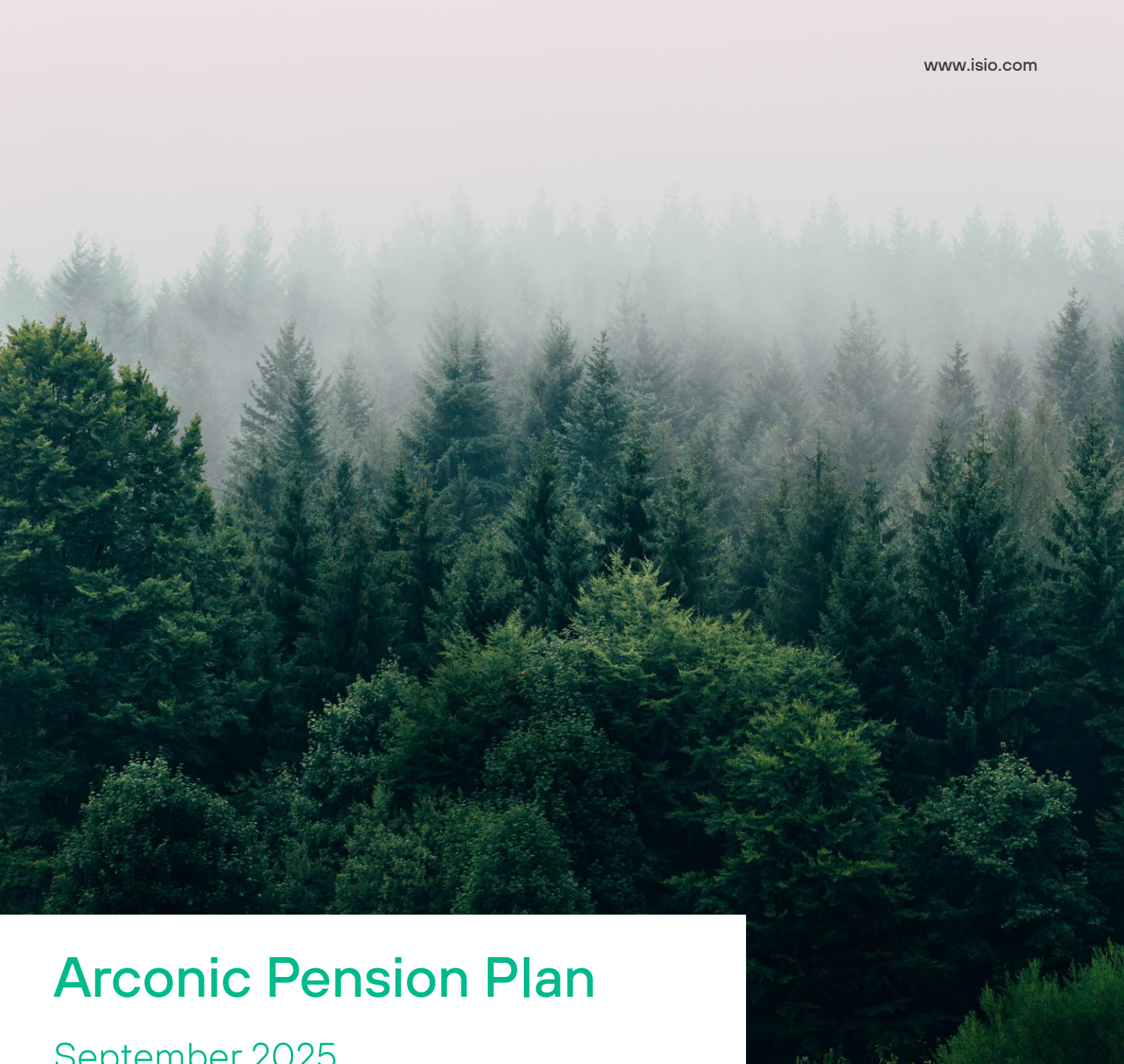




# Arconic Pension Plan

September 2025

# Background and Implementation Statement

## Background

The regulatory landscape continues to evolve as Environmental, Social and Governance ("ESG") becomes increasingly important to regulators and society. The Department for Work and Pensions ('DWP') has increased the focus around ESG policies and stewardship activities by issuing further regulatory guidance relating to voting and engagement policies and activities. These regulatory changes recognise the importance of managing ESG factors as part of a Trustee's fiduciary duty.

## Implementation Statement

This Implementation Statement has been prepared by the Trustee of the Arconic Pension Plan ("the Plan") in respect of the reporting period to 5 April 2025 and details:

- actions the Trustee has taken to manage financially material risks and implement the key policies in its Statement of Investment Principles ("SIP");
- the current policy and approach with regards to ESG and the actions taken with managers on managing ESG risks;
- the extent to which the Trustee has followed policies on engagement, covering engagement actions with its fund managers and, in turn, the engagement activity of the fund managers with the companies they invest; and
- voting behaviour covering the reporting period up to 5 April 2025 for and on behalf of the Plan including the most significant votes cast by the Plan or on its behalf.

The Plan holds defined benefit ("DB") assets. Some members of the Plan may also hold additional voluntary contributions ("AVCs"). This statement relates solely to the DB assets in the Plan.

## Implementation Report

This implementation report is to provide evidence that the Plan continues to follow and act on the principles outlined in the SIP.

The latest SIP can be found online at the web address: [https://www.arconic-pensions.co.uk/documents/arconic\\_pension\\_plan/app\\_sip.pdf](https://www.arconic-pensions.co.uk/documents/arconic_pension_plan/app_sip.pdf)

Changes to the SIP, covering the 12 months to 5 April 2025 are detailed on the following pages.

## Manager Stewardship Policy

The Trustee has appointed several investment managers to manage the assets of the Plan. Details of the stewardship policies of the Plan's appointed investment managers can be found via the following links:

- L&G

<https://www.lgim.com/uk/en/capabilities/investment-stewardship/>

- M&G

<https://www.mandgplc.com/our-business/mandg-investments/responsible-investing-at-mandg-investments>

- Partners Group
- <https://www.partnersgroup.com/en/~media/Files/P/Partnersgroup/Universal/disclosures/about-partners-group/about-partners-group-uk-limited.pdf>
- KKR
- <https://www.kkr.com/responsibility/responsible-investment>
- 24AM
- <https://www.twentyfouram.com/uk-stewardship-code>

#### Summary of key actions undertaken over the Plan reporting year

- The Plan continued to move towards the agreed lower risk / return strategic allocation that targets an investment return of around 1.1% p.a. above the return on UK Government bonds. This has been done in a timely manner subject to the Plan's liquidity constraints. While the new allocation is being implemented the expected return is likely to be higher (equivalent to Gilts + 1.5% p.a. as at 31 March 2025 as outlined in the SIP).
  - o The Plan received its final repayment from the M&G Secured Property Income Fund ("SPIF") in September 2024.
  - o Proceeds from M&G SPIF were invested in the L&G Global Unconstrained Bond Fund to build up the allocation to the strategic allocation.
  - o The Trustee agreed to introduce a new strategic allocation to Asset Backed Securities ("ABS") and reduce the allocation to Buy and Maintain bonds given the current negative view of Investment Grade ("IG") corporate bonds.
  - o Following a manager beauty parade, the Trustee agreed to appoint TwentyFour Asset Management ("24AM") as ABS manager and use their pooled Monument Bond Fund.
  - o The initial investment into the Monument Bond Fund was made on 10 April 2025 using cash distributed from the Plan's illiquid mandates. A follow-on investment was made on 25 July 2025 using additional cash distributed from the illiquid mandates.
  - o Further changes to the allocation are dependent on receiving cash from the Plan's illiquid mandates.
- The Trustee agreed a cashflow policy in October 2024 which outlined the high-level principles for how the Plan's Euro, US Dollar and Sterling bank accounts would be managed.
- Isio prepared a Sustainability Integration Assessment ("SIA") report on behalf of the Trustee that set out Isio's assessment of the ESG capabilities of each of the Plan's underlying investment managers and identified areas for engagement.

### Implementation Statement

This report demonstrates that the Trustee of the Arconic Pension Plan has adhered to its investment principles and its policies as set out in its SIP for managing financially material considerations including ESG factors and climate change.

Signed      Pavan Bhardwaj

Position    Trustee Director

Date        8 October 2025

# Managing risks and policy actions DB

| Risk / Policy                | Definition                                                                                                                                            | Policy (as set out in the Plan's SIP)                                                                                                                                                                     | Actions and details on changes to policy                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Interest rates and inflation | The risk of mismatch between the value of the Plan assets and present value of liabilities from changes in interest rates and inflation expectations. | To hedge 100% of these risks as assessed on a Technical Provisions basis (although hedging may be expressed as a percentage of the Gilts flat basis).                                                     | <p>Following agreement of the 2023 Actuarial Valuation and 2024 Annual Funding Update, the Trustee agreed to refresh the LDI mandate with updated liability cashflows.</p> <p>A new LDI solution hedging c.90% of the interest rate and inflation sensitivity on a Gilts flat basis (broadly equivalent to hedging c.100% of the Plan's Technical Provisions basis) was implemented in early January 2025.</p>                   |
| Liquidity                    | Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.                            | To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members benefits as they fall due (including transfer values) and to provide collateral to the LDI manager. | <p>The Trustee agreed a cashflow policy in October 2024 which outlined the high-level principles for how the Plan's Euro, US Dollar and Sterling bank accounts would be managed.</p> <p>The Trustee will keep this policy under review.</p> <p>The Trustee has a collateral waterfall structure in place authorising L&amp;G to sell assets from the Global Unconstrained Bond Fund if required for LDI collateral purposes.</p> |
| Market                       | Experiencing losses due to factors that affect the overall performance of the financial markets.                                                      | To remain appropriately diversified and hedge away any unrewarded risks, where practical.                                                                                                                 | In recent years, Investment Grade IG corporate bond credit spreads have tightened significantly against the long-term average. Isio identified potential asymmetric risk at this level, with more limited upside from further credit                                                                                                                                                                                             |

| Risk / Policy                        | Definition                                                                                                                                                         | Policy (as set out in the Plan's SIP)                                                                                                                                                                                                                                                                                                                                                                                                                        | Actions and details on changes to policy                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                      |                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>spread tightening relative to the downside of credit spread widening.</p> <p>Other assets in the credit market, such as ABS, earn a higher yield at an equivalent credit quality relative to IG corporate bonds.</p> <p>The Trustee agreed to introduce a new strategic allocation to ABS and reduce the allocation to Buy and Maintain corporate bonds given the current negative view of IG corporate bonds.</p> <p>Following the reporting period, the initial investment into the 24AM ABS Fund took place.</p> |
| Credit                               | Default on payments due as part of a financial security contract.                                                                                                  | <p>To diversify this risk by investing in a range of credit markets across different geographies and sectors.</p> <p>To appoint investment managers who actively manage this risk by seeking to invest only in debt securities where the yield available sufficiently compensates the Plan for the risk of default.</p>                                                                                                                                      | There have been no changes to the policy over the reporting period.                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Environmental, Social and Governance | Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Plan's investments. | <p>To appoint managers who satisfy the following criteria, unless there is a good reason why the manager does not satisfy each criteria:</p> <ol style="list-style-type: none"> <li>1. Responsible Investment ('RI') Policy / Framework</li> <li>2. Implemented via Investment Process</li> <li>3. A track record of using engagement and any voting rights to manage ESG factors</li> <li>4. ESG specific reporting</li> <li>5. UN PRI Signatory</li> </ol> | <p>During 2025, Isio produced a Sustainability Integration Assessment which reviewed the ESG credentials of the Plan's managers on behalf of the Trustee. The Plan's investments were reviewed through Isio's ESG Manager Review Framework, assessing each manager and Fund on key areas, such as their investment approach, risk management and collaboration.</p> <p>The results of the SIA report were shared with the Trustee in April 2025. The Plan scored an overall</p>                                        |

| Risk / Policy | Definition                                                                                | Policy (as set out in the Plan's SIP)                                                                                                                                                                                                              | Actions and details on changes to policy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------|-------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               |                                                                                           | <p>6. UK Stewardship Code signatory</p> <p>The Trustee monitor the managers on an ongoing basis.</p>                                                                                                                                               | <p>rating of 2.6 on ESG and 2.5 on climate, meaning that it meets traditional criteria requirements as it scored strongly on all of Isio's ESG and climate criteria.</p> <p>A score and list of proposed actions was produced for each Fund. Isio will engage with the investment managers on these actions to hopefully improve future scores. The Trustee will monitor the investment managers' progress on these actions over the following years.</p> <p>More details of the ESG policy and how it was implemented are presented later in this report.</p> |
| Currency      | The potential for adverse currency movements to have an impact on the Plan's investments. | <p>Hedge currency risk by investing in a currency-hedged share class where possible.</p> <p>The Trustee regularly monitors its currency exposure as well as receiving advice on whether further currency hedging is possible / cost-effective.</p> | There have been no changes to policy over the reporting period.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Non-financial | Any factor that is not expected to have a financial impact on the Plan's investments.     | Non-financial matters are not taken into account in the selection, retention or realisation of investments.                                                                                                                                        | The Trustee indirectly monitors how the Plan's managers are handling non-financial factors via an annual review of their engagement and voting activity. Despite this, it is unlikely that non-financial factors would lead to a buy or sell decision being made on a manager.                                                                                                                                                                                                                                                                                 |

# Changes to the SIP

Over the 12 month period to 5 April 2025, the Trustee made no changes to the Plan's SIP.

Following the end of the reporting period, the SIP was updated to reflect the introduction of an ABS allocation. This will be documented in next year's implementation statement.

# Implementing the current ESG policy and approach

## ESG as a financially material risk

The Trustee appoints investment managers to manage the assets of the Plan and delegates day-to-day duties regarding the management of the assets to the fund managers via separate written agreements. This delegation includes matters relating to ESG and the exercise of rights (including voting rights) attaching to the investments.

This page details how the Plan's ESG policy is implemented, while the following page outlines the Trustee's investment adviser's (Isio) assessment criteria as well as the ESG beliefs used in evaluating the Plan's managers' ESG policies and procedures. The rest of this statement details our view of the managers, our actions for engagement and an evaluation of the engagement activity.

The below table outlines the areas which the Plan's investment managers are assessed on when evaluating their ESG policies and engagements.

| Areas for engagement                                                                                     | Method for monitoring and engagement                                                                                                                                                                                                                                                                                                                                                                                                            | Circumstances for additional monitoring and engagement                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Environmental, Social, Corporate Governance factors and the exercising of rights and engagement activity | <p>The Trustee's investment managers provide annual reports on how they have engaged with issuers regarding social, environmental, and corporate governance issues.</p> <p>The Trustee receives information from its investment advisers on the investment managers' approaches to engagement.</p> <p>The Trustee will engage, via their investment adviser, with investment managers and/or other relevant persons about relevant matters.</p> | <p>Where the manager has not acted in accordance with their policies and frameworks.</p> <p>Where the managers' policies are not in line with the Trustee's policies in this area.</p> |

### Areas of assessment and ESG beliefs

|                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Risk Management        | <ol style="list-style-type: none"> <li>1. Integrating ESG factors, including climate change risk, represents an opportunity to increase the effectiveness of the overall risk management of the Plan.</li> <li>2. ESG factors can be financially material and managing these risks forms part of the fiduciary duty of the Trustee.</li> </ol>                                                                                                                                                                     |
| Approach / Framework   | <ol style="list-style-type: none"> <li>3. The Trustee should understand how asset managers make ESG decisions and will seek to understand how ESG is integrated by each asset manager.</li> <li>4. ESG factors are relevant to investment decisions in all asset classes.</li> <li>5. Managers investing in companies' debt, as well as equity, have a responsibility to engage with management on ESG factors.</li> </ol>                                                                                         |
| Reporting & Monitoring | <ol style="list-style-type: none"> <li>6. Ongoing monitoring and reporting of how asset managers manage ESG factors is important.</li> <li>7. ESG factors are dynamic and continually evolving; therefore, the Trustee will receive training as required to develop its knowledge.</li> <li>8. The role of the Plan's asset managers is prevalent in integrating ESG factors; the Trustee will, alongside its investment advisers, monitor ESG in relation to the asset managers' investment decisions.</li> </ol> |
| Voting & Engagement    | <ol style="list-style-type: none"> <li>9. The Trustee will seek to understand each asset manager's approach to voting and engagement when reviewing the asset managers' approach.</li> <li>10. Engaging is more effective in seeking to initiate change than disinvesting.</li> </ol>                                                                                                                                                                                                                              |
| Collaboration          | <ol style="list-style-type: none"> <li>11. Asset managers should sign up and comply with common codes and practices such as the UNPRI &amp; Stewardship code. If they do not sign up, they should have a valid reason why.</li> <li>12. Asset managers should engage with other stakeholders and market participants to encourage best practice on various issues such as board structure, remuneration, sustainability, risk management and debtholder rights.</li> </ol>                                         |

# ESG summary and actions with the investment managers

Isio produced a Sustainability Integration Assessment ("SIA") in 2025 which reviewed the ESG credentials of the Plan's managers and funds on behalf of the Trustee. The assessment reviewed each manager's investment philosophy and approach to incorporating ESG factors and assessed whether these approaches are in line with that of the Trustee. In the table below we have included a summary of each manager's ESG credentials and proposed actions for future improvements. This report excluded M&G SPIF as the Trustee had agreed to sell the Fund. Through Isio, the Trustee continues to engage with the Plan's investment managers on both their ESG approach and engagement. Further information on each manager and fund can be found in the 2025 SIA report.

| Manager, fund                                                                          | ESG Summary                                                                                                                                                                                                                                                                               | Actions identified                                                                                                                                                                                                                                                                                                                                                            | Engagement details                                                                                                                                                                                   |
|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Legal &amp; General Investment Management</b><br><br>Bespoke LDI Portfolio          | L&G strongly integrates ESG into its LDI funds, supported by a dedicated ESG team that drives stewardship and responsible investment. Their proprietary tools enhance risk management, reflecting a firm-wide commitment to ESG and stewardship.                                          | <p>Introduce a formal ESG training program with defined training priorities.</p> <p>Consider expanding the approach to assessing green gilts to complement a relative value assessment in order to create positive externalities within the fund.</p> <p>Consider developing connections with leading academic institutions to develop robust risk management frameworks.</p> | <p>Isio engaged with L&amp;G on the Trustee's behalf to review their ESG policies and set actions and priorities.</p> <p>Isio reports back to the Trustee with updates on L&amp;G's engagements.</p> |
| <b>Legal &amp; General Investment Management</b><br><br>Global Unconstrained Bond Fund | L&G is a leading ESG-focused asset manager with a firm-wide policy, net zero commitment, and portfolio-level ESG scoring. They provide TCFD Scope 1 & 2 metrics, promote best-practice sustainability reporting, and actively collaborate across the industry to influence ESG standards. | <p>Introduce a formal ESG training program with defined training priorities.</p> <p>Engage with more issuers in the fund on an annual basis.</p> <p>Utilise third parties to independently verify ESG data reporting.</p> <p>Consider developing connections with leading academic institutions to develop robust risk management frameworks.</p>                             | <p>Isio engaged with L&amp;G on the Trustee's behalf to review their ESG policies and set actions and priorities.</p> <p>Isio reports back to the Trustee with updates on L&amp;G's engagements.</p> |

|                                                                               |                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Legal &amp; General Investment Management</b><br><br>Buy & Maintain Credit | L&G is seen as a market leader in ESG integration, leveraging strong data and long-term strategies within Buy and Maintain. They've set a fund-level climate goal to cut 2019 emissions by 50% by 2030, earning Article 8 status since December 2022.                    | <p>Introduce a formal ESG training program with defined training priorities.</p> <p>Increase engagement coverage to above 66% and carbon metric coverage to above 70% of the fund's NAV per annum.</p> <p>Include social metrics and engagement details in regular fund reporting.</p> <p>Consider developing connections with leading academic institutions to develop robust risk management frameworks.</p> | <p>Isio engaged with L&amp;G on the Trustee's behalf to review their ESG policies and set actions and priorities.</p> <p>Isio reports back to the Trustee with updates on L&amp;G's engagements.</p>              |
| <b>M&amp;G Investment Management</b><br><br>Alpha Opportunities Fund          | M&G has a strong firm-wide ESG strategy and risk management, but its ESG reporting lags peers due to limited portfolio-level metrics. To meet stronger client ESG objectives, M&G launched a sustainable version of the fund with a greater focus on impact investments. | <p>Establish and report on fund-level ESG objectives.</p> <p>Improve and report on active engagement with issuers across climate, social and biodiversity factors.</p> <p>Enhance collaboration with academic institutions to develop risk management frameworks.</p>                                                                                                                                          | <p>Isio engaged with M&amp;G on the Trustee's behalf to review their ESG policies and set actions and priorities.</p> <p>Isio reports back to the Trustee with updates on M&amp;G's engagements.</p>              |
| <b>Partners Group</b><br><br>Global Real Estate Secondary Funds               | Partners Group has strong firm-level ESG policies, a dedicated ESG team, and a net-zero commitment aligned with Paris goals. However, due to the secondary nature of the funds, ESG integration and stewardship are limited, and obtaining ESG data is challenging.      | <p>Seek to provide regular reporting which include ESG metrics.</p> <p>Provide up to date examples of engagement with underlying portfolio managers.</p>                                                                                                                                                                                                                                                       | <p>Isio engaged with Partners Group on the Trustee's behalf to review their ESG policies and set actions and priorities.</p> <p>Isio reports back to the Trustee with updates on Partners Groups engagements.</p> |
| <b>KKR</b><br><br>Lending Partners Europe                                     | The Fund reflects its older vintage, with limited ESG reporting and climate considerations. It benefits from KKR's broader platform for risk management and collaboration, but given its distribution phase and extended term, ESG improvements are unlikely.            | <p>Provide case studies of ESG-related engagements with portfolio firms and outcomes.</p> <p>Work with portfolio companies to gather data to be able to report on ESG metrics.</p>                                                                                                                                                                                                                             | <p>Isio engaged with KKR on the Trustee's behalf to review their ESG policies and set actions and priorities.</p> <p>Isio reports back to the Trustee with updates on KKR's engagements.</p>                      |

# Engagement

The Plan invests via fund managers who have provided details on their engagement actions, including a summary of the engagements by category, for the 12-month period to the end of 5 April 2025. In some cases, managers have provided data for their engagement covering the 12-months to 31 March 2025.

Engagement breakdown may outnumber total engagements where the manager has engaged on multiple topics within a single engagement.

| Fund name                                                                              | Engagement summary                                                                             | Commentary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Legal &amp; General Investment Management</b><br><br>Bespoke LDI Portfolio          | Total Engagements:<br><br>L&G were unable to provide any data on engagements.                  | <p>L&amp;G engage on multiple topics within each engagement, with counterparties, regulators, governments, and other industry participants with the aim of influencing and instigating change.</p> <p>L&amp;G's policies on corporate governance and responsible investment are reviewed annually to ensure it remains aligned with various evolving regulations, best practice, and client feedback.</p> <p>ESG engagement with counterparties is through L&amp;G's Investment Stewardship team, analysts, portfolio managers and traders. Information from these engagements is used to identify ESG risks which is embedded within L&amp;G's counterparty review process.</p> <p>In cases when individual engagement is not successful, L&amp;G may seek to escalate engagement through collaborating with other institutional investors directly to amass voting power. L&amp;G have a range of escalation options, from voting sanctions through to divestment, at its disposal when companies are unresponsive.</p> <p>L&amp;G have not been able to provide in depth reporting on its engagements.</p> |
| <b>Legal &amp; General Investment Management</b><br><br>Global Unconstrained Bond Fund | Total Engagements: 355<br>Environmental: 262<br><br>Social: 93<br>Governance: 101<br>Other: 59 | <p>L&amp;G have a strong and integrated ESG approach for pooled funds which follow a robust framework.</p> <p>At a firm level, L&amp;G regularly monitor companies and where engagements are unsuccessful, the team will assess where problems arose and new approaches to be employed. L&amp;G engage with regulators, governments, and other industry</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

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|                                                                                          |                                                                                                                   | <p>participants to address long-term structural issues.</p> <p>An example of a significant engagement includes:</p> <p><b>BP Plc (multinational oil and gas company)</b> – L&amp;G has initiated an 'in depth' Climate Impact Pledge engagement with BP Plc. As one of the largest oil and gas producers in the world, BP has a significant role in the global transition to net zero. L&amp;G have had an ongoing dialogue with the company, spanning several years, to engage effectively and instigate change. Since this time, BP has introduced a Net Zero ambition by 2050 and expanded the company's target for Scope 3 emissions. Following the company's decision to revise oil production targets, L&amp;G reflected their concerns through active and consistent engagements with BP, including voting against the re-election of the Chair in 2023.</p> <p>Throughout 2024, L&amp;G continued to engage with BP on key objectives, including maintaining climate-related targets without downward revisions, demonstrating alignment to 1.5°C scenarios, avoiding new long lead-time oil and gas projects, enhancing value chain (Scope 3) disclosures, and applying responsible divestment standards. These areas remain central to L&amp;G's engagement strategy. L&amp;G remain the "lead" on the engagement between BP and the large climate engagement institution Climate Action 100+.</p> <p>The top five engagement topics are Climate Impact Pledge (153), Human Rights (49), Corporate Strategy (39), Climate Change (35), and Remuneration (32).</p> |
| <p><b>Legal &amp; General Investment Management</b></p> <p>Buy &amp; Maintain Credit</p> | <p>Total Engagements: 279</p> <p>Environmental: 203</p> <p>Social: 78</p> <p>Governance: 104</p> <p>Other: 47</p> | <p>L&amp;G have a strong and integrated ESG approach for pooled funds which follow a robust framework.</p> <p>At a firm level, L&amp;G regularly monitor companies and where engagements are unsuccessful, the team will assess where problems arise and new approaches to be employed. L&amp;G engage with regulators, governments, and other industry participants to address long-term structural issues.</p> <p>An example of a significant engagement includes:</p> <p><b>PepsiCo inc (multinational food and beverage company)</b> – L&amp;G has engaged with PepsiCo on plastics and the circular economy, given its role as a major global food and beverage manufacturer and leading plastic polluter. L&amp;G have set an objective that asks PepsiCo to phase out single-use fossil-fuel-based plastics, increase reuse and recycled content, and support the Global Plastics Treaty without negative lobbying.</p> <p>Following a joint investor letter in 2023, L&amp;G co-led a collaborative engagement in 2024 as part of the Plastic Solutions Investor Alliance, focusing on PepsiCo's strategy to reduce virgin plastic, address</p>                                                                                                                                                                                                                                                                                                                                                                                                                     |

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|                                                                      |                                                                          | <p>flexible packaging, and advocate for supportive regulation. L&amp;G also supported a shareholder resolution at the 2024 AGM requesting a comprehensive assessment of nature-related risks across its operations and supply chain.</p> <p>Progress remains ongoing, and L&amp;G will continue to lead and collaborate on this engagement to drive more sustainable packaging practices.</p> <p>The top five engagement topics are Climate Impact Pledge (115), Corporate Strategy (32), Climate Change (32), Human Rights (28), and Remuneration (28).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>M&amp;G Investment Management</b><br><br>Alpha Opportunities Fund | Total Engagements: 15<br>Environmental: 13<br>Social: 1<br>Governance: 1 | <p>M&amp;G's activities are consistent with its ESG policies, and it has a systematic approach around engagements in which specific objectives are outlined in advance and measured based on the outcomes from the engagements.</p> <p>Notable engagements over the period include:</p> <p><b>Volkswagen International Finance NV (multinational automotive manufacturer)</b> - M&amp;G engaged with the automotive manufacturer and distributor to urge alignment with its emission reduction commitments—specifically ensuring Scope 3 targets support the Paris Agreement's goal of limiting global warming to well below 2°C. M&amp;G also requested detailed disclosure of Volkswagen's total capital expenditure and its allocation within the climate transition plan.</p> <p>Volkswagen acknowledged the recommendations but maintained alignment with its targets. Independent analysis by SBTi confirmed the company is on track to meet its 2030 goals.</p> <p><b>ERAMET SA (multinational mining and metallurgy company)</b> - M&amp;G engaged with Eramet SA, a multinational mining and metallurgy company, to encourage a public commitment to international standards on indigenous rights, including the implementation of Free, Prior and Informed Consent (FPIC) across all jurisdictions. M&amp;G also requested detailed disclosure on the environmental impacts of Eramet's Indonesian operations, with verifiable evidence of mitigation efforts, setting a deadline of February 2026.</p> <p>Eramet responded, noting that Indonesia lacks a legal framework for FPIC (Free, Prior, and Informed Consent) aligned with global standards, and that the O'Hagana Manyawa people, who live on Halmahera Island near the Weda Bay mining site are not formally recognised as a customary law community. Nevertheless, its subsidiary, PT Weda Bay Mine, has identified the group as vulnerable and introduced protocols to ensure engagement with the community by mine employees is culturally sensitive.</p> <p>Following L&amp;G's engagement Eramet has made a public commitment to adhere to globally accepted</p> |

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|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                    |                                                                                                                                                                   | standards in its treatment of indigenous people and Free, Prior, Informed Consent (FPIC) in the jurisdictions in which it operates in its publicly available Human Rights report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Partners Group</b><br><br>Global Real Estate<br>Secondary Funds | Partners were unable to provide an engagement summary for either GRES 2009 or GRES 2013 over the period. Both Funds are currently in the process of winding down. | Partners Group's representatives on the board of directors of a portfolio company collaborate with the Partners Group investment teams as well as the ESG & Sustainability team to formulate and implement ESG initiatives, leveraging PG's Entrepreneurial Governance approach, and due diligence findings.<br><br>Post-acquisition, the PG team conducts an ESG & sustainability onboarding with senior management at the portfolio companies that cover its sustainable investment track record, standard ESG & sustainability practices, case studies of ESG & sustainability value creation and risk management projects, and relevant reporting requirements. This is followed by regular interactions or workshops on ESG & sustainability topics with these companies. In between, the ESG & Sustainability team conducts periodic check-ins with the assets on the ongoing ESG & sustainability projects and assesses whether adequate resources are being devoted to the material ESG & sustainability opportunities and risks. The PG team ensures that boards are informed on an annual basis, and KPIs and PAI are reported as needed. ESG & sustainability data is shared with potential buyers during sales processes, as relevant.<br><br>For every engagement, PG discusses its commitment to ESG and ambition for the company with company management teams. They align with company management and PG Investment and Industry Value Creation teams on the ESG topics most relevant to the company or asset's business and stakeholders, identify key ESG improvement opportunities, and define the vision and strategy for the company or asset's ESG engagement with PG. |
| <b>KKR</b><br><br>Lending Partners<br>Europe                       | KKR does not produce an engagement summary.                                                                                                                       | KKR do not currently have a firm-wide stewardship policy in place. Currently, engagement is the responsibility of the credit analysts and is not centralised with the ESG team. KKR also do not track and report specific ESG engagements.<br><br>Should ESG issues be material to the credit worthiness of a deal, KKR may involve senior advisors and internal experts to engage with the portfolio company pre-investment.<br><br>Once invested, KKR will monitor deals on an ongoing basis and track and quantify ESG issues where possible.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

# Voting (for equity/multi asset funds only)

The Plan does not currently invest in equity or multi asset mandates and therefore Isio do not expect any of the Plan's managers to have a material number of voting rights.

