

Implementation Statement (“IS”)

PPG Industries (UK) Limited Pension Plan Defined Contribution Section (the “Plan”)

Plan Year End – 5 April 2025

The purpose of the Implementation Statement is for us, the Trustee of the PPG Industries (UK) Limited Pension Plan (“the Trustee”), to explain what we have done during the year ending 5 April 2025 to achieve certain policies and objectives 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.

Conclusion

Based on the activity we have undertaken during the year, the Trustee believes that the policies set out in the SIP have been implemented effectively and that its underlying Investment managers were able to disclose good evidence of voting and engagement activity.

Specifically, within the SIP the Trustee documents its policies in relation to strategy including default investment, risk measurement and management, governance, implementation and arrangements with investment managers, Environmental, Social and Governance (“ESG”) considerations, costs and performance. The Trustee has set out its approach to meeting each of these policies, along with specific examples (where applicable) from the Plan year which demonstrate how each policy has been met.

As the fiduciary investment manager, the Aon Investment Limited (“AIL”) Investment Management Team (“the Manager”) has collated the required (and relevant) information on voting behaviour and engagement activity from the underlying investment managers. The details are summarised within this note.

In the Trustee’s view, all the Plan’s material underlying investment managers were able to disclose good evidence of voting and/or engagement activity. The Trustee concluded that the activities completed by its managers align with expectations regarding stewardship, and that voting rights have been exercised effectively on its behalf.

Changes to the SIP during the year

The SIP was updated over the Plan year, effective from September 2024. Updates made to the SIP over the Plan year were as follows:

- The glidepath charts in the Strategy section were amended to reflect changes to the strategic asset allocation of the target date funds.
- Inclusion of the Trustee's policy on the use of illiquid investments within the default investment strategy.
- To reflect minor changes to fund investment objectives, underlying benchmarks and charges where necessary.

Evidence on how the Trustee has met its SIP objectives and policies

The Trustee outlines in the SIP a number of key objectives and policies. The full wording of these objectives and policies can be found in the SIP which is included under the Public documents section available at this link: <https://www.myppgpension.com/library/>

The Trustee has considered the broad themes these objectives and policies fit into and has noted these below, together with an explanation of how these objectives have been met and policies adhered to over the course of the year.

Policies relating to strategy

The Trustee has continued to provide members with a broad range of investment choices over the year. Members can choose between three broad approaches to invest their pension account:

- The 'Do it for me' approach – Target date funds i.e. the Aon Managed Retirement Pathway Fund series. These are asset allocation strategies offered to members targeting different benefits at retirement, namely drawdown (flexible retirement), annuity purchase and cash. Each fund in the series will automatically adjust the respective investment strategies as it progresses towards its target retirement date range. This includes the Flexible Glidepath, the Plan's default investment strategy.
- the 'Help me do it' approach – A range of 'objective based funds' are made available for members to invest in. These are suitable for members that want some control over their investments but also some assistance in terms of the broad objective they aim to achieve.
- the 'Give me full control' approach – The Trustee also makes available a range of 'asset class based funds' for members to invest in.

The Trustee regularly monitored the strategies and funds available to members to ensure they were meeting their objectives and that their inclusion in the fund range continued to be in members' best interests.

The Trustee, via the AIL Advisory Team (the Trustee's "investment adviser"), completed a review of the investment strategy, including the self-select range over the Plan year. It was concluded that the current range of investments provided are suitable for meeting members long and short-term investment objectives and is sufficient to cover the key asset classes without overwhelming members with too much choice.

The Trustee delegates the selection of the platform provider and day to day management of the funds to the Manager. Over the Plan year, the Manager made a number of changes to asset allocation weightings between existing underlying funds in response to market movements and expected changes in the market.

In June 2024, the Manager made a number of changes to the strategic asset allocation of the default arrangement to deliver better expected outcomes for members, taking into account changing market conditions. Government bonds were introduced into the strategy earlier, from 15 years before retirement instead of 7.5 years. The allocation to short-dated inflation linked government bonds was increased at and in-retirement, and the corporate bond portfolio was adjusted to wholly invest in actively managed bond funds.

Over the year, the Manager continued to reduce the allocation to multi-factor equities within the default investment strategy (and other target date funds) with a corresponding increase in exposure to Climate Transition equities. This change was implemented over a twelve-month period and was completed in February 2025.

Policies relating to the default investment strategy

The Trustee has nominated the Aon Managed Retirement Pathway 'flexible glidepath' as the Plan's default investment strategy.

It came to this conclusion based on its understanding of the Plan's membership and, in particular, how it believes members are likely to draw their benefits in retirement over time.

In order to assess the continued appropriateness of the flexible glidepath as the Plan's default arrangement, the Trustee, via the investment adviser, completed a formal review of the investment strategy over the Plan year. The review looked at the membership analysis and an in-depth review of the default investment strategy while also considering some alternative approaches. The review concluded that the current default arrangement targeting income drawdown is likely to provide reasonable income in retirement for most members (bearing in mind levels of ongoing contributions), and continues to be appropriate for the majority of Plan members.

Policies relating to risk measurement and management

The Trustee recognises the key risk that members will have insufficient income in retirement or an income that does not meet their expectations. The Trustee considered this risk when setting the investment options and strategy for the Plan.

As part of the triennial review process completed in June 2024, the Trustee assessed the appropriateness of the default investment strategy for the Plan's membership, relying on detailed membership analysis and qualitative review of the underlying investment strategy. This analysis concluded that the default investment strategy should provide an adequate level of investment return, in order to meet the reasonable expectations of members reliant on the Plan for their primary retirement benefit.

The review also concluded that the current default investment option remains the most appropriate vehicle for members who do not make an active choice, and that members are offered sufficient choice of funds should they wish to invest in a different manner.

The Trustee also appoints XPS as a third-party evaluator to carry out an annual oversight review of the Manager's service as fiduciary manager for the DC Section of the Plan. The annual review from XPS concluded that the current investment strategy is broadly appropriate for the Plan's members.

Investment monitoring takes place on a quarterly basis with monitoring reports provided to the Trustee by the Manager with additional commentary from the investment adviser. The investment reports include performance reporting on all of the investment funds relative to their respective benchmarks or targets and performance commentary which highlights key factors affecting the performance of the funds over the quarter. In addition, over the Plan year, the Manager incorporated performance and volatility benchmarking of the default arrangement at different stages to retirement. These reports also contain updates on any changes to the funds made by the Manager over the quarter.

The strategy outperformed against the inflation linked objectives over the longer since inception and five-year periods for members in the growth (15+ years from retirement) and pre-retirement phase (<15 years from retirement). For members at retirement, returns were broadly in line with inflation linked objectives. Although the strategy underperformed inflation linked objectives over the 3-year period, it was noted this was primarily due to the historically high inflation rates witnessed in recent years. Funds and the underlying investment managers continued to perform as expected in the market environment and no significant concerns were raised regarding the investment strategy over the Plan year.

Prior to appointing any underlying fund manager, the Manager will carry out extensive due diligence on behalf of the Trustee to ensure risks to members relating to fraud, acts of negligence and provider failure are minimised. Both the Plan's investment adviser and XPS are authorised and regulated by the Financial Conduct Authority.

Policies relating to implementation and arrangements with investment managers

The Trustee considers the Manager to be its primary investment manager with regard to the Plan. The Trustee assesses the ongoing suitability of the Manager primarily through an annual assessment carried out by XPS. In carrying out the annual assessment, XPS did not identify any substantive concerns or considerations.

In addition, with the support of their investment advisers, the Trustee completed the triennial review of the investment strategy during the Plan year. The review concluded that the current investment strategy reflects best market practice. The Trustee also noted that the Manager remains proactive in implementing market-leading ideas and initiatives on behalf of the Plan's members. Throughout the Plan year, all underlying investment managers utilised within the default investment strategy (as well as the majority of self-select funds) were 'Buy' rated by the Manager's independent Investment Manager Research ("IMR") team, and all underlying funds used within the default investment strategy integrate ESG considerations appropriately within their investment approach.

Policies relating to responsible investment and environmental, social, and governance ("ESG") considerations

The Trustee receives regular training on latest developments in Responsible Investment, ESG, and climate change risks.

Aon's ESG ratings are designed to assess whether investment managers integrate responsible investment, and more specifically ESG considerations, into their investment decision making process and ongoing stewardship. The ESG ratings for the underlying funds are based on a variety of qualitative factors and are updated to reflect any changes or broader responsible investment developments. These ESG ratings are reported in the quarterly monitoring reports. Aon's investment manager research team meets with each of the underlying investment managers on a six-monthly basis to carry out a session focused on ESG. These ESG focused sessions cover both how each manager incorporates ESG considerations into their investment process and their stewardship activity. Importantly, awareness regarding integration of potential ESG risks in the investment strategy is also considered as part of monitoring and assigning the overall rating to the fund.

The Trustee, through the Manager's ongoing management of the funds, also considered the Responsible Investment policies and integration of these policies in the investment processes for all current and prospective managers over the year.

The Manager has also collected the voting and engagement records of each of its investment managers over the year on behalf of the Trustee. These are reported in detail later in this Statement.

To date, no managers have found to be falling significantly short of the standards expected by the Trustee in this area. On review of underlying investment managers' stewardship policies and voting statistics as part of the production of this statement, the Trustee is of the opinion that this policy has been adhered to.

Over the year to 31 March 2025, the Trustee conducted climate monitoring, assessing the climate related risks facing the Plan and the actions being taken by the Manager to mitigate against these risks. The Trustee noted that the Manager has made substantial efforts to reduce the carbon emissions associated with the investment strategy, as evidenced by the decrease in the plan's carbon footprint over the four-year reporting period.

Policies relating to costs and performance

The Manager, on behalf of the Trustee, collated all member borne cost and charges data for the Plan year and these are published in the Annual Chair's Statement, which is available to the Plan's members. The Chair's Statement contains illustrations of the effects these costs and charges may have on the value of members' investments if held to the point of retirement.

The Trustee assesses the performance of the Manager on a net of all costs basis and recognises that this provides an incentive on the Manager to control costs. However, it also believes that explicit, regular monitoring of the level and the trends of costs incurred will enhance those incentives. Against this background, the Trustee is comfortable that fees paid to the Manager (and consequently the underlying investment managers) remain reasonable.

The Trustee reviews that took place throughout the year indicated that the performance of the default arrangement fell short of its benchmark across the majority of reporting periods. This underperformance was more evident for members who are further from retirement, which was predominantly driven by a greater allocation to Multi Factor Equities. The Trustee undertook a comprehensive review of this investment approach and concluded that the diversification from a sole reliance on market capitalisation-weighted equities has the potential to enhance returns on a risk-adjusted basis. The Trustee believes that this strategy will better position members' assets for long-term growth while managing risk appropriately.

Over the three-year period, the default arrangement also failed to meet its long-term inflation-linked return objectives. Considering the elevated inflationary conditions during this period, the Trustee acknowledged the challenges in achieving these objectives. However, the Trustee was encouraged by the robust performance of equity markets, which enabled members to exceed these targets over the longer-term reporting periods.

Following concerns raised over the Multi Factor Equity exposure, the Manager has decided to reduce the allocation to multi-factor equities in the Aon Managed Global Equity Fund with a corresponding increase in exposure to Climate Transition equities within the same Fund. This change was implemented over a twelve-month period and was completed in February 2025. The Trustee is comfortable that this change will reduce the tracking error of the strategy relative to the benchmark, whilst continuing to maintain an appropriate level of diversification.

In addition, at the request of the Trustee, the Manager includes peer group performance comparisons with other off-the-shelf default arrangements into its quarterly monitoring reports. The Trustee remains comfortable that performance has been appropriate given the wider market background and remains among the strongest based on the peer group comparison towards the end of the Plan year.

Policies relating to illiquid investments

The Trustee holds an allocation to direct UK real estate, as well as listed real estate and infrastructure equity within the default investment strategy. These holdings are daily priced and generally realisable daily (i.e. members are able to access and trade in and out of these funds freely).

The Trustee undertook training over the Plan year in order to understand how UK DC schemes, including the Plan, might be better equipped to access truly illiquid investments in the near future. The Trustee remains comfortable delegating day-to-day decision-making on investment matters, including the inclusion of illiquid investments within the default investment strategy, to the Manager.

Voting, engagement, and stewardship

How voting and engagement policies have been followed

The Plan is invested entirely in pooled funds, and so the responsibility for voting and engagement is delegated to the Manager. The Manager invests the Plan's assets in a range of funds including the default strategy and wider range of self-select funds. The Manager selects the underlying asset managers to achieve the objective of each fund on behalf of the Trustee.

The Trustee reviewed the stewardship activity carried out over the year by the material investment managers, and, in our view, all were able to disclose adequate evidence of voting and / or engagement activity. More information on the stewardship activity carried out by the Manager and the underlying investment managers can be found in the following sections.

Over the reporting year, we monitored the performance of the Plan's investments on a quarterly basis and received updates on important issues from our investment manager. In particular, we received quarterly Environment Social Governance ("ESG") ratings from Aon for the funds the Scheme is invested in (where available).

Each year, we review the voting and engagement policies of the Plan's investment Manager to ensure they align with our own policies for the Plan and help us to achieve them.

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

The Manager's engagement activity

Engagement is when an investor communicates with current (or potential) investee companies or asset managers (as owners of companies) 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.

Over the year, the Manager held several engagement meetings with many of the underlying asset managers in its strategies. The Manager discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the asset managers. The Manager provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

To support these engagements, the Manager maintains a set of stewardship priorities which align with their responsible investing beliefs. These priorities focus on investment stewardship, climate change transition and nature loss, combatting modern slavery and Artificial Intelligence. A summary of these priorities is provided in appendix 1.

Over the year, the Manager engaged with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations.

The Manager successfully renewed its signatory status to the 2020 UK Stewardship Code. This is a voluntary code established by the Financial Reporting Council that sets high standards on stewardship for asset owners, investment managers and service providers.

Underlying managers' voting activity – Equity, real asset and multi-asset funds

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 asset stewardship is in members' best interests by promoting best practice and encouraging 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 Scheme's investments is an important factor in deciding whether a manager remains the right choice for the arrangement.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Plan's equity-owning investment managers to responsibly exercise their voting rights. Over the year, the material equity, real asset and multi-asset investments held by the Plan within the default strategies and wider self-select fund range were as set out on the following pages:

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

Aon Managed Retirement Pathway Funds

Aon Managed Fund	Underlying managers (equity-owning only)
Aon Managed Global Impact Fund	Baillie Gifford, Mirova, Nordea
Aon Managed Initial Growth Phase Fund	Equities: LGIM, UBS Listed real assets: BlackRock, LGIM
Aon Managed Diversified Asset Fund	LGIM, UBS

Source: Aon Investments Limited

Self-select fund range

Fund name	Underlying managers (equity-owning only)
Aon Managed Global Equity Fund	LGIM, UBS
Aon Managed Active Global Equity Fund	Baillie Gifford, BNY Mellon, BlackRock, Harris
Aon Managed Global Impact Fund	Baillie Gifford, Mirova, Nordea
Aon Managed Property and Infrastructure	BlackRock, LGIM (listed real assets)
Aon Managed Diversified Multi-Asset Fund	LGIM, UBS
BlackRock UK Equity Index Fund	BlackRock
BlackRock World (ex UK) Equity Index Fund	BlackRock
BlackRock Emerging Market Equity Index Fund	BlackRock
HSBC Islamic Global Equity Index Fund	HSBC
LGIM Ethical Global Equity Index Fund	LGIM

Source: Aon Investments Limited

Voting statistics: Aon Managed Retirement Pathway Funds

The table below shows the voting statistics for each of the material funds held within the default strategy, the Aon Managed Retirement Pathway Funds, for the year to 31 March 2025. We also provide a combined view for a member 30 years from retirement and at retirement, invested in the Aon Managed Retirement Pathway Funds.

Aon Managed Retirement Pathway Funds

Aon Managed Funds	% Proposals Voted	% votes cast against management	% votes abstained
Aon Managed Initial Growth Phase Fund ^{1,2}	94.5%	12.4%	0.6%
Aon Managed Global Impact Fund	96.7%	21.3%	0.9%
Aon Managed Diversified Asset Fund ¹	95.8%	14.6%	0.7%
Aon Managed Retirement Pathway Funds			
<i>Member 30 years from retirement¹</i>	94.7%	13.3%	0.6%
<i>Member at retirement¹</i>	95.2%	13.9%	0.6%

Source: Aon Investments Limited, Underlying investment managers: BlackRock, LGIM, UBS, Baillie Gifford, Mirova, Nordea.

¹Please note figures shown only reflect the proportion of the portfolio with equity-voting rights.

²Invests 90% in the Aon Managed Global Equity Fund and 10% in property and infrastructure.

Voting statistics: self-select funds

The table below shows the voting statistics for each of the material funds offered within the wider self-select fund range available for the year to 31 March 2025.

Self-select fund range

Fund name	% Proposals Voted	% votes cast against management	% votes abstained
Aon Managed Global Equity Fund	94.9%	12.9%	0.6%
Aon Managed Active Global Equity Fund	98.7%	4.0%	0.2%
Aon Managed Global Impact Fund	96.7%	21.3%	0.9%
Aon Managed Property and Infrastructure Fund ¹	91.5%	7.4%	0.2%
Aon Managed Diversified Multi Asset Fund ¹	95.8%	14.6%	0.7%
BlackRock UK Equity Index Fund	99.4%	2.4%	0.1%
BlackRock World ex-UK Equity Index Fund	94.0%	5.0%	0.3%
BlackRock Emerging Market Index Fund	97.3%	4.7%	6.4%
HSBC Islamic Global Equity Index Fund	100.0%	14.2%	0.8%
LGIM FTSE4Good Developed Equity Index Fund	99.6%	17.5%	0.3%

Source: Aon Investments Limited, underlying investment managers (BlackRock, LGIM, UBS, Nordea, Mirova, Baillie Gifford, BNY Mellon, Harris, HSBC).

¹Please note figures shown only reflect the proportion of the portfolio with equity-voting rights.

Use of proxy voting advisors

Many investment managers use proxy voting advisors to help them fulfil their stewardship duties. Proxy voting advisors 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 Scheme's underlying investment managers use proxy voting advisors.

Manager	Description of use of proxy voting
Baillie Gifford	Whilst Baillie Gifford is cognisant of proxy advisers' voting recommendations (Institutional Shareholder Services (ISS) and Glass Lewis), it does not delegate or outsource any of its stewardship activities or follow or rely upon ISS's recommendations when deciding how to vote on its clients' shares. All client voting decisions are made in-house. Baillie Gifford votes in line with its in-house policy and not with the proxy voting providers' policies. Baillie Gifford also has specialist proxy advisors in the Chinese and Indian markets to provide it with more nuanced market specific information.
BlackRock	BlackRock uses ISS's electronic platform to execute its vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, BlackRock works with proxy research firms who apply its proxy voting guidelines to filter out routine or non-contentious proposals and refer to BlackRock any meetings where additional research and possibly engagement might be required to inform its voting decision.
BNY Mellon	Walter Scott is a wholly owned subsidiary of BNY Mellon and acts of the investment manager for the BNY Mellon Long Term Global Equity Fund. Walter Scott receives third party research from ISS for information purposes. However, the recommendations from any intermediary have no bearing on how Walter Scott votes.
Harris	Harris utilises the services of ISS's proxy voting services. ISS implements a bespoke proxy voting policy for Harris and ISS's services are otherwise used for information only. Harris state that it will follow its own Proxy Voting Policy, except where the analyst covering a stock recommends voting otherwise. In these cases, the final decision rests with Harris' Proxy Voting Committee.
HSBC	To enable efficient proxy voting operations, HSBC work with their proxy service provider (Institutional Shareholder Services), which provides research, a voting platform and disclosure services. Their Global Voting Guidelines, together with own research, inform more granular voting policy instructions, which form the basis for custom voting recommendations for each shareholder meeting.
LGIM	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM, who does not outsource any part of the strategic decisions. To ensure

LGIM's proxy provider votes in accordance with LGIM's position on ESG, LGIM has put in place a custom voting policy with specific voting instructions.

Mirova	Mirova uses ISS as a voting platform for related services such as ballot collecting, vote processing and record keeping. Mirova subscribes to the ISS research, however its recommendation is not prescriptive or determinative to Mirova's voting decisions. All voting decisions are made by Mirova in accordance with its Voting Policy.
Nordea	Nordea uses two external proxy advisors - Institutional Shareholder Services (ISS) and Glass Lewis. ISS is used for proxy voting, execution as well as research, while Glass Lewis is mainly used for research. They evaluate our proxy advisors regularly on operational integrity, quality of research and the implementation of the custom voting policy.
UBS	UBS Asset Management retains the services of ISS for the physical exercise of voting rights and for supporting voting research. UBS retain full discretion when determining how to vote at shareholder meetings.

Source: Aon Investments Limited. Underlying managers

Significant voting activity

To illustrate the voting activity being carried out, the Trustee has worked with the underlying investment managers to understand which votes they considered to be most significant. In turn, the Trustee considers a vote to be significant if it is deemed significant by the underlying investment manager. Underlying investment managers can deem a vote significant for a wide range of reasons. A sample of these significant votes, and why they are considered significant by the underlying investment managers, can be found in the appendix for the main funds used within the default strategy.











































Engagement Activity - Aon Managed Retirement Pathway Funds

Below notes themes for engagements that have been carried out by the underlying investment managers for the default strategy. 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 underlying fund invested in by the Aon Managed Retirement Pathway Funds.

All managers engaged across all key themes. The Trustee would expect this to be the case, as all underlying managers meet the Manager's required standards for consideration of ESG factors / risks.

Engagement

Engagement is when an investor communicates with current (or potential) investee companies or investment managers (as owners of companies) 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.





























Underlying manager	Themes engaged on at a firm level						
	Environment - Climate Risk Management	Environment - Biodiversity	Governance Remuneration	Governance Board Effectiveness	Governance Corporate Strategy	Social Human Capital	Social Risks & Opportunities
BlackRock							
LGIM							
UBS							
Baillie Gifford							
Mirova							
Nordea							

Source: Aon Investment Limited, Underlying managers (BlackRock, LGIM, UBS, Baillie Gifford, Mirova, Nordea).

Engagement Activity – Wider fund range

The Table below notes themes for engagements that have been carried out by the underlying investment managers for the most material self-select funds. 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 underlying fund.

Themes engaged on at a firm level

Underlying manager	Environment - Climate Risk Management	Environment - Biodiversity	Governance Remuneration	Governance Board Effectiveness	Governance Corporate Strategy	Social Human Capital	Social Risks & Opportunities
BNY Mellon							
Harris							
HSBC							
LGIM							

Source: Aon Investment Limited, Underlying managers (BlackRock, LGIM, UBS).

The following section provides examples of specific engagement activity carried out by the most material underlying investment managers below.

UBS engagement with BHP Group.

Over 2024, **UBS** engaged with **BHP Group**. They met three times in 2024, primarily focusing on the release of their new Climate Transition Action Plan (CTAP).

BHP Group are a leading producer of iron ore, copper and metallurgical coal. The company is a significant carbon emitter but a key enabler of the energy transition. In 2024, UBS met with the CFO, participated in their group investor engagement sessions and had bilateral discussions with BHP Group in the lead up to and after the release of the new CTAP.

The focus was on Scope 3 emissions, physical risk and scenario analysis use for transition planning. UBS requested further disclosure on its Scope 3 emissions, given 97% of their total emissions are Scope 3. UBS also requested an update on Paris alignment scenarios the company uses to set strategies. Due to the speed of the transition expected to influence the demand for key minerals, and be a key driver of the sector's performance, UBS believed this is important to report on.

In their new CTAP, BHP enhanced their Scope 3 strategy disclosures, including their view on steelmaking technologies and pipeline of abatement projects. BHP have also provided an initial framing of their assessment process on physical risk and further assessments are underway. UBS will continue to engage in 2025, focusing on the lack of clarity on outlook for metallurgical coal and the scale of expected use of offsets in BHP's net zero target.

LGIM engagement with Walmart Inc

Over 2024, **LGIM** engaged with **Walmart Inc**, an American multinational retail corporation that operates a chain of hypermarkets, discount department stores and grocery stores.

LGIM contacted Walmart in relation to establishing a company compensation policy of paying a living wage and have been engaging with them on the topic for several years. In 2023, LGIM launched their income inequality engagement campaign, targeting 15 of the largest global food retailers, to which Walmart is a part of. LGIM voted for this policy, where they have been encouraging Walmart to establish a compensation policy that ensures employees earn a living wage,

to reduce potential negative financial impacts that stem from low worker morale, poor health or high staff turnover.

Over 2024 LGIM held a series of engagement meetings with Walmart. While the company has improved on some areas, in terms of training opportunities, the company does not have a policy yet in place and still pays employees under the living wage. LGIM continue to engage with Walmart and publicly advocate their position on this issue.

Engagement Activity - Non-equities

While equity managers may have more direct influence on the companies they invest in, managers investing in asset classes such as fixed income and alternatives are also increasingly influential in their ability to encourage positive change.

The Aon Managed Retirement Pathway Funds and several of the wider self-select fund options include investment in non-equity assets. This might include fixed income, cash, direct property and alternatives such as gold, depending on the fund. Below we describe examples of engagement.

Fixed Income

The Aon Managed Retirement Pathway Funds, and several of the wider self-select fund options, invested in fixed income and cash over the year. The above engagement activities carried out by LGIM and UBS are also applicable for the multi asset and fixed income funds.

Direct Property

The Aon Managed Retirement Pathway Funds, the Aon Managed Initial Growth Phase Fund and the Aon Managed Property and Infrastructure Fund invested in direct property over the year.

The Trustee appreciates that engagement activities within the direct property fund may be limited in comparison to other asset classes, such as equity and fixed income. Nonetheless, the Trustee expects ESG engagement to be integrated in its managers' investment approaches.

The direct property manager, Threadneedle, is a signatory of the UN PRI and has adopted ESG policies across its investments. Threadneedle's UK direct property funds are managed in line with its UK Real Estate ESG Policy Statement. Threadneedle takes an approach to real estate whereby it strives to understand the risks posed within the asset class and focus on mitigating these during the lifecycle of the projects. This can be done through property management, refurbishment, building improvements and strategic asset management.

Key topics of engagement during the year include the energy efficiency of assets, low carbon development opportunities, tenant engagement and Net Zero initiatives. During the 12 months to 31 March 2025, Threadneedle completed a range of projects designed to improve the energy efficiency of the underlying assets.

Commodities

The Aon Managed Retirement Pathway Funds, Aon Managed Diversified Asset Fund and Aon Managed Diversified Multi Asset Fund invested in commodities over the year.

The BlackRock Gold Fund provides exposure to gold via an exchange traded fund (ETF). The main ESG consideration relates to how the gold is sourced. The London Bullion Market Association (LBMA) has established standards on the trade of gold and silver; these specify the requirements that refiners, and their gold, must meet to be accepted for trading. The refiners that source the gold that backs the BlackRock fund align to those standards.

Data limitations

At the time of writing, LGIM and BlackRock did provide fund level engagement information but not in line with the best practice industry standard Investment Consultants Sustainability Working Group (“ICSWG”) reporting guide.

Appendix 1 – The Manager’s Stewardship priorities

Our investment manager has set stewardship priorities that align with its beliefs in relation to responsible investment.

These stewardship priorities focus on climate change and nature loss, modern slavery and artificial intelligence, as well as ensuring strong governance. These priorities have been identified as financially material risks that have the potential to impact the value of members’ investments.

To support these priorities, the Manager has an Engagement Programme through which it engages identifies and analyses key areas for focus and engages with the underlying managers in turn. In turn, the Manager also has a set of expectations for its underlying investment managers.

A summary of these priorities is set out below:

Investment Stewardship

It is important to be clear on our principles and expectations of good investment stewardship across asset classes. Our investment manager does this through its ongoing engagements with the underlying investment managers and is looking for strong alignment between an investment manager’s responsible investment policies and its engagement activity and voting decisions. The Manager believes that transparency of engagement and voting activity is key and actively engages with its investment managers to promote transparency. The Manager also engages with its underlying investment managers to promote the principles of the Principles for Responsible Investment, adherence to the UK Stewardship Code as well as following industry best practice.

Climate transition and nature loss

Climate change and the progress towards net zero is a key area of focus for the investment manager, recognising the impact of climate-related risks on the value of members savings over the long term. The Manager looks for alignment between an investment manager’s climate risk policy (or stated ambitions) and its responsible investment approach including engagement activities and voting decisions around climate. The Manager engages with its underlying investment managers to monitor progress in the underlying investee companies towards setting targets and ensuring meaningful action as a result.

The Manager also believes that biodiversity risk, including nature loss, is intrinsically linked to climate-change and hence the value of members savings over the long term. The Manager collaborated with the Cambridge Institute of Sustainability Leadership to create a framework for assessing nature-related risks including a due diligence questionnaire to measure progress on goals. The Manager engages with its underlying investment managers to understand the risks in this area and ensure appropriate action is taken as a result.

Combatting modern slavery

The Manager is a signatory of the ‘Find It, Fix It, Prevent It’ initiative which aims to combat modern slavery through engagement with investee companies, participation in shaping public policy and in developing better modern slavery data. Through this initiative the Manager aims to raise awareness of the role investors can play in addressing modern slavery in supply chains. The Manager

engages with its investment managers to understand where any potential exposure exists and ensure appropriate action is taken as a result.

Artificial Intelligence (AI)

AI is a nascent industry, and its real world applications are yet to be fully explored. The Manager has made AI an important topic for its engagement programme and endeavours to be at the forefront of this fast-developing area. The Manager believes in the responsible use of AI. To effect this the Manager will promote transparency and explainability and appropriate guards against bias. Where AI is adopted, the Manager will endeavour to engage with its investment managers to ensure this is done in a way that incorporates responsible design, and that the energy intensive nature of AI balances appropriately with Net Zero commitments.

Appendix 2 – Significant Voting Examples

In the table below are some significant vote examples provided by the underlying investment managers appointed by the Manager and used within the default strategy, the Aon Managed Retirement Pathway Funds.

We consider a significant vote to be one which the manager deems to be 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.

LGIM	Company name	ConocoPhillips
	Date of vote	May 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.4%
	Summary of the resolution	Resolution 5: Revisit Pay Incentives for GHG Emission Reductions
	How the manager voted	Against management
	Did the manager communicate its intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.
	Rationale for the voting decision	Shareholder Resolution - Climate change: A vote against is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.
	Outcome of the vote	Fail
	Implications of the outcome	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
	On which criteria have the vote is considered significant?	Pre-declaration and High-Profile Meeting: This shareholder resolution is considered significant due to misleading proposals (shareholder resolutions brought with the aim of undermining positive environmental, social and governance behaviours) are a relatively recent phenomenon. Such proposals often appear to be supportive of, for example, the energy transition but, when considered in depth, are actually designed to promote anti-climate change views.

UBS	Company name	Shell Plc
	Date of vote	May 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	Not disclosed
	Summary of the resolution	Align medium-term emissions reduction targets covering the GHG emissions of the use of its energy products (scope 3) with the goal of the Paris Climate Agreement
	How the manager voted	Against management
	Did the manager communicate its intent to the company ahead of the vote?	No
	Rationale for the voting decision	<p>Shell has made incremental progress in this area since the previous year (when UBS supported the proposal), including introducing an absolute Scope 3 emissions target for their oil products. While the new target is not perfect, it is a sign of momentum in a positive direction, specifically in the area the proponent is focused on in this request.</p> <p>In UBS's view it would be necessary for Shell to divest a higher level of assets than is currently in investor interests in order to achieve an expanded Scope 3 target.</p> <p>With a say on climate vote on the ballot, UBS feels the best way to voice its concerns on the overall transition plan in our vote is on this resolution. This allows UBS to evaluate the entire plan and recognise where Shell may fall short of expectations, rather than in one specific component of the plan, which this proposal focuses on.</p>
	Outcome of the vote	Fail
	Implications of the outcome	UBS will continue to engage with Shell as part of its Climate Engagement Programme.
	On which criteria have the vote is considered significant?	Aggregate percentage of votes in support of shareholder resolution exceeded 18% of votes cast.

Nordea	Company name	ANSYS, Inc.
	Date of vote	June 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	1.9%
	Summary of the resolution	Provide right to call a special meeting
	How the manager voted	Against management. For the shareholder proposal
	Did the manager communicate its intent to the company ahead of the vote?	No
	Rationale for the voting decision	Nordea thinks that each company should grant holders of a specific proportion of the outstanding shares of a company, no greater than ten per cent (10%), the right to convene a meeting of shareholders for the purpose of transacting the legitimate business of the company. In Nordea's view, this shareholder proposal requesting the company to take the necessary steps to afford shareholders the right to call a special meeting, would improve shareholder rights.
	Outcome of the vote	Pass
	Implications of the outcome	The protection of shareholder rights is an essential requirement for minority shareholders in a listed company. Nordea will continue to vote for such proposals in other relevant companies.
	On which criteria have the vote is considered significant?	Significant votes are those that are severely against Nordea's principles, and where Nordea feels it needs to enact change in the company.
Mirova	Company name	Unilever Plc
	Date of vote	May 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	Say on climate
	How the manager voted	Supported management
	Did the manager communicate its intent to the company ahead of the vote?	Yes
	Rationale for the voting decision	The sector dedicated ESG analyst thoroughly reviewed the proposed transition plan. While there is room for improvement noted, on balance, Mirova was satisfied with the current proposal.

Baillie Gifford	Outcome of the vote	Pass
	Implications of the outcome	While concerns remain regarding governance of sustainability, Mirova will leverage engagement to push the company to further improve the climate transition target setting and provide meaningful progress reports.
	On which criteria have the vote is considered significant?	Relevant to engagement strategy regarding governance of sustainability.
	Company name	Markel Group Inc.
	Date of vote	May 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.9%
	Summary of the resolution	Shareholder resolution - Climate
	How the manager voted	Supported management
	Did the manager communicate its intent to the company ahead of the vote?	No
	Rationale for the voting decision	Baillie Gifford supported the shareholder proposal regarding disclosure of GHG emissions from the company's underwriting, insuring, and investment activities, considering the potential materiality of climate risk to the company's core activities. Baillie Gifford believes there is scope for improvement of carbon reporting and that this data will enable the company and its shareholders to better understand the company's climate risks.
	Outcome of the vote	Fail
	Implications of the outcome	Baillie Gifford will continue the engagement with the Company on this issue.
	On which criteria have the vote is considered significant?	This resolution is significant because it was submitted by shareholders and received greater than 20% support.

Source: Aon Investments Limited, Underlying Managers (LGIM, BlackRock, UBS, Baillie Gifford, Mirova, Nordea).