are being implemented. The case studies below illustrate how the Trustee monitors, challenges and influences managers' practices.

### 1.1 Climate policy advocacy with the UK government

As part of its climate-related stewardship oversight, the Trustee engaged with its LDI manager, Insight, to strengthen the structure, transparency and outcome-focus of UK climate policy advocacy. This resulted in clearer principles, improved reporting, and enhanced visibility of how policy engagement supports the Fund's long-term objectives.

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|---|---|
| **Engagement type** | Fund's direct engagement with a manager |
| **Stewardship priority** | Climate change |
| **Asset class & manager** | Liability-driven investment (LDI) – Insight |

**Context:** A significant proportion of the Fund's assets is invested in UK government bonds through its LDI strategy. These investments are essential for helping the Fund meet its long-term pension objectives. UK climate policy can influence the strength of the UK economy and government finances, which in turn can affect the value of these bonds. The Trustee therefore considers climate-related policy engagement by Insight to be relevant to the Fund's long-term financial interests.

**Action:** The Trustee encouraged Insight to adopt a clearer and more transparent approach to climate-related policy advocacy with the UK government. While Insight was active in engagement with policymakers and regulators, there was scope to strengthen its overall advocacy strategy, including the articulation of priorities, target outcomes and engagement routes. The Trustee requested further clarity from Insight on how policy issues are prioritised, resources allocated, impact assessed and progress monitored, suggesting a more outcome-focused approach to engagement planning and reporting.

In May 2025, Insight published its UK climate policy advocacy statement, setting out principles to guide its approach. These include:

- promoting two way dialogue with policymakers to clarify investor expectations and understand government decision-making processes.
- aligning engagement with policy cycles and gilt issuance schedules to improve the relevance and timing of investor input.
- taking a robust, evidence-based approach that recognises trade-offs while encouraging consistency with national climate commitments.

The activities underlying these principles include direct and collaborative engagement on UK sovereign policy issues ranging from emissions disclosures, green bond frameworks, sector decarbonisation pathways, physical risks and climate adaptation, and transition finance.

**Outcome:** Insight strengthened the structure, transparency and coherence of its UK policy advocacy programme and improved the clarity of its reporting. Insight's RI annual review provided the Trustee with a more comprehensive and outcome-focused overview of initiatives, including its role, progress achieved, barriers to delivery, and planned next steps. This enabled the Trustee to better assess the effectiveness of Insight's activities and their relevance to the Fund's investment objectives.

### 1.2 Developing RI guidance for a property portfolio

The Trustee identified a governance and reporting gap in how ESG considerations were documented and applied across the property portfolio and engaged with BPIM to address this. In response, BPIM developed a formal Property RI framework, setting clear ESG objectives, targets and accountability to support consistent implementation, monitoring and reporting across the portfolio.

| | |
|---|---|
| **Engagement type** | Fund's direct engagement with a manager |
| **Stewardship priority** | Climate change |
| **Asset class & manager** | UK property – BPIM |

**Context:** The Trustee's internal asset manager, BPIM, has been integrating ESG considerations across the property portfolio for several years through a range of initiatives. However, the Trustee identified the absence of a formal RI framework as a governance gap, particularly in providing consistent guidance, targets, and accountability for managing ESG risks and opportunities across the portfolio. The Trustee considered a documented framework could serve as a consistent reference for managing agents and service providers, as well as support setting objectives, monitoring progress, and reporting to stakeholders.

**Action:** BPIM took on this feedback and has now developed and documented Property RI guidance. This guidance was developed through a collaborative process with internal teams, including workshops, meetings, and calls, to ensure targets were specific, measurable, achievable, and relevant. The guidance sets out clear ESG objectives, including actions to reduce emissions and resource use, enhance tenant engagement, and strengthen accountability and oversight. Targets were defined across short-, medium-, and long-term horizons, supported by clear performance measures, timelines, and ownership.

**Outcome:** The Property RI guidance is nearing completion and will clearly articulate how ESG considerations are integrated across the property portfolio. It is expected to support consistent implementation, strengthen monitoring and reporting, and enhance transparency for the Trustee and other stakeholders.

## 2 Indirect Engagement

As part of the annual in-depth reviews, asset managers are asked to provide case studies demonstrating their direct engagement with companies. These case studies show how the Trustee exercises its stewardship indirectly through its managers, evidencing alignment with the Trustee's RI Policy and support for the Fund's stewardship priorities.

### 2.1 UK housing association – improvement plans and refinancing

Given the private and long-term nature of infrastructure debt investments, the Trustee communicated clear expectations to the asset manager to engage proactively on material ESG risks and opportunities and to promote continuous improvement throughout the life of the asset. This includes aligning stewardship practices with recognised standards and best practice. During 2025, the asset manager carried out site visits as part of a wider engagement programme with a UK social housing association to support mandatory fire-safety and energy-efficiency improvements. The engagement helped mitigate climate-related risks, supported access to government funding and delivered tangible improvements in energy efficiency aligned with long-term objectives.

| | |
|---|---|
| **Engagement type** | Manager's direct engagement with a company |
| **Stewardship priority** | Climate change |
| **Asset class & manager** | Infrastructure debt – Macquarie |

**Context:** A social housing association based in the East Midlands required more flexibility with its finances so it could carry out mandatory fire-safety improvements and energy-efficiency upgrades. These works were required to comply with UK safety and environmental regulations. To help with this, the housing association asked Macquarie to update and extend a previous agreement that affected how its finances were assessed.

**Action:** Macquarie worked closely with the housing association to understand the requirements. This included visiting the sites, reviewing the costs of the planned works and looking into how much government funding might be available. Macquarie also reviewed progress on energy-efficiency upgrades, fire-safety works, and improvements to Energy Performance Certificate (EPC) ratings, and met with the external consultant overseeing the programme. The aim was to agree updated terms that would allow the housing association to complete the required works, including improving all homes to a minimum EPC rating of C, by 2030.

**Outcome:** Macquarie and the housing association reached an initial agreement that allowed the housing association to apply for government funding. The association successfully secured funding covering 46% of the total costs. The agreement was formally approved, allowing certain fire-safety and energy-efficient improvements to be treated separately. Work on the improvement programme is ongoing. During the 2025 financial year, 79 homes achieved the minimum EPC C rating, which is in line with the long-term plan. The fire-safety improvements remain on track to be completed by the end of the 2026 financial year.

## 2.2 Contract foodservice company – human rights and supply chain

The Trustee has engaged with asset managers on human rights risks to ensure these are considered within investment analysis and ongoing monitoring of companies held on the Fund's behalf. Managers are expected to engage with companies on their human rights due-diligence processes and appropriate oversight of their supply chains. During 2025, the asset manager engaged with a multinational contract foodservice company to strengthen oversight of human rights risks within its supply chain. This resulted in enhanced disclosure, improved supply-chain monitoring, and clearer evidence of how modern slavery risks are identified and addressed.

| | |
|---|---|
| **Engagement type** | Manager's direct engagement with a company |
| **Stewardship priority** | Human rights |
| **Asset class & manager** | UK corporate bonds – M&G |

**Context:** M&G is a signatory to the UN Global Compact and is committed to its principles on human rights, labour, the environment and anti-corruption. Given the elevated risk of modern-slavery issues in sectors such as hospitality, M&G engaged with a multinational contract foodservice company to encourage clearer reporting on how it identifies and addresses such risks.

**Action:** M&G met with the company in Q2 2025 as part of its ongoing ESG due-diligence process. The engagement focused on the company's approach to monitoring complex supply chains and responding to potential incidents of modern slavery. Following the meeting, the company provided additional case studies demonstrating how it seeks to identify and remediate risks in this area.

**Outcome:** M&G were satisfied that the company demonstrated a strong commitment to responsible business practices, supported by its group-wide policies (including its Modern Slavery Act Statement), regular employee training, and enhanced due diligence for higher-risk suppliers. The company demonstrated how the use of a global supply chain management tool has improved its supply chain visibility, with plans to expand its rollout.

## 2.3 Technology company – governance of artificial intelligence (AI)

The Trustee appoints and works with asset managers whose approach aligns with its long-term responsibilities as a pension fund. For passive listed equity investments, effective stewardship is a key mechanism for managing long-term risks and protecting value. The Trustee therefore places importance on ensuring that its passive listed equities manager has strong stewardship capabilities and sufficient resources to deliver these responsibilities effectively. Over the course of 2025, the passive listed equities manager engaged with a large technology company to seek clearer evidence of board-level oversight and governance of AI-related risks, supporting improved disclosure on the board's role in overseeing AI data use and associated risks.

| | |
|---|---|
| **Engagement type** | Manager's direct engagement with a company |
| **Stewardship priority** | Board composition and oversight |
| **Asset class & manager** | Passive listed equity – L&G Asset Management |

**Context:** L&G recognises that AI has the potential to support long-term economic growth and productivity, but that these benefits can only be realised if AI is developed and deployed responsibly. This requires robust governance arrangements, effective risk management, and clear, transparent disclosures. As part of its stewardship approach, L&G engages with companies that play a significant role in the development and use of AI. This included engagement with a large technology company whose software and cloud services influence how AI is used across many sectors. L&G encouraged greater transparency around the company's use of AI and management of associated risks.

**Action:** L&G began engaging with the company on AI governance in 2023, following the publication of its "Safe AI" expectations. Ahead of the company's 2025 AGM, L&G met with management to discuss shareholder proposals on AI and data governance, as well as human rights. The discussions focused on clarifying how AI risks are identified, overseen and managed at board level. Taking account of steps the company had already taken in response to stakeholder feedback, L&G voted against two human rights-related shareholder resolutions. However, L&G supported a shareholder proposal requesting a greater disclosure on board oversight of AI data usage, reflecting increasing regulatory, legal, and reputational risks linked to data sourcing and copyright.

**Outcome:** The company has improved its transparency on responsible AI governance and human rights in recent years. Although the proposal on AI data usage oversight did not pass (receiving 13% support), L&G views the vote as an important signal of investor expectations. While the company's AI governance is more advanced than many peers, L&G believes further improvements are needed, particularly in relation to data governance and transparency around government requests for content removal and access to user data. L&G will continue to engage with the company on AI governance and related environmental issues to support effective risk management and long-term value creation for investors.

# Appendix 2: Proxy voting statistics and significant vote examples

## Proxy voting statistics for 2025

Where the Fund holds shares in a company, the Trustee generally has the right to participate in voting on matters relating to the company's governance and strategic direction. The table below shows how the Trustee exercised these voting rights from 1 January 2025 to 31 December 2025.

The Trustee voted on 3,695 proposals, representing 99% of eligible voting opportunities across listed equities. The table below provides a summary of votes cast, based on ISS data.

| | January to December 2025 | |
|---|---|---|
| 1. How many resolutions did the Trustee vote in favour of? | 2,726 | 74% |
| 2. How many resolutions did the Trustee vote against? | 903 | 25% |
| 3. How many of the Trustee's votes were against the recommendation of the company's management? | 947 | 26% |
| - How many were against management proposals | 871 | 92% |
| - How many were against shareholder resolutions | 76 | 8% |
| 4. How many of the Trustee's votes were contrary to ISS recommendations? | 744 | 20% |
| - How many were against management proposals | 702 | 94% |
| - How many were against shareholder resolutions | 42 | 6% |

## Examples of significant votes in 2025

Set out below are selected examples of the most significant votes cast during 2025, together with an explanation of the Trustee's rationale for each decision. For each example, the level of support for the resolution is shown as the percentage of votes cast against the company's board recommendations ("votes vs management").

Across the US and other major markets, shareholder resolutions that opposed management rarely received majority support during the year. In most cases, the overall voting support remained relatively low, with an average investor support for shareholder resolutions below 20% based on analysis by the PRI[5]. Shareholder resolutions that did receive majority support were generally focused on corporate governance matters.

Although none of the resolutions highlighted on the next page passed, these votes are considered important. They represent clear signals of investor expectations to companies' boards and are often part of an ongoing engagement process, which may continue through dialogue with companies following the vote.

[5] PRI Proxy season review 2025: voting trends and key takeaways, 10 September 2025. Based on data sourced from PRI Resolutions Database for period from 1 January to 31 July 2025.

| Company Name | **Mitsubishi UFJ Financial Group, Inc.** |
|---|---|
| Significant vote criteria | Fund's stewardship priority – board composition and oversight |
| Sector | Diversified Banks |
| Summary of the resolution | Mitsubishi UFJ Financial Group was asked to amend its core governing documents to require greater disclosure on how the Audit Committee oversees and assesses financial risk controls, including stated climate-related financial risks. |
| Recommendations | ISS opposed this resolution while L&G supported it. |
| The Trustee's vote | The Trustee supported this shareholder resolution. |
| Rationale for the Trustee's vote | The Trustee recognises that Mitsubishi UFJ Financial Group already makes disclosures regarding its oversight of climate-related risk management. However, the Trustee felt that additional detail could be provided in their audit report about the oversight of risk controls.<br><br>The Trustee believed that these additional details would assist the Mitsubishi UFJ Financial Group, and its board, in ensuring that appropriate attention, resources, and expertise were directed towards these risk assessments. |
| Vote vs management | 6.8% |

| Company Name | **Alphabet Inc.** |
|---|---|
| Significant vote criteria | Fund's stewardship priority – human rights |
| Sector | Interactive Media & Services |
| Summary of the resolution | Alphabet Inc was asked to publish an independent third-party human rights assessment on the impacts of artificial intelligence-driven targeted advertising policies and practices. |
| Recommendations | Both ISS and L&G supported this resolution. |
| The Trustee's vote | The Trustee supported this shareholder resolution. |
| Rationale for the Trustee's vote | The Trustee supported this resolution because it believed the assessment would strengthen Alphabet Inc's ability to address potential risks associated with its AI-driven advertising practices. |
| Vote vs management | 14.3% |

| Company Name | **Amazon.com, Inc.** |
|---|---|
| Significant vote criteria | Fund's stewardship priority – climate change |
| Sector | Retail |
| Summary of the resolution | Amazon was asked to report on how it would meet its greenhouse gas emissions reduction commitments, while experiencing increasing energy demand due to growing data centre needs. |
| Recommendations | ISS opposed this resolution while L&G supported it. |
| The Trustee's vote | The Trustee supported this shareholder resolution. |
| Rationale for the Trustee's vote | While the Trustee recognised Amazon's progress towards meeting its commitments, it also sought additional clarity on how it would meet Amazon's own existing net zero and renewable energy targets. |
| Vote vs management | 20.1% |