

APPENDIX I - IMPLEMENTATION STATEMENT (forming part of the Trustee's Report)

Implementation Statement ("IS")

Procter and Gamble Pension Fund (the "Fund")

Fund Year End – 30 June 2025

The purpose of the Implementation Statement is for us, the Trustee of the Procter and Gamble Pension Fund, to explain what we have done during the year ending 30 June 2025 to achieve our objectives and implement our policies as set out in the Statement of Investment Principles ("SIP"). It includes:

1. A summary of any review and changes made to the SIP over the year
2. How our policies in the SIP have been followed during the year; and
3. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

In our view, the Fund's investment managers were able to disclose good evidence of voting and/or engagement activity, that the activities completed by the managers align with our expectations regarding stewardship of the Fund's assets, and that our voting rights have been exercised effectively on our behalf.

Where managers have been unable to provide the full amount of information or did not provide the information in the format requested, we, along with our investment advisers, are engaging with these managers to set expectations regarding the provision of this data in the future and encourage improvement in future reporting.

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Changes to the SIP during the year

We reviewed and updated the SIP during the year.

Changes were made in September 2024 to update for the Defined Contribution Section's new investment strategy held on the Aegon platform, including:

- Updates to reflect the new default lifestyle option and self-select options available to members.
- Inclusion of the glidepath schedules for the four lifestyle strategy options available to members.
- Inclusion of the benchmark, investment objective and management style of the new investment funds.

Post year-end developments:

In respect of the Defined Benefit section, following the accounting year-end, the Trustee updated the SIP to include:

- Updates to the target weightings, allocation ranges, and list of manager mandates to reflect changes in the strategy of the DB Section.
- Revisions to the wording on risk measurement and management, to reflect performance monitoring produced by the Trustee's advisers

The Fund's latest SIP can be found here: <https://www.pg.co.uk/pension-fund-scheme-information/>

How the policies in the SIP have been followed

The Trustee outlines in the SIP several key objectives and policies. These are noted in *blue* in this report, together with an explanation of how these objectives and policies have been met and adhered to over the course of the year.

Defined Benefit Section Policies

Ongoing Monitoring

The Trustee receives regular investment updates from their investment adviser and receive quarterly monitoring reports from the individual investment managers. The Trustee's ongoing monitoring takes different forms, including investment performance monitoring, ad-hoc investment market updates and annual investment risk disclosures.

To measure funding risks, the Trustee receives a quarterly update from their actuarial adviser highlighting the value of the Fund's assets and liabilities. To measure asset risks, the Trustee also receives a quarterly monitoring report from their investment adviser outlining the valuation of all investments held at the end of each quarter. The report provides the performance of these investments over the quarter, on an annual basis and on a 3-year basis. Investment returns are compared with appropriate performance objectives to monitor the relative performance of these investments. The asset allocation is also monitored and compared to the strategic asset allocation set out in the SIP. If the bandwidths outlined in the SIP are breached, then the Trustee discusses and agrees whether or not to rebalance the assets to the Fund's central strategic asset allocation.

Strategy

As detailed in the SIP, the Fund's investment objective is as follows:

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The Trustee aims to invest the assets of the Fund to ensure that the benefits promised to members are provided. In setting investment strategy, the Trustee considered a range of different asset allocation strategies aimed at achieving a balance between the risk of deterioration in the funding level and the costs and funding requirements of the Fund. The asset allocation strategy has been selected after detailed consultation with the employer.

In late 2024, discussions took place between the Trustees and the sponsoring employer regarding opportunities to reduce credit risk in the portfolio and improve the interest rate hedge. These discussions were motivated by narrow credit spreads within investment grade credit markets decreasing the expected returns relative to fixed gilts. Following these discussions, and after taking advice from Aon, the Trustee agreed to make a tactical switch, reducing the corporate bond allocation in favour of fixed gilts. This tactical move reduced the overall risk in the portfolio whilst having minimal impact on the expected asset return.

An Asset Liability Modelling (ALM) study was presented by the sponsoring employer in early 2025 to assess the current strategy. Based upon the updated results, and after taking advice from Aon, the Trustee agreed to further de-risk the portfolio, by reducing the overall strategic allocation to equities from 33% to 25% and investing the proceeds in a combination of fixed and index-linked gilts. This strategic de-risking reduced the overall risk and return in the portfolio, whilst also increasing the interest rate and inflation hedges.

Risk

The Trustee recognises that the key risk to the Fund is insufficiency of assets to make provisions for 100% of its liabilities ("funding risk"). The Trustee has identified a number of risks which have the potential to cause a deterioration in the Defined Benefit Section's funding level and therefore contribute to funding risk.

Having set an investment objective which relates directly to the Fund's liabilities and implemented it using a range of fund managers, the Trustee's policy is to monitor, where possible, these risks quarterly.

The Trustee reports on the risks associated with the Fund's investments annually in the investment risk disclosure report which accompanies the annual reports and accounts. In this report, the Trustee monitors the risks associated within the Fund's defined benefit investments, concentrating on market risks, credit risk, interest rate risk, and other price risks. Please refer to the "Ongoing Monitoring" section for further details on how risks within the Fund are monitored and reported.

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Defined Contribution Section Policies

Investment Objective

In investing the assets, the Trustee's key aim is to provide a range of investments that are suitable for meeting members' long and short-term investment objectives.

They have taken into account members' likely circumstances, in particular members' attitudes to risk and a range of terms to retirement.

The key objective for the default investment strategy, so far as is reasonably practicable, is to provide a strategy that is suitable for meeting members' long and short-term investment objectives, taking into account members' circumstances.

Over the course of the scheme year, the Trustee has provided members with a range of investment fund choices available on the Aegon platform. A default lifestyle arrangement which targets a portfolio suitable for income drawdown in retirement is in place. This lifestyle gradually moves members from predominantly equities to a more diversified portfolio as they approach retirement. In addition, there were three further lifestyle arrangements available to members - one targeting annuity purchase, one targeting a full cash lump sum and an additional lifestyle arrangement targeting a portfolio suitable for income drawdown in retirement with an ESG tilt. A choice of a further twelve funds were available which members could choose from depending on their risk and return needs.

The Trustee completed a full membership analysis as part of the triennial strategy review in November 2024. The analysis confirmed that members have a wide range of retirement horizons, supporting the continued use of lifestyle strategies with gradual de-risking. The default strategy remains appropriate for the majority of members. The self-select fund range continues to offer sufficient flexibility for members to tailor their investments to individual preferences and risk profiles.

The Trustee has provided members over the course of the scheme year with suitable information so that they can make appropriate investment decisions based on their individual circumstances, including a member guide, access to their account online and members' annual benefit statement.

Risk Measurement and Management

The Trustee recognises the key risk is that members will have insufficient income in retirement or an income that does not meet their expectations.

The Trustee also considers the following sources of risk:

- Risk of not meeting the reasonable expectations of members, bearing in mind members' contributions and fund choices.*
- Risk of fund managers not meeting their objectives ("manager risk").*
- Risk of the default fund being unsuitable for the requirements of some members*
- The risk of fraud, poor advice or acts of negligence ("operational risk")*

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- *Inflation risk: The risk that the investments do not provide a return at least in line with inflation, thus eroding the purchasing power of the retirement savings.*
- *Concentration/market risk: Each investment manager is expected to manage properly diversified portfolios and to spread assets across a number of individual shares and securities.*
- *Currency risk: The Fund may gain exposure to overseas currencies by investing in assets that are denominated in a foreign currency or via currency management.*

On an ongoing basis, the Trustee is comfortable that the complex and interrelated risks associated with running the Fund were monitored and mitigated to a satisfactory degree via:

- The provision of annual benefits statements to members which set out their projected retirement outcomes (based on current fund value and assumptions about future investment returns and inflation).
- Monitoring provided by the investment adviser in relation to assets held in the investment strategy – including results of assessments of the investment manager's forward-looking credentials.
- The diversified nature of the default investment strategy and wider lifestyle and self-select range of vehicles available to members.
- The use of advisers and third-party service providers who are suitably qualified and experienced – and contracts in place with these advisers that include appropriate liability and compensation clauses.

During the scheme year, the Fund's advisers (Barnett Waddingham) provided regular updates to the Trustee on areas of potentially increased risk including:

- the Pensions Investment Review and subsequent Pension Schemes Bill,
- UK General Election and subsequent Autumn budget and
- US tariff-induced market volatility.

Barnett Waddingham also worked with the Trustee to agree an approach to mitigate the risk of the ESG Lifestyle not aligning with P&G's priorities, and to formally agree the red lines. This allowed the Trustee to monitor risks over the year and make decisions as to the management of the DC investments.

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DB and DC Section Policies

Environmental, Social, and Governance ("ESG") Considerations

In setting both the Defined Benefit Section's investment strategy and the Defined Contribution Section's default investment strategy, the Trustee's primary concern is to act in the best financial interests of the Fund and its beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk.

In this context, 'risk' includes the risk that environmental, social and governance ('ESG') factors (including climate change) negatively impact the value of investments held if not understood and evaluated properly.

The Trustee takes the following steps to monitor and assess ESG related risks and opportunities:

- *Periodic training on Responsible Investment to understand how ESG factors, including climate change, could impact the Fund's assets and liabilities.*
- *Ask their investment advisers to model the Fund's climate change related financial risks and assess the options available to reduce those risks.*
- *Use ESG ratings information provided by their investment adviser, where relevant and available, to monitor the level of the Fund's investment managers' integration of ESG on a quarterly basis.*
- *Meet annually with each of the Fund's investment managers to understand and challenge the level of ESG integration within the managers' investment processes. Integration here means that the fund management teams have taken appropriate steps to identify, evaluate and mitigate potential financially material ESG risks within the portfolios.*

In light of the increased regulations within the pensions industry relating to ESG considerations, the Trustee has established an ESG Sub Committee. The role of the ESG Sub Committee is to own matters directly relating to ESG considerations and assist the Trustee, to ensure the Fund is compliant with regulatory requirements, such as the Task-force on Climate-related Financial Disclosures (TCFD) framework, as well as support on other framework and guidance.

Over the year, the ESG Sub-Committee has received training from Aon to:

- Understand the broad spectrum of Responsible Investment and trends within the industry;
- Be aware of the regulations and guidance, including the mandatory requirements for Year 3 TCFD reporting;

The ESG Sub Committee has been progressing throughout the year towards meeting the TCFD requirements and will be publishing the Fund's third report as part of this year's annual reporting process. The TCFD establishes a set of eleven clear, comparable and consistent recommended disclosures about the risks and opportunities presented by climate change. The increased transparency encouraged through the TCFD recommendations is intended to lead to decision-useful information and therefore better-informed decision-making on climate-related financial risks.

The ESG Sub Committee developed a detailed action plan to meet the TCFD reporting requirements by the relevant deadline.

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As part of the ongoing monitoring, the Trustee also receives quarterly monitoring reports from their investment advisers, which includes an update on the rating of the managers on a variety of criteria. This includes a specific ESG rating to indicate the extent to which the investment advisers' research teams believe ESG matters are integrated into the investment managers' investment process. Aon evaluates levels of ESG integration by one of three descriptors: Limited, Integrated and Advanced. The equity and fixed income portfolios managed by the Fund's investment managers have been assessed as 'Integrated', suggesting that the fund management teams have taken appropriate steps to identify, evaluate and mitigate potential financially material ESG risks within the portfolios. BW evaluates levels of ESG integration by one of three sustainability ratings: Low Conviction, Acceptable and High Conviction. For the Fund's DC investments managed by Aon, BW rates the majority of the underlying funds as either Acceptable or High Conviction, with the exception of the Aegon BlackRock Cash Fund which is unrated as the fund has no voting rights and there is expected to be limited ability to engage with stakeholders. Considering this view, the Trustee is satisfied with the extent of ESG integration in the Fund's investments.

The ESG Sub Committee is responsible, on behalf of the Trustee, for the development of the Trustee's stewardship and engagement action plan. In short, this concerns how the Fund can best use its influence from its investments to engage with the companies the Fund is invested in. On an annual basis as a minimum, the Trustee meets with the investment managers to review their stewardship and engagement activities. Additionally, these meetings are used for the Trustee to discuss their priorities on ESG, with the aim to ensure that where possible in the pooled investment funds held by the Fund, the Trustee's priorities are reflected in the investment managers' actions.

With regards to voting and engagement for the Fund's investment managers, both managers identify climate change as one of their key focus areas, which aligns with the views of the Trustee.

After the end of the period covered in this report, in July 2025, the Trustee decided to rename and restructure the ESG Sub Committee as the Reporting Sub Committee and extend its remit to cover all Fund reporting, including the annual accounts, Value for Members reporting, the Chair's Statement and TCFD disclosures. This change recognises that TCFD obligations are now business as usual and should be integrated with the Fund's overall reporting governance.

Arrangements with asset managers

Before appointment of a new investment manager (or fund), the Trustee reviews the governing documentation associated with the investment and will consider the extent to which it aligns with the Trustee's policies. As the Fund is expected to predominantly invest in passive, pooled vehicles, the Trustee has limited direct influence on the investment holdings, processes and policies in place. Whilst the Trustee will encourage investment managers to improve their practises where possible, they acknowledge that, in practice, managers cannot fully align their strategy and decisions to the (potentially conflicting) policies of all their pooled fund investors.

Where investment managers are considered to make decisions that are not in line with the Trustee's policies, expectations, or the other considerations set out above, the Trustee will typically first engage with the investment manager but

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which ESG issues to focus on, **engaging** with investees/issuers, and **exercising voting rights**.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

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could ultimately replace the fund(s) in question where this is deemed necessary.

There is typically no set duration for arrangements with investment managers, although the continued appointment for all investment managers will be reviewed periodically, and at least every three years.

Aon's Investment Manager Research ("IMR") Team are responsible for researching, rating and monitoring investment managers across all asset classes. This includes some aspects of the manager's alignment with the Trustee's policies generally, for example, whether the manager is expected to achieve the performance objective and a review of their approach to ESG issues. The IMR Team meet with the managers regularly and receive a quarterly update on the portfolio, performance and any major developments (such as changes to the business).

BW's Manager Research Team ("MRT") is responsible for researching, rating and monitoring investment managers across all asset classes. This research is used by BW to provide ratings and updates to the Trustee for the Fund's DC investments as part of the quarterly monitoring process and at meetings, where required. This includes some aspects of the manager's alignment with the Trustee's policies for the DC section generally, for example, whether the manager is expected to achieve the performance objective and a review of their approach to ESG issues. The MRT receives ongoing updates on the underlying funds' portfolios, performance and any major developments (such as changes to the business).

The awareness regarding potential ESG risks in the investment strategy is also considered as part of monitoring and assigning the overall rating to the fund.

Cost transparency

The Trustee is aware of the importance of monitoring their investment managers' total costs and the impact these costs can have on the overall value of the Fund assets. The Trustee recognises that in addition to annual management charges, there are a number of other costs incurred by their investment managers that can increase the overall cost.

The Trustee collects annual cost transparency reports covering all of their investments and ask that the investment managers provide this data in line with the appropriate Cost Transparency Initiative ("CTI") template. This allows the Trustee to understand exactly what they are paying their investment managers.

The Trustee has appointed ClearGlass to provide annual Cost Transparency report to record and analyse the costs incurred by their investment managers for the management of the Fund's assets. The calendar year 2023 cost report was reviewed by the Trustee during the year, with the 2024 report reviewed after year-end.

For the DC Section, the Trustee provides cost information on their investments annually within the Chair's Statement in the Trustee Report & Accounts. The Trustee reviewed the data which included both explicit and implicit costs and charges. As part of a standalone Value for Members assessment, BW, on behalf of the Trustee, also reviewed the member borne costs against expected charges for a similar sized arrangement, and none appeared to be unreasonable in their view.

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Across both DB and DC sections, costs and charges were very low relative to similar pension scheme arrangements. These lower fees are partially driven by Procter & Gamble ("the company") using its global scale to negotiate competitive investment charges with all investment managers used by the Fund.

Particularly with regard to the DC section, fees within the default arrangement (as measured by the Total Expense Ratio) range from 0.08% to 0.38% p.a., depending on members term to retirement – significantly below the 0.75% charge cap for schemes that are used for auto-enrolling their employees.

Our Engagement Action Plan

Based on the work we have done for the IS, we have decided to take the following step over the next 12 months:

- We will meet with our investment managers to review their stewardship and engagement activities. During these meetings, we will discuss our beliefs and priorities on ESG, with the aim to ensure that where possible in the pooled investment funds held by the Fund, our priorities are reflected in the investment managers' actions.

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Our managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. We believe that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Fund's investments is an important factor in deciding whether a manager remains the right choice for the Fund.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Fund's equity-owning investment managers to responsibly exercise their voting rights.

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues.

Source: UN PRI

Voting statistics

The table below shows the voting statistics for each of the Fund's material funds with voting rights for the year to 30 June 2025.

Section	Funds*	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
DB	BlackRock - ACWI Equity Index Fund	42,068	98.9%	5.1%	2.1%
	SSIM - Fundamental Index Global Equity Sub-Fund	40,542	96.7%	5.7%	1.2%
DC	Aegon BlackRock MSCI World Index Fund	20,294	92.7%	2.9%	0.4%
	Aegon BlackRock Emerging Markets Equity Index Fund	20,848	98.7%	6.9%	4.0%
	L&G Global Developed Four Factor Scientific Beta Index Fund	12,640	99.9%	21.5%	0.4%
	Aegon UBS Global Equity Climate Transition Fund	11,804	93.0%	9.3%	0.1%
	Aegon BlackRock US Equity Index	6,532	99.0%	1.0%	0.0%
	Aegon BlackRock European Equity Index	8,333	96.7%	7.7%	1.3%
	Aegon BlackRock Japanese Equity Index	5,614	100.0%	2.5%	0.0%
	Aegon BlackRock Pacific Rim Equity Index	3,148	99.9%	9.0%	0.0%
	Aegon BlackRock UK Equity Index Fund	9,689	99.5%	2.9%	0.1%
	Aegon BlackRock Environment & Low Carbon Tilt Property Securities	3,945	99.5%	4.3%	0.2%
	L&G Infrastructure Index Fund	1,791	100.0%	24.0%	0.3%

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Section	Funds*	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
	HSBC Islamic Global Equity Index Fund	1,596	97.0%	16.0%	0.0%

Source: Investment managers. Please note that the 'abstain' votes noted above are a specific category of vote that has been cast and are distinct from a non-vote.

* For the DC section we have shown voting data for the underlying fund data. The breakdown of the DC funds (for funds with voting rights) is as follows:

Global Equity Fund: Aegon BlackRock MSCI World Index Fund (90%), Aegon BlackRock Emerging Markets Equity Index Fund (10%).

Balanced Fund: Aegon BlackRock MSCI World Index Fund (45%), Aegon BlackRock Emerging Markets Equity Index Fund (5%), Aegon BlackRock Corporate Bond All Stocks Index Fund (50%).

Developed World Equity Fund: Aegon BlackRock MSCI World Index Fund (100%).

ESG Global Equity Fund: L&G Global Developed Four Factor Scientific Beta Index Fund (20%), Aegon UBS Global Equity Climate Transition Fund (50%), Aegon BlackRock US Equity Index (21%), Aegon BlackRock European Equity Index (4.4%), Aegon BlackRock Japanese Equity Index (1.9%), Aegon BlackRock Pacific Rim Equity Index (1.6%), Aegon BlackRock UK Equity Index (1.1%).

Property and Infrastructure Fund: Aegon BlackRock Environment & Low Carbon Tilt Property Securities (70%), L&G Infrastructure Index Fund (30%).

Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Fund's investment managers use proxy voting advisers.

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

Managers	Description of use of proxy voting adviser(s) (in the managers' own words)
BlackRock	"Proxy research firms provide research and recommendations on proxy votes as well as voting infrastructure. BlackRock Investment Stewardship leverages Institutional Shareholder Services (ISS) as an external proxy services vendor. ISS' electronic voting platform allows BlackRock Investment Stewardship to monitor voting activity, execute proxy vote instructions, record keep, and generate client and regulatory voting reports. BlackRock Investment Stewardship also uses Glass Lewis' services to support research and analysis. In addition to the global research provided by Institutional Shareholder Services (ISS) and Glass Lewis, BlackRock Investment Stewardship subscribes to market-specific research providers including Institutional Voting Information Service in the UK, Ownership Matters in Australia, Stakeholder Empowerment Services in India, and ZD Proxy in China. Although proxy research firms provide important data and analysis, BlackRock Investment Stewardship does not follow any proxy research firm's voting recommendations. BlackRock Investment Stewardship has operational specialists on the team who are fully focused on ensuring votes cast on behalf of clients are successfully instructed, using its vendor's electronic voting platform. The controls BlackRock Investment Stewardship has in place ensure that the team identifies upcoming meetings, cast votes ahead of the voting deadline for each meeting, reconcile holdings with ballots received, and identify any uninstructed ballots."
State Street Investment Managers (SSIM)	"We use a variety of third-party service providers to support our stewardship activities. Data and analysis from service providers are used as inputs to help inform our position and assist with prioritization. However, all voting decisions and engagement activities are undertaken in accordance with our in-house policies and views, ensuring the interests of our clients remain the sole

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	consideration when discharging our stewardship responsibilities. We have contracted Institutional Shareholder Services (ISS) to assist us with managing the voting process at shareholder meetings. We use ISS to: (1) act as our proxy voting agent (providing State Street Investment Management with vote execution and administration services), (2) assist in applying our voting guidelines, (3) provide research and analysis relating to general corporate governance issues and specific proxy items, and (4) provide proxy voting guidelines in limited circumstances. In addition, we also have access to Glass Lewis and <u>region specific</u> meeting analysis provided by the Institutional Voting Information Service. Research and data provided by these third parties complement our in-house analysis of companies and individual ballot items. All final voting decisions are based on our proxy voting policies and in-house operational guidelines."
Legal & General (L&G)	"L&G's Investment Stewardship team uses ISS's ' <u>ProxyExchange</u> ' electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. For more details, please refer to the Voting Policies section of this document."
UBS Asset Management	"In order for us to meet our stewardship responsibilities it is essential that we have access to accurate information regarding the corporate governance structure, ESG practices and shareholder meetings of operating companies in which we invest on behalf of our clients and funds. We use the services of a specialist provider for a number of services, to supplement our own assessments. We have selected Institutional Shareholder Services (ISS) to provide proxy advisory services. ISS is a leading proxy advisory firm, with what we believe to be the appropriate competency, capacity and systems to provide this service on a global basis. The proxy voting related research and recommendations provided to us by ISS are based upon the proxy guidelines contained in this policy document. We do not delegate our voting responsibilities to ISS and retain full discretion when determining how to vote shares held for our clients and funds. We regularly monitor the services provided to us by ISS and other external vendors, including performing an annual due diligence on the compliance policies, controls, procedures and quality of service provided. We further require information regarding how the vendor manages any conflicts of interest that may arise through certain affiliations or business practices."
HSBC Global Asset Management (UK) Limited	"To enable efficient proxy voting operations, we work with our proxy service provider (Institutional Shareholder Services), which provides research, a voting platform and disclosure services. Our Global Voting Guidelines, together with our own research, inform more granular voting policy instructions, which form the basis for custom voting recommendations for each shareholder meeting."

Source: Investment managers

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Fund's investment managers to provide a selection of what they consider to be the most significant votes in relation to the Fund's funds. A sample of these significant votes can be found in the appendix.

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Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Fund's material investment managers. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e. is not necessarily specific to the funds invested in by the Fund.

Section	Funds*	Number of engagements		Themes engaged on at a strategy-level
		Fund level	Firm level	
DB	BlackRock - ACWI Equity Index Fund	1,825		Environment - Climate Risk Management; Water & Waste; Biodiversity Social - Talent and Culture; Health and Safety; Other Social/Human Capital Issues Governance - Board Effectiveness and Director Qualifications; Corporate Strategy, Compensation & Remuneration, Business Oversight/Risk Management
DB	BlackRock – High Quality Long Duration Corporate Bonds (Segregated Mandate)	18	3,384	Environment - Climate Risk Management; Other Company Impacts on the Environment Social - Diversity and Inclusion; Social Risks and Opportunities; Human Capital Management Governance - Corporate Strategy; Business Oversight/Risk Management; Remuneration
DB	BlackRock - Aquila Life All Stocks Corporate Bond Index Fund	197		Environment - Climate Risk Management; Other Company Impacts on the Environment; Biodiversity Social - Social Risks and Opportunities; Human Capital Management; Diversity and Inclusion Governance - Corporate Strategy, Board Composition and Effectiveness, Business Oversight/Risk Management, Remuneration
DB	BlackRock – Global Infrastructure Fund IV ¹	Not provided		Environment - Climate Risk Management Social - Human Capital Management; Diversity and Inclusion Governance - Corporate Strategy; Board Composition and Effectiveness; Remuneration
DB	SSIM – Fundamental Index Global Equity Sub-Fund	1,037	1,300+	Environment - Climate Risk Management; Climate Transition Plan; Shareholder Proposal Social - Gender Diversity, Equity & Inclusion; Human Capital Management; Racial Diversity, Equity & Inclusion Governance - Board Refreshment; Board Structure; Board Leadership; Overall Compensation Matters
DB	SSIM – Non-Gilts Bond All Stocks Screened Index Sub-Fund ²	Not provided		Strategy, Financial & Reporting - Long-term Strategy
DC	Aegon BlackRock MSCI World Index Fund	1,129		Environment – Biodiversity and Climate Risk Management Social – Talent & Culture, Social/Human Capital Issues, Health & Safety Governance – Corporate Strategy (Disclosure/ Governance), Board Effectiveness and Director Qualifications and Compensation & Remuneration
DC	Aegon BlackRock Emerging	206		Environment – Climate Risk Management, Water and Biodiversity Social – Talent & Culture, Health & Safety, Other Social/ Human Capital Issues

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		Fund level	Firm level	
	Markets Equity Index Fund		2,584	Governance – Corporate strategy, Board Effectiveness and Compensation/Renumeration
DC	Aegon BlackRock US Equity Index	406		Environment - Climate Risk Management, Waste & Water, Other Company Impacts Social – Talent & Culture, Health & Safety, Other Social/ Human Capital Issues Governance - Corporate Strategy (Disclosure/ Governance), Compensation & Remuneration, Board Effectiveness and Director Qualifications
DC	Aegon BlackRock European Equity Index	285		Environment - Biodiversity, Climate Risk Management, Water & Waste Social - Talent & Culture, Human Rights, Supply Chain Governance - Compensation & Remuneration, Governance Structure, Cybersecurity and Data Privacy
DC	Aegon BlackRock Japanese Equity Index	322		Environment - Biodiversity, Climate Risk Management, Other Company Impacts Social – Talent & Culture, Health & Safety, Community Relations Governance - Corporate Strategy (Disclosure/ Governance), Board Composition, Board Effectiveness and Director Qualifications
DC	Aegon BlackRock Pacific Rim Equity Index	155		Environment - Climate Risk Management, Waste & Water, Deforestation/Land Use Social – Supply Chain, Indigenous Peoples Rights, Business Ethics & Integrity Governance - Corporate Strategy (Disclosure/Governance), Executive Management and Succession Planning, Board Effectiveness and Director Qualifications
DC	Aegon BlackRock UK Equity Index Fund	163		Environment - Climate Risk Management, Biodiversity, Other Company Impacts Social – Community Relations, Health & Safety, Other Social/ Human Capital Issues Governance – Board Independence, Business Oversight/Risk Management, Compensation & Remuneration
DC	Aegon BlackRock Environment & Low Carbon Tilt Property Securities	77		Environment - Climate Risk Management, Waste & Water, Biodiversity Social – Talent & Culture, Community Relations, Other Social/Human Capital Issues Governance – Governance Structure, Sustainability Reporting, Board Effectiveness and Director Qualifications
DC	Aegon BlackRock Corporate Bond All Stocks Index Fund	117		Environment – Climate Risk Management, Deforestation/Land Use, Waste & Water Social – Talent & Culture, Supply Chain, Other Social/Human Capital Issues Governance - Executive Management and Succession Planning, Board Effectiveness and Director Qualifications, Corporate Strategy (Disclosure/Governance)
DC	L&G Global Developed Four Factor Scientific Beta Index Fund	680	3,643	Environment – Deforestation, Climate Mitigation, Climate Change Social – Antimicrobial Resistance, Nutrition, Gender Diversity Governance – Activism, Board Composition, Remuneration

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Section	Funds*	Number of engagements		Themes engaged on at a strategy-level
		Fund level	Firm level	
DC	L&G Infrastructure Index Fund	120		Environment – Climate Change, Climate Impact Pledge Social – Human Rights Governance - Capital Management, Remuneration
DC	Aegon L&G Pre-Retirement Fund	230		Environment - Climate Accounting, Energy, Climate Mitigation Social – Gender Diversity, Income Inequality, Employee-Board Relations Governance - Governance of Technology, Board Composition, Remuneration
DC	HSBC Islamic Global Equity Index Fund	70	1,650	Environment - Climate Change, Natural resource use/impact (e.g. water, biodiversity), Pollution & Waste Social – Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying), Human capital management (e.g. inclusion & diversity, employee terms, safety) Governance – Leadership: Chair/CEO, Board effectiveness: Diversity, Shareholder Rights
DC	Aegon UBS Global Equity Climate Transition Fund	174	425	Environment - Climate Change, Natural resource use/impact (e.g. water, biodiversity), Pollution & Waste Social – Human and labour rights (e.g. supply chain rights, community relations), Social - Human capital management (e.g. inclusion & diversity, employee terms, safety) Governance – Remuneration, Board effectiveness: Independence/Oversight, Leadership: Chair/ CEO

Source: Managers. ¹BlackRock did not provide fund-level themes for the Global Infrastructure Fund IV; themes provided are at a firm-level. ²SSIM did not provide fund-level themes for its fixed income fund; the themes provided are at a firm-level in respect of this fund.

*** For the DC section we have shown engagement data for the underlying fund data. The breakdown of the DC funds (for funds with engagement rights) is as follows:**

Pre-Annuity Bond Fund: Aegon L&G Pre-Retirement Fund (100%).

Aon Managed Passive Corporate Bond: Aegon BlackRock Corporate Bond All Stocks Index Fund (100%).

The underlying fund mapping for the funds with voting rights can be found in the voting section.

Data limitations

At the time of writing, the following managers did not provide all the information we requested:

- Engagement data provided by Aon for the Aegon UBS Global Equity Climate Transition Fund is provided as at 31 December 2024, the most recent data available from UBS.
- BlackRock did not provide any examples of significant votes for the Aegon BlackRock Japanese Equity Index, Aegon BlackRock Pacific Rim Index and the Aegon BlackRock Environment & Low Carbon Tilt Property Securities Fund.
- SSIM did not provide any information requested for the Fund's fixed income fund. The manager informed us that it does not track engagement examples at the fund-level when engagement information was requested. The manager also highlighted that it does not track the "Outcome of Vote" information required in the PLSA voting questionnaire for its equity funds.
- BlackRock did not provide engagement information for the Global Infrastructure Fund IV.

As part of our ongoing engagements with the managers, we will discuss the above limitations to better understand their engagement practices.

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This report does not include commentary on certain asset classes such as gilts or cash because of the limited materiality of stewardship to these asset classes. Further, this report does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Fund's assets that are held as AVCs.

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Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Fund's managers. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below:

Note that BlackRock did not provide any examples of significant votes for the Aegon BlackRock Japanese Equity Index, Aegon BlackRock Pacific Rim Index and the Aegon BlackRock Environment & Low Carbon Tilt Property Securities Fund. However, these funds are part of the ESG Lifestyle, which makes up less than 0.1% of the Fund's total assets.

DB	BlackRock - ACWI Equity Index Fund	Company name	Constellation Brands, Inc.
		Date of vote	17 July 2024
		Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	Not provided
		Summary of the resolution	Report on Support for a Circular Economy for Packaging
		How you voted?	Vote against resolution
		Where you voted against management, did you communicate your intent to the company ahead of the vote?	We <u>endeavor</u> to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting.
		Rationale for the voting decision	The company already provides sufficient disclosure and/or reporting regarding this <u>issue</u> , or is already enhancing its relevant disclosures.
		Outcome of the vote	Fail
		Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	We do not see engagement as one conversation. We have ongoing direct dialogue with companies to explain our views and how we evaluate their actions on relevant ESG issues over time. Where we have concerns that are not addressed by these conversations, we may vote against management for their action or inaction. Where concerns are raised either through voting or during engagement, we monitor developments and assess whether the company has addressed our concerns.
DB	SSIM - Fundamental Index Global Equity Sub-Fund	On which criteria have you assessed this vote to be most significant?	Vote Bulletin: BIS periodically publishes Vote Bulletins on key votes at shareholder meetings to provide insight into details on certain vote decisions we expect will be of particular interest to clients. Our vote bulletins can be found here: https://www.blackrock.com/corporate/insights/investment-stewardship/blackrock-investment-stewardship#vote-bulletins
		Company name	Alphabet Inc.
		Date of vote	06 June 2025
		Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.50
		Summary of the resolution	Report on Meeting 2030 Climate Goals
		How you voted?	Vote against resolution

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DC	BlackRock MSCI World Index Fund	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We do not publicly communicate our vote in advance.
		Rationale for the voting decision	This proposal does not merit support as the company's climate-related disclosures are reasonable.
		Outcome of the vote	<i>Not provided</i>
		Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	Where appropriate we will contact the company to explain our voting rationale and conduct further engagement.
		On which criteria have you assessed this vote to be most significant?	SH - Environmental Proposal
		Company name	Air Products and Chemicals, Inc.
		Date of vote	23 January 2025
		Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	<i>Not provided</i>
		Summary of the resolution	Elect Dissident Nominee Director Andrew Evans
		How you voted	For
		Where you voted against management, did you communicate your intent to the company ahead of the vote?	<i>Not provided</i>
		Rationale for the voting decision	BlackRock consider this resolution to be in the best interests of shareholders.
		Outcome of the vote	Pass
		Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	BlackRock Investment Stewardship generally supports the vote recommendations of a company's board of directors and management. However, if BlackRock believe it's in their clients' financial interest to signal concern, they may withhold support for director elections or other management proposals, or vote against management's recommendation on a shareholder proposal. Companies may sometimes request a follow-up engagement after a shareholder meeting to provide further clarification. These engagements are valued as they enhance understanding of the company's business model and ensure that proxy voting decisions are informed by a comprehensive view of company practices and priorities. During these discussions, companies are not directed on how to manage their business. That responsibility remains with management, with oversight from the board.
		On which criteria have you assessed this vote to be "most significant"?	For BlackRock Active Investment Stewardship (BAIS), most votes are routine and align with management and internal guidelines. However, votes may be considered significant based on factors such as financial impact, client interest, issue complexity, or broader context. All votes are cast to support clients' financial interests in line with their investment goals and BlackRock's fiduciary duty.
DC	BlackRock Emerging Markets Equity Index Fund	Company name	PT Bank Central Asia Tbk
		Date of vote	12 March 2025

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Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	Not provided
Summary of the resolution	Approve Changes in the Boards of the Company
How you voted	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	Not provided
Rationale for the voting decision	Greater climate-related disclosure, including relevant metrics and targets, would enable investors to better assess climate-related investment risks and opportunities.
Outcome of the vote	Pass
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	BlackRock Investment Stewardship generally supports the vote recommendations of a company's board of directors and management. However, if BlackRock believe it's in their clients' financial interest to signal concern, they may withhold support for director elections or other management proposals, or vote against management's recommendation on a shareholder proposal. Companies may sometimes request a follow-up engagement after a shareholder meeting to provide further clarification. These engagements are valued as they enhance understanding of the company's business model and ensure that proxy voting decisions are informed by a comprehensive view of company practices and priorities. During these discussions, companies are not directed on how to manage their business. That responsibility remains with management, with oversight from the board.
On which criteria have you assessed this vote to be "most significant"?	For BlackRock Active Investment Stewardship (BAIS), most votes are routine and align with management and internal guidelines. However, votes may be considered significant based on factors such as financial impact, client interest, issue complexity, or broader context. All votes are cast to support clients' financial interests in line with their investment goals and BlackRock's fiduciary duty.

DC	L&G Global Developed Four Factor Scientific Beta Index Fund	Company name	International Paper Company
		Date of vote	12 May 2025
		Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.2%
		Summary of the resolution	Report on the Company's LGBTQ+ Equity and Inclusion Efforts
		How you voted	For
		Where you voted against management, did you communicate your intent to the company ahead of the vote?	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 their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.
		Rationale for the voting decision	Diversity and Inequality: L&G voted in favour of this resolution as they consider these issues to be a material risk to companies and deem the company's current disclosure to be insufficient.

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DC	Aegon UBS Global Equity Climate Transition Fund	Outcome of the vote	Fail
		Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
		On which criteria have you assessed this vote to be "most significant"?	L&G views diversity as a financially material issue for their clients, with implications for the assets L&G manage on their behalf.
		Company name	NIKE, Inc.
		Date of vote	10 September 2024
		Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	<i>Not provided</i>
		Summary of the resolution	Report on Environmental Targets
		How you voted	Against Management
		Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
		Rationale for the voting decision	UBS will support proposals that seek to promote greater disclosure and transparency in corporate environmental policies as long as: a) the issues are not already effectively dealt with through legislation or <u>regulation</u> ; b) the company has not already responded in a sufficient manner; and c) the proposal is not unduly burdensome or overly prescriptive.
DC	Aegon BlackRock US Equity Index	Outcome of the vote	Fail
		Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	Given the strong shareholder support, UBS shall monitor for further developments. UBS will continue to engage with the company.
		On which criteria have you assessed this vote to be "most significant"?	26.7% of shareholders supported this proposal.
		Company name	Constellation Brands, Inc.
		Date of vote	17 July 2024
		Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	<i>Not provided</i>
		Summary of the resolution	Report on Support for a Circular Economy for Packaging
		How you voted	Against
		Where you voted against management, did you communicate your intent to the company ahead of the vote?	<i>Not provided</i>
		Rationale for the voting decision	The company already provides sufficient disclosure and/or reporting regarding this issue or is already enhancing its relevant disclosures.

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DC Aegon BlackRock
European Equity
Index

Outcome of the vote	Fail
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	BlackRock Investment Stewardship generally supports the vote recommendations of a company's board of directors and management. However, if BlackRock believe it's in their clients' financial interest to signal concern, they may withhold support for director elections or other management proposals, or vote against management's recommendation on a shareholder proposal. Companies may sometimes request a follow-up engagement after a shareholder meeting to provide further clarification. These engagements are valued as they enhance understanding of the company's business model and ensure that proxy voting decisions are informed by a comprehensive view of company practices and priorities. During these discussions, companies are not directed on how to manage their business. That responsibility remains with management, with oversight from the board.
On which criteria have you assessed this vote to be "most significant"?	For BlackRock Active Investment Stewardship (BAIS), most votes are routine and align with management and internal guidelines. However, votes may be considered significant based on factors such as financial impact, client interest, issue complexity, or broader context. All votes are cast to support clients' financial interests in line with their investment goals and BlackRock's fiduciary duty.
Company name	voestalpine AG
Date of vote	3 July 2024
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	Not provided
Summary of the resolution	Elect Florian <u>Khol</u> as Supervisory Board Member
How you voted	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	Not provided
Rationale for the voting decision	The length of proposed tenure exceeds typical market standards without rationale provided by company.
Outcome of the vote	Pass
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	BlackRock Investment Stewardship generally supports the vote recommendations of a company's board of directors and management. However, if BlackRock believe it's in their clients' financial interest to signal concern, they may withhold support for director elections or other management proposals, or vote against management's recommendation on a shareholder proposal. Companies may sometimes request a follow-up engagement after a shareholder meeting to provide further clarification. These engagements are valued as they enhance understanding of the company's business model and ensure that proxy voting decisions are informed by a comprehensive view of company practices and priorities. During these discussions, companies are not directed on how to manage their business. That responsibility remains with management, with oversight from the board.
On which criteria have you assessed this vote to be "most significant"?	For BlackRock Active Investment Stewardship (BAIS), most votes are routine and align with management and internal guidelines. However, votes may be considered significant based on factors such as financial impact, client

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DC	Aegon BlackRock UK Equity Index Fund		interest, issue complexity, or broader context. All votes are cast to support clients' financial interests in line with their investment goals and BlackRock's fiduciary duty.
		Company name	Diageo Plc
		Date of vote	26 September 2024
		Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	Not provided
		Summary of the resolution	Re-elect Ireena <u>Vittal</u> as Director
		How you voted	For
		Where you voted against management, did you communicate your intent to the company ahead of the vote?	Not provided
		Rationale for the voting decision	The nominee serves on an excessive number of public company boards, which BlackRock believe raises substantial concerns about the director's ability to exercise sufficient oversight on this board.
		Outcome of the vote	Pass
		Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	BlackRock Investment Stewardship generally supports the vote recommendations of a company's board of directors and management. However, if BlackRock believe it's in their clients' financial interest to signal concern, they may withhold support for director elections or other management <u>proposals, or</u> vote against management's recommendation on a shareholder proposal. Companies may sometimes request a follow-up engagement after a shareholder meeting to provide further clarification. These engagements are valued as they enhance understanding of the company's business model and ensure that proxy voting decisions are informed by a comprehensive view of company practices and priorities. During these discussions, companies are not directed on how to manage their business. That responsibility remains with management, with oversight from the board.
DC	L&G Infrastructure Index Fund	On which criteria have you assessed this vote to be "most significant"?	For BlackRock Active Investment Stewardship (BAIS), most votes are routine and align with management and internal guidelines. However, votes may be considered significant based on factors such as financial impact, client interest, issue complexity, or broader context. All votes are cast to support clients' financial interests in line with their investment goals and BlackRock's fiduciary duty.
		Company name	National Grid Plc
		Date of vote	10 July 2024
		Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	2.3%
		Summary of the resolution	Approve Climate Transition Plan
		How you voted	For
		Where you voted against management, did you communicate your intent to the company ahead of the vote?	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 their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.

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DC	HSBC Islamic Global Equity Index Fund	Rationale for the voting decision	Climate Change: L&G voted 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 1.5°C-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 the Science Based Targets Initiative (SBTi) regarding the decarbonisation of heating.
		Outcome of the vote	Pass
		Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
		On which criteria have you assessed this vote to be "most significant"?	L&G is publicly supportive of so called "Say on Climate" votes. They expect 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 deem such votes to be significant, particularly when L&G votes against the transition plan.
		Company name	NVIDIA Corporation
		Date of vote	25 June 2025
		Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	8.8%
		Summary of the resolution	Enhance Workforce Data Reporting
		How you voted	For
		Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
		Rationale for the voting decision	HSBC believe that the proposal would enhance accountability to shareholders.
		Outcome of the vote	Fail
		Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	HSBC will likely vote for a similar proposal.
		On which criteria have you assessed this vote to be "most significant"?	The company has a significant weight in the portfolio and HSBC voted against management.

Source: Managers