

John Lewis Partnership Pensions Trust (“the Trust”) – Defined Contribution (“DC”) Section Annual Implementation Statement – Year ending 31 March 2024

1. Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles (“SIP”) produced by the Trustee has been followed during the year to 31 March 2024. This statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, as amended, and the Department of Work and Pensions’ statutory guidance on reporting on stewardship in the implementation statement dated 17 June 2022.

The Trust has both a Defined Benefit (“DB”) Section and a Defined Contribution (“DC”) Section.

This statement covers only the DC section; a separate statement has been prepared for the DB section.

The table later in the document sets out how, and the extent to which, the policies in the DC Section of the SIP have been followed.

2. Trust Governance

2.1. The Trustee Board

The Trustee has overall responsibility for how the Trust’s investments are governed and managed in accordance with the Trust’s Deed and Rules as well as Trust Law, Pensions Law and Pension Regulations.

During the course of the year there were several changes to the Trustee Board. Venetia Trayhurn was appointed as Trustee Chair from August 2023, replacing Sarah Bates who retired from the Board in July 2023. During the Trust Year, David Bennett and Bridget Houghton, were appointed by the Partnership as Trustees following the departure of Sam Shaerf, Anna Tee, and Ian Maybury, who all stepped down. Juliette Barnett was elected as a member nominated Trustee Director during the Trust Year and subsequently resigned in March 2024.

The Trustee Board has Sub-Committees in place with each Sub-Committee given a particular area of focus (for example Defined Benefit or Defined Contribution matters). Terms of reference are in place for each Sub-Committee. Venetia Trayhurn was appointed as Chair of the Defined Contribution and Membership Sub-Committee (DCMC) in August 2023.

The Trustee Board is supported in its activities by the in-house Trustee Services team at the Partnership. Anthony Moriarty joined the Partnership in July 2023 as the Head of Trustee Services. From an investment perspective Anthony was supported by Imtayaz Ahmed and Simon Lai as Pensions Investment Managers over the Trust Year.

2.2. Trustee knowledge and understanding

During the Trust Year, the Trustee received training on a number of investment issues, which included ESG and sustainability considerations. The Trustee also carried out an ESG Beliefs survey to better understand the views of the Trust’s key stakeholders. Following this survey the Trustee has established a set of responsible investment beliefs, which have been set out in a standalone document since the end of the Trust Year, building on the high-level principles described in Section 24 of the SIP.

The details of all trainings the Trustee undertook during the Trust Year can be found on page 3.

2.3. Holding advisers and managers to account

The Trustee recognises the need to hold investment managers, advisers and consultants to account.

The Trustee has in place investment objectives for its Investment Consultant, Mercer, and its performance relative to these objectives is reviewed on a regular basis. The objectives may be revised at any time but will be reviewed at least every three years and after any significant change to the Trust’s investment strategy and objectives, as appropriate. Hymans Robertson took over from Mercer as the DC Section’s Investment Consultant in April 2024.

3. Statement of Investment Principles

3.1. Investment Objectives of the Trust

The Trustee believes it is important to consider the policies in place in the context of the investment objectives it has set. The objectives of the Trust included in the latest DC Section SIP are as follows:

- *The Trustee’s aim is to design a default investment strategy that will be suitable for the majority of members, in particular those members who are unwilling, or feel unable, to make investment choices.*
- *The Trustee also aims to provide a range of other self-select investment options for members who wish to have a higher level of control over their savings and/or feel the default investment strategy does not meet their requirements and/or appetite for risk.*

3.2 Review of the SIP

The statement is based on, and should be read in conjunction with, the relevant version of the SIP that was in place for the Trust Year, which is dated 28 September 2023. The Trustee consulted with the sponsoring company in finalising the SIP. An updated SIP is currently in the process of being agreed and is expected to be put in place ahead of 1 October 2024, to include the policy regarding the default arrangement investing in illiquid assets.

The latest SIP is publicly available and can be accessed via this link:

<https://www.johnlewispartnership.co.uk/meta/ilp-trust-for-pensions.html>.

3.3 Assessment of how the policies in the SIP have been followed for the year to 31 March 2024

The information provided in the following section highlights the work undertaken by the Trustee during the Trust Year to 31 March 2024 and sets out how this work followed the Trustee’s policies in the SIP.

In summary, it is the Trustee’s view that the policies in the SIP have been followed during the Trust Year to 31 March 2024.

4. More information

The Trustee hopes this Statement helps you understand how the Trust’s investment of your savings in the DC Section for retirement has been managed in the last year. If you want any more information on how the Trust is run, please visit:

<https://www.johnlewispartnership.co.uk/meta/ilp-trust-for-pensions.html>.

During the Trust Year, the Trustee received training on the following topics:

Date	Topic	Aim/benefit	Trainer
8 June 2023	Accessing at retirement options	To develop the Trustee's understanding of the retirement options that are available to members	Hymans Robertson
3 July 2023	Investment Strategy Evolution	To develop the Trustee's understanding of key themes of climate change for investors.	Mercer
3 July 2023	Climate Related Risks and Opportunities	To give the Trustee the opportunity to practice its response to a simulated cyber-attack and ensure the Trustee is as prepared as possible should the Trust be subject to an attack.	Aon
5 July 2023	Cyber War Games	To give the Trustee the opportunity to practice its response to changes in the employer covenant, alongside the procedures contained in the Emergency Plan.	Aon
5 July 2023	Covenant War Games	To develop the Trustee's understanding of DEI within the Trustee Board and practical ways to improve DEI.	Cardano
5 July 2023	Skills and Diversity	To develop the Trustee's understanding of the Mansion House reforms and the impact of these on the Trust.	Aon
18 January 2024	Mansion House reforms	To develop the Trustee's understanding of the retirement options that are available to members	Sackers
7 February 2024	General Code	To prepare the Trustee's for the investment strategy review that was due to take place in 2024	Aon
12 March 2024	Liquid Asset Classes	To develop the Trustee's understanding of key themes of climate change for investors.	Mercer



Strategic Asset Allocation

Policy	Location in SIP	How the policy has been met over the year to 31 March 2024
1 Investment beliefs	Sections 11-16	<p>The Trustee has developed a set of investment beliefs which it uses as a guide when making investment decisions. The Trustee’s investment beliefs cover a wide range of factors and provide a framework for setting the investment strategy for the Trust and for making investment-related decisions.</p> <p>The overriding objective is to maximise member outcomes, consistent with an appropriate level of risk, protecting members from significant reductions in the value of their pension account as they approach retirement.</p> <p>There were no changes to the investment beliefs during the last Trust year. However, the investment beliefs were re-tested and updated post Trust year end in May 2024.</p>
2 Kind of investments to be held	Sections 17-19	<p>The objectives and rationale for the default arrangement are set out in the SIP in sections 17-19 and for the other investment options on section 20.</p> <p>The Trustee regularly reviews the performance of each fund in which the Trust invests against its stated performance objective. The Trustee receives an investment performance monitoring report on a quarterly basis.</p>
3 The balance between different kinds of investments		<p>The Trustee monitors the suitability of the objectives for the default arrangement and for the other investment options and performance (after the deduction of charges) against these objectives at least every three years and without delay after any significant change in: (i) investment policy; or (ii) the demographic profile of the membership. The latest investment strategy review was completed on 8th December 2021, with the next review scheduled to be completed no later than 8th December 2024.</p>
4 Risks, including the ways in which risks are to be measured and managed	Sections 31-33	<p>As detailed in the risk section in the SIP on sections 31-33, the Trustee considers both quantitative and qualitative measures for risks when deciding investment policies, strategic asset allocation, the choice of investment managers, their funds and respective asset classes. The Trustee reviewed the measurement of a number of these risks on a quarterly basis during the year as part of its regular investment performance monitoring and wider, more strategic risks are considered as part of formal investment reviews. The Trustee also received ad hoc updates from both their Investment Consultant and the Pensions Investment Manager as and when required over the course of the year.</p>

	<p>Within the Trust’s default arrangement, a lifestyle approach is used to manage the appropriate levels of risk and return members face as they approach retirement. The strategy is designed to automatically move members from traditionally higher risk, higher return assets to less risky, lower return assets as they move closer to retirement.</p> <p>In addition to the normal investment risks faced investing in the funds used by the Trust, the security of your savings in the Trust depends upon:</p> <ul style="list-style-type: none"> • The financial strength of the investment platform provider (Legal & General) used by the Trust; • The financial strength of the fund managers used by the investment platform; and • The legal structure of the funds the Trust invests in. <p>There have been no changes to the structure of the funds used by the Trust during the last year. The Trustee is not aware of any material changes in the financial strength of the investment platform provider, or the fund managers used by the platform in the last year.</p> <p>The Trustee has a risk register in place which is reviewed by the Audit & Risk Committee. A risk monitoring report is reviewed by the ARC at each quarterly sub-committee meeting. At the Q3 2023 DCMC meeting, the DC Section of the Trust’s Risk Register was presented by Trustee Services and the full risk register was noted to allow for consideration of wider risks relating to the DC section. A detailed review of the risk register is being undertaken throughout 2024.</p>
<p>5 Expected Return on Investments</p> <p>Sections 14 and 17-20</p>	<p>The investment performance is reviewed by the Trustee on a quarterly basis – this includes the risk and return characteristics of the investment manager strategies used by the Trust.</p> <p>Individual funds are specifically monitored against their respective aims and objectives as well as being compared to peer group risk and return metrics.</p> <p>The Trustee believes that the main investment risks members face described in the SIP have not changed materially over the last year.</p> <p>The Trustee is satisfied that the current expected rates of investment return for the types of funds described in the SIP are still reasonable relative to the risks that members face.</p>



Investment Mandates

Policy	Location in SIP	How the policy has been met over the year to 31 March 2024
6 Securing compliance with the legal requirements about choosing investments	Section 3	<p>The Trust's Investment Consultant attended all DC Committee ("DCMC") meetings during the year and provided updates on fund performance and, where required, appropriateness of the investments used by the Trust.</p> <p>No other new investments were implemented over the reporting period covered by this Statement.</p> <p>Hymans Robertson were appointed as the Investment Consultant of the DC Section of the Trust in April 2024, taking over from Mercer.</p>
7 Realisation of Investments	Section 16	<p>Assets are invested in daily priced and daily traded pooled funds which hold liquid assets. The pooled funds are commingled investment vehicles which are managed by various investment managers. The selection, retention and realisation of assets within the pooled funds are managed by the respective investment managers. The funds are accessed via an Investment Platform and are held through a long-term insurance policy issued by Legal & General Assurance Society ("LGAS").</p> <p>There were no liquidity issues with the funds used by the Trust during the Trust year.</p>
8 Financial and non-financial considerations and how those considerations are taken into account in the selection, retention and realisation of investments	Sections 22 and 32	<p>The Trustee views the key investment risks identified in section 32 of the SIP to be financially material. The Trustee believes the appropriate time horizon within which to assess these considerations should be viewed by the Trustee at a member level. This will be dependent on the member's age and their selected retirement age.</p> <p>The majority of these risks are monitored on a quarterly basis by the DCMC through the quarterly performance reporting - this includes the risk and return characteristics of the investment manager funds used by the Trust. All of the risks identified are also considered as part of the formal strategic review process undertaken by the Trustee at least every three years. The latest review was completed on 8th December 2021, with the next review scheduled to be completed no later than 8th December 2024.</p> <p>Section 24 of the SIP sets out the Trustee's belief that ESG and climate change can affect the long-term performance and sustainability of the Trust's investments and therefore, that the management of ESG risks can assist the Trustee in fulfilling its investment duties. As part of the quarterly reporting process, the Trustee monitors the extent to which each underlying fund integrates ESG considerations into its investment decision making process by reviewing the ESG rating assigned to</p>

each fund by our investment advisors. The Trustee incorporates a more extensive review of how ESG is considered for the Trust's DC Section as part of the triennial investment review process. This will be considered in more detail as part of the upcoming triennial investment review, scheduled to be completed no later than 8th December 2024.

The Trustee formally considers the climate risk associated with its investments on an annual basis in the preparation of its Taskforce for Climate-Related Financial Disclosures (TCFD) report, in line with statutory requirements. The Trustee has set climate-related targets in line with these requirements, against which it monitors its investments. If one of its investment managers is not evidencing progress in this regard, the Trustee may consider its appointment. It should be noted that the climate-related risk is considered in the context of the other investment risks associated with the Trust's investments.

The Trust's second TCFD report covering the year ending 31 March 2023 was published during the Trust Year. In this report the Trustee considered how climate related risks and opportunities are measured, monitored and managed in the Trust. The Trustee also reported on Scope 3 emissions, where available, for the first time, in accordance with statutory requirements. The Trustee is preparing the third iteration of its TCFD report to be published alongside this statement.

The latest report can be found [here](#).

As noted in the SIP, at present the Trustee does not take into account non-financial factors in relation to the default arrangement. However, this will be considered in more detail as part of the upcoming triennial investment review in 2024.

The JLP Ethical Equity Fund, an option within the self-select range, tracks the FTSE4Good Global Equity Index so that it does consider certain non-financial factors, but the Trustee has not otherwise taken into account non-financial factors in its decisions during the year. The Trustee will consider whether to take into account member views at the next full review of the DC investment options, due to take place in 2024.



Monitoring the Investment Managers

Policy	Location in SIP	How the policy has been met over the year to 31 March 2024
9 Incentivising investment managers to align their investment strategies and decisions with the Trustees' policies	Section 26	<p>In the year to 31 March 2024, the Trustee discussed the continued appointment of the Trust's investment managers.</p> <p>The Trustee, with help from its Investment Consultants, has selected appropriate funds to align with its overall investment strategy. When reviewing and monitoring the Trust's investment managers, the Trustee takes into consideration the Investment Consultant's research ratings. The Trustee has also been assisted by the Trustee Services team in the assessment of the continued appointment of the Trust's investment managers.</p>
10 Incentivising the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity	Section 27	<p>The Trustee monitors the performance of the Trust's investments throughout the year.</p> <p>The ongoing monitoring the Trustee undertakes during the year to gauge how their investment managers consider ESG risks and opportunities is set out under item 7.</p>
11 Evaluation of the investment manager's performance and the remuneration for asset management services	Section 28	<p>When considering investment performance, the Trustee focuses on long-term performance. Shorter-term performance will however also be taken into consideration. During the year, the Trustee reviewed the measurement of a number of these risks on a quarterly basis as part of their regular investment performance monitoring.</p> <p>As part of the annual Value for Members ("VfM") assessment, the Trustee reviews member borne fees, which include investment manager fees. A VfM assessment was produced in August 2023 (for year to 31 March 2023) and the Trustee concluded that, overall, the Trust provided good value for members. A summary of the VfM assessment is contained within the Trust's annual Chair's Statement, the latest version can be found here.</p>

12	Monitoring platform providers and Fund Managers	Section 25-30	<p>The Trustee monitors the performance of the funds used by the DC section of the Trust by:</p> <ul style="list-style-type: none"> • Comparing the performance of each fund in which the Trust invests against its stated performance objective; • Receiving an investment performance monitoring report on a quarterly basis; and • Performing an annual review of investment as part of the Chair’s Statement and Value for Members assessment. <p>There have been no changes to the platform provider and funds during the last year. The Trustee is satisfied that the platform provider used by the Trust remains appropriate.</p>
13	Monitoring portfolio turnover costs	Section 29	<p>Over the year covered by this statement, the Trustee considered the levels of transaction costs as part of their annual VfM assessment and by publishing this information as part of the costs and charges disclosures mandated by regulations governing the Chair’s Statement.</p> <p>While the transaction costs provided appear to be reflective of costs expected of various asset classes and markets that the Trust invests in, there is not as yet any “industry standard” benchmark or universe to compare these to. The Trustee will continue to monitor transaction costs on an annual basis and to monitor developments on assessing these costs for value.</p> <p>Turnover for the funds held in the Trust can be found in Appendix 1.</p>
14	The duration of the arrangement with the investment manager	Section 30	<p>There remain no set durations for the funds used by the Trust. Investment managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage.</p>



ESG Stewardship and Climate Change

Policy	Location in SIP	How the policy has been met over the year to 31 March 2024
15 Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, trustee would monitor and engage with relevant persons about relevant matters)	Section 24	<p>The Trustee incorporates into the SIP details on responsible investment, which cover ESG factors, stewardship, climate change and sustainable investing. The Trustee keeps the policies under regular review with the SIP subject to review at least annually or following any material changes to the Trust's investment arrangements.</p> <p>The Trustee recognises that where the Trust invests in pooled funds, it is the investment manager which will engage with investee companies on behalf of its investors, and that the Trustee does not have direct control over the nature of these engagements.</p> <p>Managers are expected to provide a summary of their ESG and stewardship policies and to comment on these issues as part of any meeting with the Trustee or its in-house team or advisers. The Trustee also surveys its investment managers on an annual basis with regards to ESG issues, alongside the data collection process for the TCFD reporting process.</p>



Voting Disclosures

Policy	Location in SIP	How the policy has been met over the year to 31 March 2024
16 The exercise of the rights (including voting rights) attaching to the investments	Section 24 and 27	<p>The Trustee invests through pooled funds in which the voting rights are exercised by the investment fund managers. Where applicable, the Trustee expects the Trust's investment managers, unless impracticable, to exercise all voting rights attaching to shares or securities and take account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code. The managers are authorised to exercise discretion to vote as they think fit, but in doing so reflect the best interests of the pooled fund's investors including the Trust. The Trustee does not use the direct services of a proxy voter, although the investment managers may employ the services of proxy voters in exercising their voting rights on behalf of the Trustee.</p> <p>Voting activity information from each fund and manager (where provided) is summarised in the Appendix.</p> <p>Over the period covered by this Statement, the Trustee has not directly challenged managers on voting activity but is satisfied on the basis of reporting that the managers' approach to voting activity and engagement was aligned with the Trustee's policies during the period.</p>

Voting and Engagement Activity

Sections 24 and 27 of the SIP sets out the Trustee's policies on ESG factors, stewardship and climate change. These policies set out the Trustee's beliefs on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship.

The Trust's Stewardship Priorities

As described in section 24 of the SIP, the Trustee believes that active ownership can enhance the value of the Trust's underlying portfolio and help manage risks. The Trustee reviews its stewardship policy to ensure that it continues to hold its investment managers to account on voting and engagement. The Trustee takes its stewardship policy into account when selecting specific funds for the default or the self-select range, and when monitoring the performance of managers.

The DC Section of the Trust invests solely in pooled funds. As such, voting rights are delegated to the investment managers and the Trustee expects their investment managers to engage with the investee companies on their behalf. As the Trust's investments are held at arms-length from the Trustee and members through an investment platform operated by Legal & General, the Trustee is unable to instruct the fund managers on how they should vote on shareholder issues. The Trustee nevertheless:

- Chooses fund managers whose voting policy are consistent with the Trust's objectives;
- Expects fund managers to vote in a way which enhances the value of the funds in which the Trust invests;
- Monitors how the fund managers exercise their voting rights.

The Trustee decided the following ESG factors should have most focus when disclosing 'significant votes':

- **Environmental:** Climate change - low-carbon transition and physical damages resilience
- **Social:** Human rights - modern slavery, pay & safety in workforce and supply chains, and abuses in conflict zones
- **Governance:** Diversity, Equity and Inclusion (DEI) - inclusive & diverse decision making

To ensure the disclosures are manageable and meaningful, the Trustee has agreed to apply a filter based on size when disclosing significant votes. The Trustee has chosen to focus on the underlying funds in the Trust that hold 10% or more of DC Section assets and on the top ten company holdings in those funds from the voting information provided by the manager. This means the significant votes relating to the LGIM World Equity Index Fund and the Macquarie Global Multi-Strategy True Index Fund are disclosed later in this Statement. We have also included significant votes relating to the Prudential With Profits Fund given the Trust's large holding.

Voting Activity during the Trust year

The voting rights in relation to the assets held within the pooled funds is exercised by the investment managers. The SIP states “The Trustee will consider the investment advisers’ assessment of how the investment managers embed ESG into their investment process. In addition, the Trustee will request information about an investment manager’s ESG policies and how the manager’s responsible investment philosophy aligns with the Trustee’s responsible investment policy. This includes the investment manager’s policy on voting and engagement”.

It is the Trustee’s view that the policy has been followed during the Trust year.

The majority of voting activity will arise in public equity funds. However, voting opportunities may arise in other asset classes such as certain bonds, property, private equity and multi-asset funds. However, the Trustee has only received information relating to public equity funds this year. The Voting and Engagement policies and activities are therefore included for the Trust’s following managers: Legal & General Investment Management (‘LGIM’), Macquarie, BlackRock and HSBC.

Funds with Voting Rights

The funds with voting rights attached that are available to members as part of the default fund range or the self-select fund range are listed below along with summary voting statistics for each fund.

On behalf of the Trustee, the Trustee’s advisers have requested data in respect of the AVC funds with Aviva and Phoenix Life, this has not yet been received. The Trustee’s advisers will continue to explore all avenues to source this information.

Default Funds:-

- LGIM - All World Equity Index Fund
- LGIM – Diversified Fund
- LGIM – Global Developed Small Cap Index Fund
- BlackRock Market Advantage Strategy Fund
- Macquarie – Global Multi Strategy True Index Fund

Self-Select Funds:-

- LGIM – Ethical Global Equity Fund
- LGIM Future World Annuity Aware Fund

- BlackRock – Aquilia Life Market Advantage Fund
- HSBC – Islamic Global Equity Index

AVC Funds:-

- Prudential With-Profits Fund
- Aviva (formerly Friends Provident) With-Profits Sub-Fund
- Aviva (formerly Sun Life) With-Profits Sub-Fund
- Phoenix (formerly London Life) With-Profits Fund

The following funds are fixed income and cash funds. These types of investments do not have voting rights attached to them.

- LGIM Sterling Liquidity Fund

The table below summarises the voting statistics for the funds with voting rights in the default arrangement:

Default Funds: -	LGIM – All World Equity Index Fund	LGIM – Diversified Fund	BlackRock -Market Advantage Strategy Fund	LGIM – Global Developed Small Cap Index Fund	Macquarie – Global Multi Strategy True Index Fund
No. of resolutions eligible to vote	64,058	93,090	25,225	43,857	12,677
% resolutions voted	99.87	99.79	94.00	99.76	99.01
% resolutions voted for	79.27	76.58	93.00	74.01	89.12
% resolutions voted against	20.20	23.13	6.00	25.85	10.88
% resolutions abstained, did not vote etc.	0.53	0.29	1.00	0.13	2.08
Of the resolutions voted, the % voted with management.	36.53	26.39	71.00	14.99	56.74
Of the resolutions voted, the % against management.	63.47	73.61	29.00	85.01	43.26

Source: Investment Managers

Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote against management.

The below funds available in the self-select range have voting rights summarised as follows:

Self-Select Funds: -	LGIM – Ethical Global Equity Fund	LGIM – Future World Annuity Aware Fund	BlackRock – Aquila Life Market Advantage Fund	HSBC – Islamic Global Equity Index
No. of resolutions eligible to vote	16,564	2	25,589	1,702
% resolutions voted	99.76	100	94.00	96.00
% resolutions voted for	81.38	0.00	93.00	76.00
% resolutions voted against	18.45	0.00	6.00	23.00
% resolutions abstained, did not vote etc.	0.17	0.00	1.00	4.00 (2 proposals abstained)
Of the resolutions voted, the % voted with management.	24.96	0.00	72.00	18.00
Of the resolutions voted, the % against management.	75.04	0.00	28.00	82.00

Source: Investment Managers

The funds with voting rights attached that are available to members with AVC policies are listed below along with summary voting statistics for each fund.

AVC Funds: -	Prudential – With-Profits Fund
No. of resolutions eligible to vote	65,638
% resolutions voted	98.4
% resolutions voted for	92.0
% resolutions voted against	7.0
% resolutions abstained, did not vote etc.	1.0
Of the resolutions voted, the % voted with management.	62.4
Of the resolutions voted, the % against management.	37.6

Source: Investment Managers

Significant Votes

The Trustee also considers how the fund managers voted on specific issues. The Trustee considers ‘significant votes’ to be either companies with relatively

large weightings in the funds members invest in, or where there were shareholder issues that members are expected to have an interest.

The Trustee has asked its managers to report on the most significant votes cast within the portfolios they manage on behalf of the Trustee. Managers were asked to explain the reasons why votes identified were significant, the size of the position in the portfolio, how they voted, any engagement the manager had undertaken with the company and the outcome of the vote. The majority of public companies hold their Annual General Meeting (AGM) during the second quarter of each year.

Significant votes can be determined by alignment with any key stewardship priorities or themes identified by a scheme, and/or defined as those that have a large relative size of holding in portfolio, potential impact of vote on company, profile of resolution, among others. At present, the Trust does not have any key stewardship priorities or themes. Therefore, the Appendix provides a list of significant votes that are defined as those with a large relative size of holding in the portfolio, potential impact of vote on company, or profile of resolution, among others.

The most significant shareholder votes and how the fund managers voted during the last year can be found below:

	Apple	Microsoft Corporation	The Kroger Company	Wells Fargo & Company	Johnson & Johnson
Resolution	Report on Median Gender/Racial Pay Gap	Report on Risks of Operating in Countries with Significant Human Rights Concerns	Report on Efforts to Reduce Plastic Use	Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets	Report on Government Financial Support and Equitable Access to Covid-19 Products
	February 2024	December 2024	June 2023	April 2023	April 2023
LGIM	For	For	For	For	For
BlackRock	Against	Against	Against	Against	Against
HSBC	For	For	For	For	For
Macquarie	For	For	For	-	For
Phoenix Life					
Aviva					
Prudential	For	For	For	For	For

<p>Comments :</p>	<p>Prudential: Disclosing the pay gaps could help shareholders understand how diversity and inclusion is being addressed at the company.</p> <p>Macquarie: Supported by proxy advisor recommendations</p>	<p>Prudential: Given the expansion of data centres, additional disclosures around human rights risks would benefit shareholders.</p> <p>Macquarie: Supported by proxy advisor recommendations</p>	<p>Macquarie: Supported by proxy advisor recommendations</p>	<p>LGIM: We generally support resolutions that seek additional disclosures on how they aim to manage their financing activities in line with their published targets. We believe detailed information on how a company intends to achieve the 2030 targets they have set and published to the market (the 'how' rather than the 'what', including activities and timelines) can further focus the board's attention on the steps and timeframe involved and provides assurance to stakeholders. The onus remains on the board to determine the activities and policies required to fulfil their own ambitions, rather than investors imposing restrictions on the company.</p>	<p>Macquarie: Supported by proxy advisor recommendations</p>
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Use of Proxy Voting Services by the managers

The table below sets out the use of proxy voting for each of the managers holding public equity.

Manager	Use of proxy voting
LGIM	<p>LGIM’s Investment Stewardship team uses ISS’s ‘ProxyExchange’ electronic voting platform to electronically vote clients’ shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. Their use of ISS recommendations is purely to augment their own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that LGIM receive from ISS for UK companies when making specific voting decisions.</p> <p>To ensure their proxy provider votes in accordance with our position on ESG, they have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what they consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice.</p> <p>They retain the ability in all markets to override any vote decisions, which are based on their custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows us to apply a qualitative overlay to their voting judgement. They have strict monitoring controls to ensure their votes are fully and effectively executed in accordance with their voting policies by their service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform them of rejected votes which require further action.</p>
BlackRock	<p>BlackRock’s proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams – Americas (“AMRS”), Asia-Pacific (“APAC”), and Europe, Middle East and Africa (“EMEA”) - located in seven offices around the world. The analysts with each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock’s Global Principles and custom market-specific voting guidelines.</p> <p>While they subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into their vote analysis process, and they do not blindly follow their recommendations on how to vote. They primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where their own additional research and engagement would be beneficial. Other sources of information BlackRock use include the company’s own reporting (such as the proxy statement and the website), their engagement and voting history with the company, and the views of their active investors, public information and ESG research.</p>

	<p>In summary, proxy research firms help them deploy BlackRock’s resources to greatest effect in meeting client expectations</p> <ul style="list-style-type: none"> • BlackRock sees its investment stewardship program, including proxy voting, as part of its fiduciary duty to and enhance the value of clients’ assets, using their voice as a shareholder on their behalf to ensure that companies are well led and well managed • They use proxy research firms in their voting process, primarily to synthesise information and analysis into a concise, easily reviewable format so that their analysts can readily identify and prioritise those companies where their own additional research and engagement would be beneficial • They do not follow any single proxy research firm’s voting recommendations and in most markets, they subscribe to two research providers and use several other inputs, including a company’s own disclosures, in their voting and engagement analysis • They also work with proxy research firms, which apply our proxy voting guidelines to filter out routine or non-contentious proposals and refer to their meetings where additional research and possibly engagement might be required to inform their voting decision • The proxy voting operating environment is complex and BlackRock work with proxy research firms to execute vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting
HSBC	<p>They use the leading voting research and platform provider Institutional Shareholder Services (ISS) to assist with the global application of their voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene our guidelines. They review voting policy recommendations according to the scale of their overall holdings. The bulk of holdings are voted in line with the recommendation based on their guidelines.</p>
Macquarie	<p>Institutional Shareholder Services "ISS" is the proxy advisory firm for this account. ISS provide research and recommendations on how to vote, based on MAM's guidelines. ISS monitors corporate events in connection with the account and after receiving proxy statements, will review the proxy issues and recommend a vote in accordance with MAM Global Proxy Voting Guidelines. ISS also functions as the platform through which votes are submitted.</p>
Prudential	<p>M&G T&IO use research provided by ISS and the Investment Association; and we use the ProxyExchange platform from ISS for managing our proxy voting activity.</p> <p>Voting is not outsourced nor is a proxy voting services utilised for any assets under full discretionary mandate. M&G T&IO have engaged professional third-party proxy advisory firm-Institutional Shareholder Services Inc. (“ISS”) for the provision of voting recommendations and execution services. They assist M&G T&IO in voting on an informed basis with respect to issues presented by proxies. In addition to professional advice, they will also incorporate findings from their investment research on M&G T&IO investee companies in determining their voting decisions.</p> <p>M&G T&IO have entered into an agreement with Institutional Shareholder Services, Inc. (ISS) to perform various proxy voting-related administrative services, such as vote processing and recordkeeping functions. While M&G T&IO also receive research reports and vote</p>

recommendations from ISS and Glass, Lewis & Co., Inc., MFS analyses all proxy voting issues within the context of the MFS Proxy Policies, which are developed internally and independent of third-party proxy advisory firms. MFS' voting decisions are not defined by any proxy advisory firm benchmark policy recommendations. MFS has due diligence procedures in place to help ensure that the research M&G T&IO receive from their proxy advisory firms is accurate and to reasonably address any potentially material conflicts of interest of such proxy advisory firms.

Exercising M&G T&IO clients' shareholder rights through proxy voting is an important element of the portfolio management services that they provide to the advisory clients who have authorised Prudential to address these matters on their behalf. As a fiduciary, M&G T&IO guiding principle in performing proxy voting is to seek to make decisions in the best interest of their clients by favouring proposals that, in their view, maximise a company's shareholder value. This reflects M&G T&IO's belief that sound corporate governance can create a framework within which a company can be managed for the long-term benefit of shareholders.

M&G T&IO retain a third-party proxy voting service, Institutional Shareholder Services ("ISS"), to assist in the implementation of certain proxy voting-related functions including, without limitation, operational, recordkeeping and reporting services. Among its responsibilities, the proxy service prepares a written analysis and recommendation of each proxy vote that reflects the proxy service's application of their guidelines to the particular proxy issues. In addition, in order to facilitate the casting of votes in an efficient manner, the proxy service generally prepopulates and automatically submits votes for all proxy matters in accordance with such recommendations, subject to M&G T&IO's ability to recall such automatically submitted votes. They also have a contract with a second proxy voting data provider, Glass Lewis, to obtain additional analysis on proxy issues.

M&G T&IO retain the responsibility for proxy voting decisions and set their own proxy voting policy and do not rely on the proxy voting service house policy.

M&G T&IO conduct an annual due diligence meeting with the proxy voting service to review the processes and procedures the proxy voting service follows when making proxy voting recommendations based on the Guidelines and to discuss any material changes in the services, operations, staffing or processes. To ensure the proxy voting service has appropriately implemented the Policy, the Global Stewardship Team and Operations monitor a representative sample of the recommendations. Please refer to M&G T&IO's Approach to Proxy Voting and their Global Proxy Voting Policy on M&G T&IO's website for more details.

M&G T&IO utilise ISS and other resources for Prudential's proxy voting process. For clients who delegate authority to them to vote proxies on their behalf, M&G T&IO have written Proxy Voting Policies and Procedures ("Proxy Policies") to retain the proxy advisory services of Institutional Shareholder Services Inc. ("ISS") and adopted ISS Proxy Voting Guidelines to assist them in exercising shareholder voting rights and evaluating shareholder proposals in light of the best interests of their clients. M&G T&IO also retain the services of independent proxy

consultants, whose proxy voting guidelines and proxy advisory recommendations they consider, to augment research in certain markets. M&G T&IO have also retained ISS as their proxy voting agent to, effect proxy votes and maintain appropriate records. M&G T&IO may also receive research related to proxy voting from other services; however, clients may not direct them to use specific proxy voting services.

The investment team is responsible for proxy voting decisions, and each Matthews Asia strategy's Lead Manager has ultimate authority and discretion to vote for proxies in the best interest of the strategy they manage. Matthews Asia's Operations team is responsible for casting the votes.

The Corporate Governance and Stewardship Sub-Committee is charged with implementing Matthews Asia's Responsible Investment activities, active ownership principles, stewardship, and ESG integration. Together with the Responsible Investment & Stewardship Sub-Committee, this group also oversees the proxy voting process.

Source: Investment Managers

Appendix 1 – Turnover data

Portfolio turnover for the Plan's assets over the year to 31 March 2024 is provided in the below table.

Fund	Annual portfolio turnover (%)
Macquarie - True Index Multi-Factor Fund	34.22
HSBC – CCF Islamic Global Equity Fund	10.07
LGIM – Diversified Fund	39.45
LGIM – All World Equity Index GBP Hedged	9.65
LGIM Ethical Global Equity Index	13.23
LGIM – Future World Annuity Aware Fund	35.96
LGIM - Global Developed Small Cap Index Fund	31.31

Source: Investment Managers

Appendix 2 – Manager voting policy

Legal & General Investment Management

<https://www.lgim.com/landg-assets/lgim/document-library/capabilities/lgim-uk-corporate-governance-and-responsible-investment-policy.pdf>

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

BlackRock

<https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf>

<https://www.blackrock.com/corporate/literature/publication/blk-stewardship-priorities-final.pdf>

<https://www.blackrock.com/corporate/insights/investment-stewardship>

Macquarie

<https://vds.issgovernance.com/repo/10059/policies/MAM%20Voting%20Guidelines%202.pdf>

HSBC

<https://www.assetmanagement.hsbc.co.uk/-/media/files/attachments/uk/policies/voting-guidelines-uk.pdf>

Prudential

https://www.mandg.com/~/_media/Files/M/MandG-Plc/documents/responsible-investing/stewardship/voting-policy-2023.pdf

https://www.mandg.com/~/_media/Files/M/MandG-Plc/documents/responsible-investing/pac-asset-owner/pac-voting-standard-2024.pdf

Phoenix Life

<https://www.thephoenixgroup.com/media/btreca5d/global-voting-principles.pdf>

Aviva

<https://static.aviva.io/content/dam/aviva-investors/main/assets/about/responsible-investment/our-approach-to-responsible-investment/downloads/2024-global-voting-policy.pdf>