



KPMG Staff Pension Fund ("the Fund") Implementation Report

September 2025

Background and Implementation Statement

Background

The regulatory landscape continues to evolve as 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.

Statement of Investment Principles (SIP)

The Fund updated its SIP in response to the DWP regulation to cover:

Policies on the stewardship of the investments.

The SIP can be found online at the web address: https://www.zedra.com/wp-content/uploads/2024/07/KPMG_SPF_SIP_June_2024.pdf

Changes to the SIP, covering the 12 months to 31 March 2025 are detailed on the following pages.

Implementation Report

This Implementation Report is to provide evidence that the Fund continues to follow and act on the principles outlined in the SIP. This report details:

- Actions the Trustee has taken to manage financially material risks and implement the key policies in its 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 year up to 31 March 2025 for and on behalf of the Fund including the most significant votes cast by the Fund or on its behalf.

Summary of key actions undertaken over the Fund reporting year

DB Section

- The Trustee agreed to adopt climate change, biodiversity and labour rights as Stewardship Priorities for the Fund. These were noted in the June 2024 SIP and communicated to the investment managers.
- The full restructuring of the Fund's liability hedge started during the reporting period following receipt of the updated cashflows and the 2024 annual funding update. Schrodgers implemented the new LDI benchmark and hedging targets in Q4 2024. The updates to the BlackRock LDI mandate were completed post reporting period in April 2025.
- Isio prepared the Fund's annual Sustainability Integration Assessment ("SIA") report on behalf of the Trustee in March 2025. This document set out Isio's assessment of the ESG capabilities of each of the Fund's underlying investment managers and identified areas for engagement.
- In March 2025, the Trustee agreed to restructure the Fund's investment strategy by reducing its Buy & Maintain allocation, increasing its LDI allocation, restructuring the Credit Default Swap (CDS) overlay (reducing Investment Grade exposure, and removing all High Yield exposure) and introducing a new allocation to Asset-Backed Securities (ABS). PGIM was appointed as the Fund's ABS manager.
- Implementation of the revised investment strategy was completed post reporting period. The CDS allocation was restructured in May 2025, as an initial update, with the work required to onboard PGIM, and implement the wider strategy changes due to be completed over Q3 2025.

DC Section

- The Trustee agreed to adopt climate change, biodiversity and labour rights as Stewardship Priorities for the Fund. These were noted in the June 2024 SIP and communicated to the investment managers.
- The Trustee completed the triennial review of the Fund's default investment strategy. The Trustee decided to update the strategy to reflect market best practice and improve the growth potential of the strategy, while considering the Scheme's deferred-only and aging member profile. A new Long Term Growth Fund will be added to the early stages of the glidepath, where members will be fully invested in growth assets such as equities until 15 years to retirement. The Diversified Growth Funds, previously used within the KPMG Growth Fund, KPMG Pre-Retirement Fund, and KPMG At-Retirement Fund, have been replaced with Multi-Asset Credit funds, following concerns of underperformance against targets. From 15 years to retirement, members will follow the existing glidepath, moving into the Pre-Retirement fund at 8 years to retirement and into the At-Retirement fund 2 years before retirement. The strategy continues to target a flexible outcome at retirement and will be implemented consistently across both providers.

Implementation Statement

This report demonstrates that the KPMG Staff Pension Fund has adhered to its investment principles and its policies for managing financially material considerations including ESG factors and climate change.

Sign

Position

Date

Managing risks and policy actions

The Trustee has included a non-exhaustive list of risks and financially material considerations it has considered whilst implementing the Fund's investment strategy.

On this page we will look at the risks outlined in the Fund's SIP, the Trustee's policy and any actions in the accounting year taken to address those risks.

DB Section

Risk / Policy	Definition	Policy	Actions and details on changes to policy
Investment	The risk that the assets underperform the investment objective.	<p>Selecting an investment objective that is achievable and is consistent with the DB Section's funding basis and the sponsoring company's covenant strength.</p> <p>Investing in a diversified portfolio of assets.</p>	<p>The Trustee agreed to restructure the Fund's strategic asset allocation by reducing its Buy & Maintain allocation, increasing its LDI allocation, restructuring the Credit Default Swap overlay, and introducing a new allocation to Asset-Backed Securities.</p> <p>The implementation of the agreed changes was completed post reporting period.</p> <p>The revised investment strategy will be reflected in the next SIP update.</p>
Funding	The extent to which there are insufficient DB Section assets available to cover ongoing and future liability cashflows.	<p>Funding risk is considered as part of the actuarial valuation and the investment strategy review.</p> <p>The Trustee will agree an appropriate basis in conjunction with the investment strategy to target the journey plan.</p>	There were no changes to the funding approach during the reporting period.
Covenant	The risk that the sponsoring company is unable to continue to provide the required	When developing the DB Section's investment and funding objectives, the Trustee takes account of the strength of the covenant.	There were no changes to the covenant during the reporting period.

	financial support to the DB Section.		
Interest rates and inflation	The risk of mismatch between the value of the DB Section assets and present value of liabilities from changes in interest rates and inflation expectations.	To hedge all the interest and inflation risk relative to the funding level of the DB Section on a liability Funding basis.	<p>Work was ongoing during the reporting year to update the liability benchmark held by the Fund's LDI managers following the availability of updated liability cashflows and the completion of the 2024 annual funding update.</p> <p>The update of the liability benchmark with Schroders was completed in Q4 2024. The update with BlackRock was completed in April 2025 (post reporting end).</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.	The Trustee monitors the Fund's collateral and liquidity position quarterly, to reduce the impact of this risk.
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 possible.	The Trustee monitors risks in the portfolio quarterly.
Credit	Default on payments due as part of a financial security contract.	To diversify this risk by investing in a range of credit markets across different geographies and sectors.	The Trustee monitors credit risks and concerns in the portfolio quarterly.
Environmental, Social and Governance ("ESG")	Exposure to ESG factors, including but not limited to climate change, which can impact the performance of the DB Section's investments.	<p>To delegate to investment managers the consideration of ESG factors in determining the appropriate holdings within their portfolios.</p> <p>Unless there is a good reason to do otherwise, the Trustee will appoint managers who have a Responsible Investment ('RI') Policy / Framework which is Implemented via the Investment Process.</p> <p>The Trustee has formulated their own "ESG Policy" which specifically addresses the Trustee's views and beliefs</p>	<p>The Trustee monitors the appointed investment managers to ensure that they are managing ESG risks in an appropriate manner and in line with the Trustee's ESG policy.</p> <p>Over the period, the Trustee carried out an SIA on the Fund's investment managers. This document outlined Isio's assessment of the managers' current ESG capabilities and identified areas for engagement.</p> <p>The Trustee previously undertook the work required</p>

		<p>on ESG considerations, how ESG risks should be best managed within the Fund, and to what extent ESG factors should be integrated into the Fund's investment strategy. This ESG Policy has been formulated for both the DB and DC Sections of the Fund.</p> <p>In 2024, the Trustee agreed a set of stewardship priorities for the Fund and shared them with the Fund's investment managers. These stewardship priorities have been set for both the DB and DC Sections of the Fund.</p>	<p>to agree a set of stewardship policies for the Fund. These priorities were formally agreed over the period and were documented in the June 2024 SIP and shared with the Fund's investment managers.</p>
Currency	The potential for adverse currency movements to have an impact on the DB Section's investments.	Hedge all currency risk on all assets that deliver a return through contractual income.	There was no action taken in relation to this risk over the reporting period.
Non-financial	Any factor that is not expected to have a financial impact on the DB Section's investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments.	There was no action taken in relation to this risk over the reporting period.

DC Section

Risk / Policy	Definition	Policy	Actions and details on changes to policy
Inflation	Risk that the growth in members' pension savings does not keep pace with inflation over the long term.	The Fund offers investment choices to provide options for members looking to grow the value of their savings and has set performance targets against this risk.	There were no changes made specifically in relation to this risk over the reporting period.
Shortfall	The risk that member pot sizes will be less than they had hoped for.	The Trustee will aim to provide clear communication on at least an annual basis to inform members of the likely value of their benefit at retirement. This will allow members to make informed decisions about both their level of savings and where they invest their contributions.	There were no changes to the policy over the reporting year. However, following the strategy review in 24/25, a new Long Term Growth fund (100% equity) has been added during the growth phase, along with new Multi Asset Credit funds to replace the underperforming Diversified Growth Funds. These changes are expected to increase members' long-term retirement outcomes.
Performance	Experiencing losses due to factors that affect the overall performance of the financial markets.	The Trustee has provided a range of carefully considered choices which balance the need to increase value but without exposing members to too much of this risk.	The Trustee receives quarterly monitoring reports to track the performance of funds. During the reporting period, they did note some underperformance amongst the self-select funds. The Trustee is due to review the self-select fund range in 2025.
Pension Conversion	The risk for members nearing their retirement, that the potential impact of poor performance leading to a reduction in retirement benefit value is significantly increased, as they have less time to make up any lost money.	The Trustee has created its choice of funds to cater for members looking to limit this risk to provide greater certainty as members approach their retirement. Further, the Lifestyle strategy automatically manages member's savings to limit this risk as they near retirement.	There were no concerns raised with the DC Section's investment managers during the reporting period.
Manager	The risk a fund manager may not achieve their objectives.	The Trustee receives quarterly investment performance reporting from their investment advisors to assess how the Fund's investment managers are performing relative to their objectives. The Trustee has decided to include funds which significantly reduce this risk by	There were no concerns raised with the DC Section's investment managers during the reporting period.

		limiting the way in which the manager can invest members' savings. These are typically referred to as 'passive investments'.	
Diversification	The risk of keeping all your eggs in one basket or holding a limited number of different investments increases the risk of losing money if one particular investment fails.	The Trustee has designed the fund range to provide appropriate levels of diversification in each of the fund options.	There were no concerns raised with diversification of the DC Section's investments during the reporting period.
Liquidity	Risk that members' pension savings may not be liquidated in line with reasonable expectations.	The Trustee has limited this risk by offering funds designed to reduce this issue, which provide daily or weekly liquidity.	There were no concerns raised regarding liquidity with the DC Section's investment managers during the reporting period.
Environmental, Social and Governance ("ESG")	Management of the Fund's assets with regard to Environmental, Social and Governance factors, including but not limited to climate change which can impact the performance of the Fund's investments.	To appoint managers who account for ESG factors as part of their investment process. The Trustee monitors the managers in this regard on an ongoing basis.	The Trustee received additional advice over the reporting period in relation to the proposed default changes to incorporate ESG considerations into the default strategy.
Non-financial	Any factor that is not expected to have a financial impact on the DC Section's investments.	The Trustee has considered how financially material considerations over the appropriate time horizon of the investments, including how those considerations ESG factors (which include climate change), are taken into account in the selection, retention and realisation of investments.	There were no concerns raised with the DC Section's investment managers during the reporting period.

Changes to the SIP

Over the 12-month period to 31 March 2025, the Trustee updated the SIP to ensure compliance with the latest guidance from the regulator. This focused on changes to reflect the Trustee's decision to adopt stewardship priorities.

Changes to the SIP

Date updated: June 2024

Stewardship Priorities

- The Trustee agreed a set of stewardship priorities for the Fund and shared them with the Fund's investment managers. The Trustee will engage, via their investment adviser, with investment managers and/or other relevant persons about relevant matters (including the Fund's stewardship priorities) at least annually.
- The Trustee will ensure any agreed changes to the stewardship priorities are communicated to the investment managers in a timely manner to ensure alignment in voting and engagement activity.
- The Trustee has set the following stewardship priorities for the Fund and has communicated these with their investment managers:
 - Climate change
 - Biodiversity
 - Labour rights

Current ESG policy and approach

ESG as a financially material risk

The SIP describes the Fund's policy with regards to ESG as a financially material risk. The Trustee has agreed a more detailed ESG policy which describes how they monitor and engage with the investment managers regarding their ESG policies.

This page details the Fund's ESG policy.

Risk Management	<ol style="list-style-type: none">1. ESG factors can be financially material and managing risks such as climate change forms part of the Trustee's decision making process, where possible.2. Whilst the Trustee recognises the importance of considering and integrating all ESG risk factors, the Trustee places particular importance on climate risk and therefore will consider making additional allowance for the Fund's climate impact within investment strategy design and implementation.3. Whilst the Trustee wishes to invest in managers and funds that exhibit best practice in terms of ESG integration, the Trustee will continue to maximise the risk / reward profile of any investment. Any positive tilts to ESG factors will be made where the Trustee / investment manager(s) feels that these investment will generate superior long-term returns and/or lower risk.4. The Trustee will consider the ESG values and priority areas of the sponsor. In addition, and specifically in respect of the DC Section of the Fund, the Trustee will aim to consider the ESG values and the views of the Fund's members where possible and appropriate.
Approach / Framework	<ol style="list-style-type: none">5. The Trustee will seek to understand how investment managers integrate ESG considerations into their investment decisions and include reference to ESG capabilities in future evaluation criteria when selecting new investment managers or funds.6. The Trustee believes that sectors aiming for positive social and environmental impacts may outperform as countries transition to more sustainable economies. Where possible the investment strategy will seek to allocate to these sectors.
Voting & Engagement	<ol style="list-style-type: none">7. The Trustee will seek to understand, where available, each investment managers' approach to engaging with portfolio companies and the effectiveness of these activities.8. The Trustee has set clear stewardship priorities which have been communicated to the Fund's investment managers to influence stewardship activity, engagement, and voting.9. Managers investing in companies' debt, as well as equity, have a responsibility to engage with the management of investee companies on ESG issues.10. The Trustee believes that engaging with managers is more effective to initiate change than divesting and so will seek to communicate key ESG actions to the managers.

Reporting & Monitoring	<p>11. ESG factors are dynamic and continually evolving; therefore, the Trustee will receive training to develop and maintain an understanding of these factors.</p> <p>12. Through the Trustee's regular reporting and ongoing due diligence of the Fund's investment managers, supported by their investment consultant, the Trustee will seek to monitor suitable ESG metrics, where available, to understand the impact of investments.</p> <p>13. The Trustee will take advice from their investment consultant to set appropriate ESG targets for the Fund.</p>
Collaboration	<p>14. Investment managers should sign up and comply with common codes and practices such as the UNPRI & the UK Stewardship Code. If they do not sign up, they should provide a valid reason why.</p> <p>15. Investment managers should engage and collaborate with other market participants to encourage best practice on various issues such as board structure, remuneration, sustainability, social issues, risk management and debtholder rights.</p>

ESG summary and actions with the investment managers

The table below outlines the key findings of the Fund's 2024/25 Sustainability Integration Assessment ("SIA"). This includes a summary of the current approach in relation to ESG and climate issues, and actions that have been identified at both the firm and mandate levels. Further details can be found in the Fund's 2024/25 SIA report. The investment advisor has shared these actions with the investment managers on behalf of the Trustee. Progress against these actions will be monitored annually and reported in the 2026 Implementation Statement.

DB Section

	Firm ESG Summary	Actions Identified	Mandate ESG Summary	Actions Identified
BlackRock – LDI & CDS	BlackRock have explicit stewardship priorities on which to engage with investee companies, overseen by a central team.	Introduce formal firm-level stewardship objectives within their ESG policy. Commit to a Net Zero target, with meaningful interim targets.	This mandate has no specific ESG objectives, but ESG is considered in counterparty selection and monitoring.	Report on counterparty engagements and ESG scores ESG metrics and data reporting should be verified Provide evidence of engagement with counterparties
BlackRock – Buy & Maintain	They collaborate with initiatives on a broad range of ESG topics.	Reconsider position in relation to CA100+ and NZAMI membership.	The mandate has no specific ESG objectives, however ESG factors are integrated into the credit selection process.	Conduct more regular reviews of the ESG scorecard Provide biodiversity metrics in reporting Document case studies of engagements, including outcomes
Schroders – LDI & CDS	Schroders has a strong ESG credentials and policies. Schroders have a strong risk management approach by partnering with multiple academic institutions to help manage key risks.	Increase regular mandatory sustainability training at the firm-level.	This mandate has no specific ESG objectives, but Schroders do consider ESG in counterparty selection and monitoring.	Improve reporting capabilities of internal ESG scores and start to report mandate-level carbon footprints Consider changing their policy around disclosing their internal ESG ratings for counterparties
Schroders – Buy & Maintain			The mandate has no specific ESG objectives, however, ESG factors are integrated into the credit selection process.	Assess the effectiveness of green bonds and introduce sector-specific scorecards

Update scorecards annually to keep up with market trends

**CQS –
Multi-Asset
Credit**

CQS has strong firm-level policies.

There is strong engagement with collaborative initiatives across industry topics.

Introduce a formal ESG training program with defined priorities.

Consider greater centralisation of stewardship.

The mandate has quantifiable ESG objectives and regular reporting includes ESG and climate metrics.

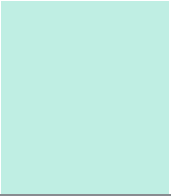
Develop ESG reporting further to cover social and nature metrics
Stewardship

Increase overall engagement with underlying issuers on ESG matters

Grow the coverage of reported / verified greenhouse gas emissions

DC Section

	Firm ESG Summary	Actions Identified	Mandate ESG Summary	Actions Identified
Aviva Investors Multi-Strategy Fund	<p>Strong firm-level policies, (e.g. net zero commitment by 2040)</p> <p>Strong approach to Stewardship, with defined priorities detailed in firm-wide ESG policy</p> <p>Member of 20+ key initiatives</p>	<p>Integrate SI specialists to each asset class investment team</p> <p>Introduce a formal, compulsory training programme for analysts and PM teams with defined training priorities.</p>	<p>No quantitative ESG objectives.</p> <p>Sustainability team provide analysis which allow material ESG risks to be identified and addressed, where appropriate.</p>	<p>Implement specific ESG objectives.</p> <p>Consider external reporting on environmental factors (GHG emissions, WACI, ITR).</p> <p>Provide links to stewardship priorities in engagement reporting.</p>
BlackRock ACS World ESG Insights Equity Fund			<p>No quantitative ESG objective</p> <p>The Fund has climate targets but lacks social or nature targets.</p> <p>Reporting score improved over the year due to greater ESG data provided in TCFD reporting.</p>	<p>Consider extending the Fund's ESG policy to include net zero targets.</p> <p>Report on stewardship and engagement actions.</p> <p>Develop a model to assess climate scenario impacts.</p>
BlackRock Market Advantage Fund	<p>BlackRock have explicit stewardship priorities on which to engage with investee companies, overseen by a central team.</p> <p>They collaborate with initiatives on a broad range of ESG topics.</p>	<p>Introduce formal firm-level stewardship objectives within their ESG policy.</p> <p>Commit to a Net Zero target, with meaningful interim targets.</p> <p>Reconsider position in relation to CA100+ and NZAMI membership.</p>	<p>The fund aligns with the Paris Agreement including the 1.5°C temperature target and 7% annual decarbonisation.</p> <p>Managers utilise ESG scorecards as part of their due diligence.</p>	<p>Provide better data coverage on ESG metrics within its reports (GHG data, impact reporting).</p> <p>Include Social, Nature or Bio-diversity related metrics as part of regular ESG reporting.</p>
BlackRock Sterling Government Liquidity Fund			<p>BlackRock are limited in their integration of ESG factors due to the asset class involved.</p> <p>The fund's scores have remained relatively stable with declines in collaboration.</p>	<p>Implement specific ESG objectives.</p> <p>Develop an approach for climate modelling and estimating implied temperature in reporting.</p> <p>Update ESG scorecard annually (in line with best practice).</p>
Schroders ISF Global Diversified Growth Fund	<p>Schroders has a strong ESG credentials and policies.</p> <p>Schroders have a strong risk management approach by partnering with multiple academic institutions to help manage key risks.</p>	<p>Increase regular mandatory sustainability training at the firm-level.</p>	<p>No specific ESG objectives</p> <p>Overall score has reduced this year due to fall in reporting score with individual ESG ratings / social / nature metrics not included in reporting.</p>	<p>Provide case studies to show climate and social risks being captured during due diligence.</p> <p>Provide GHG emissions data >70%-90%+ and social / nature-based metrics in official reporting.</p>



Strong evidence of engagement in line with stewardship priorities at a fund level.

Engagement

As the Fund invests via fund managers, the managers provided details on their engagement actions including a summary of the engagements by category for the 12 months to 31 March 2025.

DB Section

Fund name	Engagement summary	Commentary
BlackRock Buy & Maintain Credit + LDI	<p><i>Buy & Maintain Credit</i> Total Engagements: 61 Environmental: 24 Social: 21 Governance: 56</p> <p>Biodiversity: 4 Climate Risk: 24 Human & Labour Rights and Human Capital Management: 20</p> <p>Top 5 engagement topics Corporate strategy: 37 Business oversight/risk management: 32 Climate risk management: 24 Board effectiveness and director qualifications: 24 Compensation and remuneration: 20</p> <p>This information covers engagements for the 12 months to 31 March 2025.</p> <p>Engagements with LDI entities: 108 at LDI desk level.</p> <p>Climate Risk: c.35 Biodiversity: c.5 Human and Labour rights topics: c.20</p> <p>Some engagements cover multiple topics.</p>	<p>At firm-level, BlackRock engages with many companies and looks to provide regular updates to clients about its engagement and voting policies. The Investment Stewardship team is responsible for encouraging sound corporate governance practices and encouraging companies to deliver long-term, sustainable growth and returns for clients through engagement and proxy voting.</p> <p>BlackRock consider ESG factors when carrying out its bottom-up credit analysis for the Buy and Maintain portfolio and will engage with the management of companies whose debt they are looking to purchase, through regular 1-to-1 meetings, to understand what these factors mean in practice. However, BlackRock do not impose a view on a company's ESG practices, or look to engage with them on it, but will look to determine what it means for a company's credit quality on a forward-looking basis, and how this could affect its ability to service its debt and credit profile.</p> <p>Buy and Maintain Portfolio – Shell</p> <p>BlackRock engaged with Shell in April 2024 to assess their updated Energy Transition Strategy and climate risk management, including alignment of targets with long-term value creation, amid a shareholder proposal urging changes to its climate strategy. This engagement is aligned with the Trustee's stewardship priority of climate change.</p> <p>Discussions focused on Shell's progress against its 2030 and 2050 net-zero goals, methodology for updating climate targets, and balancing energy transition risks and opportunities (e.g., renewable investments, emissions reductions).</p>

BlackRock supported Shell's management proposal to approve Shell's energy transition update and its Energy Transition Strategy 2024 (c.78% approval), citing credible progress and strategic clarity, but opposed the shareholder proposal (c.19% support) as overly prescriptive. BlackRock expects continued transparency on strategy execution and target adjustments as needed.

Shell's strategy has received consistent BlackRock backing since 2021 (79–89% support), reflecting confidence in its transition roadmap.

LDI Portfolio – Counterparty Bank (Barclays PLC):

BlackRock conducted sustained, high-level engagement with Barclays PLC between March 2024 and March 2025, focusing on climate risk integration, governance, and financial resilience.

This engagement aligned with BlackRock's stewardship priorities (Climate and Natural Capital, Board Quality, and Strategy) and the Trustee's stewardship priority (Climate Change), and aimed to assess material financial risks and ensure robust management of sustainability-related challenges.

Key interactions included meetings with the Chair of the Board, CEO, CFO, and senior climate risk leaders, culminating in a June 2024 deep-dive session co-led by BlackRock and a credit analyst. This examined Barclays' climate risk integration into decision-making and financed emissions management. In July 2024, direct feedback was provided at the board level on governance and disclosure improvements.

BlackRock played an active leadership role, acknowledging Barclays' progress as an industry leader in climate disclosures and risk management. This informed BlackRock's support for all AGM proposals in May 2024, including the Climate Strategy resolution, which passed with over 90% approval. While specific changes cannot be attributed solely to engagement, Barclays demonstrated responsiveness to investor feedback, enhancing governance frameworks and transparency.

Schroders Buy & Maintain Credit + LDI

Buy & Maintain Credit
 Total Engagements: 68
 Environmental: 66
 Social: 28
 Governance: 17

Climate Change: 47
 Human & Labour Rights and Human Capital Management: 28
 Natural Resource use and impact: 14

Schroders have undertaken a large number of engagements with its portfolio companies over the reporting period. The engagements concerned a range of subjects such as net zero carbon emission strategies, recommendations regarding Inclusivity & Diversity, and other sustainability-related issues.

The LDI team maintain contact with the Bank of England regarding issues that affect the gilt market as well as counterparties across a wide range of issues including climate change, diversity, governance oversight, transparency and disclosure, amongst others. Schroders also engage with the Debt

Engagements with LDI entities: >20 at LDI desk level

This information covers engagements for the 12 months to 31 December 2024.

Some engagements cover multiple topics.

Management Office (DMO) and counterparty banks on a regular basis.

Examples of engagements include:

Buy and Maintain portfolio – Bond Issuer (DS Smith):

Schroders engaged with DS Smith to address two key environmental concerns: climate transition and water management. This aligns with Schroders' priority to support companies that minimise environmental impacts and enhance resource efficiency and the Trustee's priorities – Biodiversity and Climate Change. Schroders initially chose to engage with DS Smith, a key player in paper-based packaging, due to its significant reliance on water for production and the broader risks associated with water scarcity and pollution.

Schroders has continued with their long-standing engagement on water management, which began in 2020. The engagement successfully fostered improvements in the company's water management practices. DS Smith committed to implementing water management plans at all sites by 2025 and achieving a 10% reduction in water withdrawal per tonne of production by 2030. In 2023, Schroders followed up with Investor Relations and Sustainability teams to assess progress on these commitments.

While positive steps have been taken, Schroders remains cautious about water risk exposure and will continue to monitor progress to ensure alignment with sustainable practices. Moving forward, Schroders will continue to communicate with the company to monitor their progress and support them in meeting their water management targets.

In December 2024, Schroders engaged with the company to review its progress on climate transition plans. The discussion referenced the Net Zero Engagement Initiative (NZEI) self-assessment template, which Schroders views as a valuable tool for guiding dialogue.

Schroders acknowledged the company's significant progress toward NZEI expectations. Schroders intend to continue engagement, focusing on specific elements of the company's climate strategy, both collaboratively through NZEI and independently.

LDI portfolio – Counterparty Bank (JPMorgan & Chase):

Schroders has conducted a long-standing engagement with JPMorgan Chase & Co due to significant exposure to climate and human rights risks through their global lending and capital markets activities. These risks include climate-related credit losses, legal liabilities, and reputational damage, particularly in relation to indigenous rights and

		<p>conflict-affected areas. The focus on climate risks relates to the Trustee's stewardship priority of Climate Change.</p> <p>Schroders have held multiple dialogues with the company, providing feedback on climate disclosures, including TCFD reporting, measurement of financed and facilitated emissions, and the publication of Energy Supply Financing Ratio (ESFR) in 2024, where JPMorgan led among US banks in disclosing this metric. Schroders also provided feedback on disclosure of social considerations in the bank's Carbon Assessment Framework and have engaged to better understand how JP Morgan is navigating succession planning and developing a leadership team that can deliver on sustainability commitments.</p> <p>In relation to human rights, Schroders engaged the bank following a shareholder proposal in 2024, requesting an assessment of the impact of oil and gas financing on indigenous communities. This led to a meeting with JPMorgan's environmental and social risk team after the 2024 AGM, where Schroders provided feedback on the indigenous rights disclosures, including providing more information on when enhanced human rights due diligence is conducted. Schroders believe the company was receptive to feedback, and the proposal was settled with its shareholder proponents in 2025, indicating progress.</p> <p>While JPMorgan has made measurable progress in climate-related disclosures and reporting, human rights engagement remains at an earlier stage, with steady but incomplete progress. Schroders plan to continue monitoring and engaging on the evolution of the Carbon Assessment Framework, improvements in client engagement disclosures, fossil fuel and green energy financing policies (particularly coal thresholds), enhanced transparency in succession planning and indigenous rights risk management.</p>
<p>CQS Credit Multi Asset Fund</p>	<p>Total Engagements: 78 Environmental: 100 Social: 37 Governance: 171</p> <p>Some engagements cover multiple topics.</p> <p>Climate Change: 40 Human & Labour Rights and Human Capital Management: 20 Natural Resource use and impact: 30</p>	<p>CQS have undertaken many engagements with corporate issuers, banks to whom it provides regulatory capital relief, CLO managers, regulators and service providers. Its engagement priorities include sustainable business practices, good governance and financial disclosure, climate risk management and encouraging disclosure and diversity within a company.</p> <p>An example of an engagement includes:</p> <p>Materials Technology Company:</p> <p>During 2024-2025, CQS engaged with a cathode materials producer regarding biodiversity concerns linked to historical mining activities in Europe, where deserted sites were alleged to have caused ecosystem damage and community harm, amplifying climate-related impacts.</p>

CQS sought updates from management on decontamination progress at legacy sites, focusing on ecological risks from mineral procurement and the broader implications of their rehabilitation efforts. This engagement is particularly relevant to the Trustee's stewardship priority on biodiversity.

Management confirmed the completion of remediation at the Issart site in January 2025, sharing details of their rehabilitation strategy. While no firm timeline was provided for the Haldes site, management at Materials Technology Company indicated remediation would commence later in 2025, with a projected completion window of twelve months. Though public disclosures on financial and environmental outcomes remain pending, CQS welcomed the transparency on Issart's progress.

CQS plan to re-engage the investor relations team in late 2025 to assess Haldes' status. Separately, the company highlighted upcoming publication of its inaugural CSDR-aligned report, which will cover decarbonisation progress, circular economy metrics, taxonomy alignment, and sustainable procurement frameworks. CQS will monitor these disclosures for alignment with stated commitments.

DC Section – Standard Life

Fund name	Engagement summary	Commentary
BlackRock ACS World ESG Insights Equity Fund	Total engagements: 679 Number of entities engaged: 406 Environmental: 247 Social: 266 Governance: 648	BlackRock provided a firmwide policy document which sets out their engagement priorities. These are board quality and effectiveness, strategy, purpose and financial resilience, incentives aligned with financial value creation, climate and natural capital and company impacts on people. BlackRock Engagement Priorities Summary
BlackRock Aquila Life Market Advantage Fund	Total engagements: 822 Number of entities engaged: 583 Environmental: 296 Social: 281 Governance: 787	Engagement example (Strategy, purpose and financial resilience): BlackRock Investment Stewardship (BIS) engaged with Acer Incorporated (Acer), a Taiwanese information and communications technology company. The engagement was part of Acer's May AGM to amend their bylaws to revise procedures for acquiring or disposing of assets, as well as procedures governing the lending of capital to others. Prior to their AGM, Acer released supplementary disclosures explaining how the proposed amendment would facilitate business expansion across various regions. These disclosures highlighted distinct investment limits for wholly owned subsidiaries compared to non-wholly owned subsidiaries and elaborated on the rationale for adjusting lending limits. Acer also identified specific subsidiaries likely to utilize the funds and outlined the intended purposes for the capital. In response to these disclosures, BIS requested further clarification from Acer's management. The company's detailed responses enhanced BIS's understanding of how Acer aligns its lending practices with broader business strategies and manages risks associated with investments in and loans to non-wholly owned subsidiaries. BIS determined that Acer provided sufficient disclosure for its proposal, which exceeded typical standards in the market. The company clearly outlined the business rationale for amending its procedures and detailed mitigating measures, such as committing not to exceed a specified percentage of Acer's net equity in investments and establishing lending limits for certain parties. These disclosures were deemed valuable in informing BIS's voting decision. Consequently, BIS supported management's proposal to amend the bylaws, which passed at the May 2024 AGM with approximately 59% shareholder approval.

**Schroders ISF
Global Diversified
Growth Fund***

Total engagements: 1,550
Number of entities
engaged: 373

Environmental: 971
Social: 279
Governance: 155
Other: 145

Schroders ISF Global
Diversified Growth Fund
engagement data covers
the 12 months to 31 Dec
2024, as Schroders only
produce annual
engagement reports at
year end.

Schroders have provided a firmwide policy document outlining how and why they engage, along with their 6 core engagement priorities which are climate change, natural capital and biodiversity, human rights, human capital management, diversity and inclusion and corporate governance.

Schroders Engagement Blueprint

Engagement example (Human Rights and Corporate Governance):

Schroders engaged with **Meta**, an American multinational technology company that owns and operates several prominent social media platforms and communication services, along with operating an advertising network for its own sites and third parties.

Schroders cross-thematic engagement with Meta combines human rights and corporate governance priorities. Since 2018, the focus has evolved from GDPR compliance to content moderation policies, emphasizing user safety. Under the human rights theme, Schroders advocates for ethical AI deployment, urging Meta to align with the OECD Principles on Ethical AI and support the SDGs.

The governance pillar prioritizes shareholder rights, stressing strong governance to ensure businesses act in stakeholders' long-term interests. Key actions include fostering transparent shareholder relationships to drive sustainable value creation. This dual approach balances ethical innovation with accountability.

In March, Schroders joined a stakeholder call to discuss a human rights saliency assessment, covering policy updates, training, and collaboration with Business for Social Responsibility. The assessment aimed to prioritize human rights risks, with emphasis on content moderation resourcing and future focus on algorithms.

At May's AGM, Schroders raised questions on harm concentration metrics and geographic disclosures but received no response. In November, a group call addressed conflicts between human rights policies and business goals, crisis protocols, AI ethics, and compensation links.

By year-end, engagement expanded to governance, including shareholder rights and dual-class share structure concerns. During a call led by the Illinois State Treasurer's Office, the company acknowledged shareholder unease over the Lead Independent Director role and combined Chair/CEO position, defending the founder's long-term vision and insulation from quarterly pressures.

Schroders appreciate Meta's willingness to engage and look forward to further progress on content moderation, disclosure, board independence and alignment to shareholder expectations. Schroders will continue to hold Meta, as the adoption of AI technology becomes entrenched throughout society and look forward to monitoring what Meta as well as other companies in the sector do in relation to the responsible use of AI.

BlackRock Aquila Connect Sterling Government Liquidity Fund	BlackRock are currently unable to provide engagement data by fund for the gilt, corporate bond and cash funds but are considering how such information can be provided going forward.
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DC Section - Aviva

Fund name	Engagement summary	Commentary
Aviva Investors UK Equity Index Fund	Total engagements: 220 Number of entities engaged: 127	Aviva provided a firmwide policy document which sets out their engagement priorities, these include climate change and nature, social and board leadership, and effectiveness. Engagement example (Social): Aviva engaged with Tesco , the UK's largest supermarket chain. During the 2023/24 financial year, the CEO pay saw a sharp increase to nearly £10 million in the 2023/24 financial year. This rise was mainly due to long-term incentive awards and a strong share price. At the same time, Tesco posted bumper profits of £2.3 billion, up from £882 million the previous year, during a period when many customers and employees were struggling with a cost-of-living crisis. This raised questions about how much the company may have benefited financially from the crisis.
	Environmental: 209 Social: 28 Governance: 163	
Aviva Investors US Equity Index Fund	Total engagements: 217 Number of entities engaged: 167	Aviva engaged with Tesco , the UK's largest supermarket chain. During the 2023/24 financial year, the CEO pay saw a sharp increase to nearly £10 million in the 2023/24 financial year. This rise was mainly due to long-term incentive awards and a strong share price. At the same time, Tesco posted bumper profits of £2.3 billion, up from £882 million the previous year, during a period when many customers and employees were struggling with a cost-of-living crisis. This raised questions about how much the company may have benefited financially from the crisis.
	Environmental: 256 Social: 29 Governance: 314	
Aviva Investors Japanese Equity Index Fund	Total engagements: 53 Number of entities engaged: 51	Aviva discussed with Tesco to understand how executive pay aligns with the experiences of employees and customers during the cost-of-living crisis. Tesco highlighted its pricing strategies—such as Aldi price matching, competitive pricing, and Clubcard offers—as efforts to support customers. However, Aviva urged Tesco to provide stronger evidence of how these strategies benefitted consumers. Concerns were also raised about the CEO's pay structure. Although the fixed salary increase was only 3%, it was based on an already high salary (£1.4 million), and the CEO's variable pay (525% of salary) is not accessible to most employees. While Tesco did raise store employee pay from £11.02 to £12.02 per hour in April 2024, Aviva questioned how fairly value is shared, noting that fewer than 20% of employees participate in the company's Save As You Earn (SAYE) plans. Due to concerns raised about executive pay, Aviva abstained from voting on Tesco's executive remuneration resolution at the AGM. Although 93.5% of votes supported the resolution, Aviva emphasised the importance of monitoring how Tesco responds to their feedback before the next AGM.
	Environmental: 41 Social: 13 Governance: 50	
Aviva Investors Pacific Rim Equity Tracker	Total engagements: 87 Number of entities engaged: 69	Aviva discussed with Tesco to understand how executive pay aligns with the experiences of employees and customers during the cost-of-living crisis. Tesco highlighted its pricing strategies—such as Aldi price matching, competitive pricing, and Clubcard offers—as efforts to support customers. However, Aviva urged Tesco to provide stronger evidence of how these strategies benefitted consumers. Concerns were also raised about the CEO's pay structure. Although the fixed salary increase was only 3%, it was based on an already high salary (£1.4 million), and the CEO's variable pay (525% of salary) is not accessible to most employees. While Tesco did raise store employee pay from £11.02 to £12.02 per hour in April 2024, Aviva questioned how fairly value is shared, noting that fewer than 20% of employees participate in the company's Save As You Earn (SAYE) plans. Due to concerns raised about executive pay, Aviva abstained from voting on Tesco's executive remuneration resolution at the AGM. Although 93.5% of votes supported the resolution, Aviva emphasised the importance of monitoring how Tesco responds to their feedback before the next AGM.
	Environmental: 108 Social: 7 Governance: 102	
BlackRock European Equity	Total engagements: 220 Number of entities engaged: 127	BlackRock provided a firmwide policy document which sets out their engagement priorities. These are board quality and effectiveness, strategy, purpose and financial resilience, incentives aligned with financial value creation, climate and natural capital and company impacts on people.
	Environmental: 209 Social: 27 Governance: 163	

BlackRock Engagement Priorities Summary

Engagement example (Climate and natural capital):

BlackRock Investment Stewardship (BIS) engaged with **Shell plc**, a British multinational oil and gas company operating in over 70 countries, ahead of their May 2024 AGM regarding updates to their Energy Transition Strategy 2024. This follows an initial strategy vote in 2021, which received 89% shareholder support, including BIS. In the years since, Shell has held advisory votes to report progress on its energy transition efforts.

In 2022 and 2023, Shell's energy transition proposals received 79% and 80% shareholder support. At the May 2024 AGM, a new proposal called for changes to Shell's climate strategy. Ahead of the meeting, Shell invited BIS to engage with its board and management to discuss how the company manages climate-related risks and targets, focusing on long-term financial value.

BIS supported Shell's management proposal at the May 2024 AGM, citing the company's clear climate risk strategy and progress on its Energy Transition Strategy. However, BIS did not support a shareholder proposal calling for changes to Shell's climate strategy, viewing it as overly prescriptive and conflicting with the board's existing plan. The management proposal passed with c. 78% support, while the shareholder proposal received only c. 19% and did not pass.

Aviva Investors Multi-Strategy Fund

Total engagements: 217
Number of entities engaged: 127

As shown above for Aviva Investors UK Equity Index Fund

Environmental: 274
Social: 26
Governance: 238

BlackRock Aquila Life Market Advantage Fund

Total engagements: 822
Number of entities engaged: 583

As shown above for BlackRock European Equity Index

Environmental: 296
Social: 281
Governance: 787

Voting (for equity/multi asset funds only)

As the Fund invests via fund managers, the managers provided details on their voting actions (where applicable) including a summary of the activity covering the reporting year up to 31 March 2025. The managers also provided examples of any significant votes.

There is no universal definition of what constitutes a “significant vote” and, as such, classification is at the discretion of the fund managers - what is considered to be a “significant vote” may vary across managers. For example, Schroders note that they consider any vote against management to be significant, whilst BlackRock consider any vote directly related to the Shareholder Rights Directive II to be significant. The following votes were deemed to be significant based on the overall holdings invested into the funds by the DC Section.

DC Section – Standard Life

Fund name	Voting summary	Examples of significant votes
BlackRock ACS World ESG Insights Equity Fund	<p>Votable Proposals: 9,366</p> <p>Proposals Voted: 8,802</p> <p>For ‘management’ votes: 8,579</p> <p>Against ‘management’ votes: 223</p> <p>Abstain votes: 29</p> <p>Votes contrary to proxy adviser: 20</p> <p>Use of proxy voter: Yes (ISS’s ProxyExchange)</p>	<p>Temonos AG</p> <ul style="list-style-type: none"> • Date of vote: 7 May 2024 • Reasoning for significant vote: Not provided. BIS provides rationale only for votes on shareholder proposals or where they vote against management. Votes cast in line with management are not accompanied by rationale unless they are flagged as significant through publication in a Vote Bulletin or inclusion in their Voting Spotlight or Annual Report. • Approx. holding size: Not provided • Summary of resolution: Approve remuneration report • Manager vote: Abstain • Vote against management, was intent communicated ahead of the vote: n/a • Voting rationale: BlackRock did not support the vote as Temonos’ remuneration arrangement is poorly structured, remuneration committee discretion has been misused, and disclosures does not provide sufficient understanding of the remuneration policies and linked between company performance and performance-based pay • Outcome of vote: Fail

		<ul style="list-style-type: none"> Next steps: Temenos acknowledged shareholder concerns and attributed the remuneration issues to exceptional circumstances during the CEO transition. The company also committed to reviewing the vote outcome and providing a clearer explanation in future remuneration disclosures.
BlackRock Aquila Life Market Advantage Fund	<p>Votable Proposals: 22,126</p> <p>Proposals Voted: 21,790</p> <p>For 'management' votes: 20,568</p> <p>Against 'management' votes: 1,222</p> <p>Abstain votes: 236</p> <p>Votes contrary to proxy adviser: 0</p> <p>Use of proxy voter: Yes (ISS's ProxyExchange)</p>	CSPC Pharmaceutical Group Limited <ul style="list-style-type: none"> Date of vote: 28 May 2024 Reasoning for significant vote: Not provided Approx. holding size: Not provided Summary of resolution: To re-elect Mr. CAI Dongchen as an executive director Manager vote: Against (Against management) Vote against management, was intent communicated ahead of the vote: BlackRock do not disclose vote intentions in advance of shareholder meetings as they do not want the vote to influence other investors Voting rationale: BlackRock voted against the re-election of CSPC's Chairman, who also chairs the board's Nomination Committee, due to concerns about board independence Outcome of vote: Pass Next steps: Not provided
Schroders ISF Global Diversified Growth Fund	<p>Votable Proposals: 16,606</p> <p>Proposals Voted: 16,010</p> <p>For 'management' votes: 14,328</p> <p>Against 'management' votes: 1,682</p> <p>Abstain votes: 21</p> <p>Votes contrary to proxy adviser: 1,500</p> <p>Use of proxy voter: Yes (Glass Lewis)</p>	The Walt Disney Company <ul style="list-style-type: none"> Date of vote: 3 April 2024 Reasoning for significant vote: Director election Approx. holding size: Not provided Summary of resolution: Elect Director Maria Elena Lagomasino Manager vote: Withheld Vote against management, was intent communicated ahead of the vote: Not provided Voting rationale: The nominee is chair of the remuneration committee and there has been no improvement to remuneration practices. Outcome of vote: Pass Next steps: Schroders monitor voting outcomes particularly if they are a large shareholder or if they have an active engagement on the issue. If they think that the company is not sufficiently responsive to a vote or other engagements, Schroders may escalate their concerns by starting, continuing, or intensifying an engagement.

DC Section – Aviva

Fund name	Voting summary	Examples of significant votes
Aviva Investors UK Equity Index Fund	<p>Votable Proposals: 9,792</p> <p>Proposals Voted: 9,741</p> <p>For 'management' votes: 9,260</p> <p>Against 'management' votes: 495</p> <p>Abstain votes: 36</p> <p>Votes contrary to proxy adviser: 408</p> <p>Use of proxy voter: Yes (Glass Lewis)</p>	<p>AstraZeneca Plc.</p> <ul style="list-style-type: none"> • Date of vote: 11 April 2024 • Reasoning for significant vote: The governance issues identified are potentially material to the investment case. • Approx. holding size: 7.12% • Summary of resolution: Elect Marcus Wallenberg • Manager vote: Against • Vote against management, was intent communicated ahead of the vote: Yes • Voting rationale: Aviva did not support the resolution they have concerns about Marcus Wallenberg's capacity to dedicate sufficient time to AstraZeneca's Board, given his extensive commitments as Chair/VC of SEB, Saab, EQT, and Investor AB, alongside private roles. His attendance record (5/9 Science Committee meetings, missing an urgent Board meeting) and the Board's lack of disclosure on his workload amplify doubts about his availability. • Outcome of vote: Pass • Next steps: Aviva will continue to engage with the company and expect Marcus Wallenberg to show improvement in managing his time across all board activities. Moving forward, AstraZeneca needs to ensure its board members are fully committed and capable of steering the company towards its strategic goals.
Aviva Investors US Equity Index Fund	<p>Votable Proposals: 7,225</p> <p>Proposals Voted: 7,118</p> <p>For 'management' votes: 4,192</p> <p>Against 'management' votes: 3,034</p> <p>Abstain votes: 28</p> <p>Votes contrary to proxy adviser: 2,648</p> <p>Use of proxy voter: Yes (Glass Lewis)</p>	<p>Broadcom Inc</p> <ul style="list-style-type: none"> • Date of vote: 22 April 2024 • Reasoning for significant vote: The issues identified are potentially material to the investment case. • Approx. holding size: 1.25% • Summary of resolution: Elect Henry S. Samueli • Manager vote: Against • Vote against management, was intent communicated ahead of the vote: Yes • Voting rationale: Aviva voted against this director due to unresolved concerns over the company's pay practices. Despite substantial shareholder dissent last year regarding remuneration arrangements, the Chair has not adequately addressed these issues, leading to calls for accountability over the

		<p>failure to align pay policies with stakeholder expectations</p> <ul style="list-style-type: none"> • Outcome of vote: Pass • Next steps: Aviva have engaged with Broadcom to display their concerns regarding the re-election of the Chair as the company's response to address shareholder concerns were not clear and robust enough.
<p>Aviva Investors Japanese Equity Index Fund</p>	<p>Votable Proposals: 5,723</p> <p>Proposals Voted: 5,723</p> <p>For 'management' votes: 4,897</p> <p>Against 'management' votes: 735</p> <p>Abstain votes: 91</p> <p>Votes contrary to proxy adviser: 555</p> <p>Use of proxy voter: Yes (Glass Lewis)</p>	<p>Nippon Steel Corporation</p> <ul style="list-style-type: none"> • Date of vote: 21 June 2024 • Reasoning for significant vote: The issues identified are potentially material to the investment case. • Approx. holding size: 0.40% • Summary of resolution: Shareholder proposal regarding aligning climate policies and lobbying activities with carbon neutrality goal • Manager vote: For • Vote against management, was intent communicated ahead of the vote: No • Voting rationale: Aviva supported the resolution as articles do not require amendment, Nippon Steel has committed to improving transparency by enhancing disclosures on major policy proposals, activities undertaken, and the rationale behind its policy decisions. • Outcome of vote: Fail • Next steps: Despite the resolution failing, the significant level of support signals that investors expect greater progress on climate action. Separately, Nippon Steel's \$15 billion bid for US Steel, which has drawn bipartisan political opposition, has drawn attention due to its hiring of former U.S. Secretary of State Mike Pompeo for lobbying efforts.
<p>Aviva Investors Pacific Rim Equity Index Tracker</p>	<p>Votable Proposals: 3,095</p> <p>Proposals Voted: 3,087</p> <p>For 'management' votes: 2,175</p> <p>Against 'management' votes: 888</p> <p>Abstain votes: 31</p> <p>Votes contrary to proxy adviser: 478</p> <p>Use of proxy voter: Yes (Glass Lewis)</p>	<p>BHP Group Ltd</p> <ul style="list-style-type: none"> • Date of vote: 30 October 2024 • Reasoning for significant vote: The issues identified are potentially material to the investment case. • Approx. holding size: 4.89% • Summary of resolution: Approve 2024 climate transition action plan • Manager vote: For (exceptional basis) • Vote against management, was intent communicated ahead of the vote: No • Voting rationale: Aviva voted for the approval of the climate transition plan due to improved transparency, which includes operational decarbonization efforts, steel decarbonization investments, and climate lobbying disclosures. However, continued support hinges on BHP providing stronger evidence of its decarbonization strategy's alignment

		<p>with a 1.5°C pathway (particularly for metallurgical coal), clearer capital allocation for steelmaking emissions, a detailed just transition framework for stakeholder impacts, and enhanced reporting on physical climate risks, methane management, and climate lobbying interdependencies.</p> <ul style="list-style-type: none"> • Outcome of vote: Pass • Next steps: Aviva engaged regularly with BHP through climate programs. While retaining some concerns about its strategy, Aviva acknowledge progress, particularly its improved transparency in the CTAP, reflecting responsiveness to shareholder concerns.
<p>BlackRock European Equity Index</p>	<p>Votable Proposals: 8,192</p> <p>Proposals Voted: 6,898</p> <p>For 'management' votes: 6,276</p> <p>Against 'management' votes: 622</p> <p>Abstain votes: 55</p> <p>Votes contrary to proxy adviser: 5</p> <p>Use of proxy voter: Yes (ISS's ProxyExchange)</p>	<p>Nestle SA</p> <ul style="list-style-type: none"> • Date of vote: 18 April 2024 • Reasoning for significant vote: This vote was selected as the issues identified are potentially material to the investment case • Approx. holding size: Not provided • Summary of resolution: Shareholder proposal regarding sales of healthier and less healthy foods • Manager vote: Against • Vote against management, was intent communicated ahead of the vote: BlackRock endeavour to communicate to companies when they intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. • Voting rationale: The proposal had structural concerns and Nestle's robust disclosures, policies and actions regarding nutritional content of its products, BlackRock do not believe it would benefit shareholders • Outcome of vote: Fail • Next steps: BlackRock believe Nestle should improve the health and nutrition of their products, however enforcing changes via Articles of Association is too rigid. BlackRock will communicate with Nestle after they set their own strategy and benchmarks.
<p>Aviva Investors Multi-Strategy Fund</p>	<p>Votable Proposals: 3,391</p> <p>Proposals Voted: 3,369</p> <p>For 'management' votes: 2,065</p> <p>Against 'management' votes: 1,262</p> <p>Abstain votes: 63</p>	<p>Capital One Financial Corporation</p> <ul style="list-style-type: none"> • Date of vote: 2 May 2024 • Reasoning for significant vote: This vote was selected as the governance issues identified are potentially material to the investment case. • Approx. holding size: 0.01% • Summary of resolution: Shareholder proposal regarding GHG targets and alignment with the Paris agreement • Manager vote: For

	<p>Votes contrary to proxy adviser: 1,151</p> <p>Use of proxy voter: Yes (Glass Lewis)</p>	<ul style="list-style-type: none"> • Vote against management, was intent communicated ahead of the vote: No • Voting rationale: Aviva voted for the proposal as Capital One have established Scope 1 and Scope 3 emissions reduction targets aligned with a 1.5°C pathway and joined the PCAF in 2023 to improve emissions measurement. However, its delay in setting a net-zero commitment for lending and investments raises concerns, particularly given its significant exposure to high-emission sectors like real estate (responsible for ~25% of U.S. emissions). • Outcome of vote: Fail • Next steps: Aviva expected a higher level of support regarding the proposal but believe it may speed up Capital One's progress regarding climate action.
<p>BlackRock Aquila Life Market Advantage Fund</p>	<p>Votable Proposals: 22,126</p> <p>Proposals Voted: 21,790</p> <p>For 'management' votes: 20,568</p> <p>Against 'management' votes: 1,222</p> <p>Abstain votes: 236</p> <p>Votes contrary to proxy adviser: 0</p> <p>Use of proxy voter: Yes (ISS's ProxyExchange)</p>	<p>UniCredit SpA.</p> <ul style="list-style-type: none"> • Date of vote: 27 March 2025 • Reasoning for significant vote: Not provided • Approx. holding size: Not provided • Summary of resolution: Authorise board to increase capital to service the 2024 group incentive system • Manager vote: For • Vote against management, was intent communicated ahead of the vote: BlackRock do not disclose vote intentions in advance of shareholder meetings as they do not want the vote to influence other investors. • Voting rationale: BlackRock voted for the increase in capital as use of remuneration committee discretion regarding the grant of a one-off award and disclosure does not provide sufficient understanding of the company's remuneration policies and the link between performance-based pay and company performance. • Outcome of vote: Pass • Next steps: Not provided

Aviva

Through Aviva's policies, they ensure their vote aligns with their sustainable investing policies.

Aviva's Global Voting Policy can be found [here](#).

More details on Aviva's voting policies can be found [here](#)

BlackRock

Through BlackRock's internal policies, they ensure their vote aligns with their stewardship policy.

BlackRock Investment Stewardship Global Principles

For more information on BlackRock's stewardship, please refer to the following webpage which contains more detail (including their voting and engagement policies) [here](#).

Schroders

Schroders ensure their vote aligns with their 12 stewardship principles and voting guidelines.

Schroders' Voting Guidelines

For further information on Schroders' voting and engagement policies, please refer to the following webpage which can be found [here](#).

