

Annual Implementation Statement – for Plan year ending 31 December 2024

IBM Pension Plan

1. Introduction

This document is the Annual Implementation Statement (“the statement”) prepared by the Trustee of the IBM Pension Plan (“the Plan”) covering both the Defined Benefit (“DB”) and the Defined Contribution (“DC”) Sections of the Plan. This statement has been prepared under the regulatory requirements now in force (principally comprising The Pension Protection Fund (Pensionable Service) and Occupational Pension Plans (Investment and Disclosure) (Amendment and Modification) Regulations 2018 (as amended) and the guidance published by the Pensions Regulator. The purpose of this statement is to:

- Set out the extent to which, in the opinion of the Trustee, the Plan’s Statement of Investment Principles (“SIP”), required under section 35 of the Pensions Act 1995, has been followed during the year
- Detail any reviews of the SIP the Trustee has undertaken, and any changes made to the SIP over the year as a result of the review
- Describe the voting behaviour by, or on behalf of, the Trustee over the year
- Set out the extent to which, in the opinion of the Trustee, the engagement policy within the SIP has been followed during the year.

A copy of this statement has been made available on the following website:

<https://www.smartpensionsuk.co.uk/#/page/governance-documentation>

2. Investment Objectives of the Plan

The Trustee has set the following objectives for the Plan as specified in the SIP:

DB Section

- The acquisition of suitable assets of appropriate liquidity that will generate income and capital growth to meet, together with any new contributions from the Employer, the cost of current benefits that the Plan provides.
- To limit the risk of the assets failing to meet the liabilities, both over the long-term and on a shorter-term basis.

DC Section

For the DC section of the Plan, the Trustee’s principal mission is to help members to maximise their retirement outcomes with an appropriate level of investment risk, by providing an investment framework which represents value for members, considers climate-related risks and opportunities where feasible, and which is in line with recognised market “good practice”, taking into account guidance from the Pensions Regulator and other appropriate industry and regulatory bodies.

In addition to the principal mission as stated above, the Trustee has the following investment objectives related to the DC section of the Plan:

- To offer default investment strategies that are suitable for the profile of defaulting members based on their expected risk tolerances and retirement objectives and embed climate change risk and opportunity considerations into their design.
- To offer a range of self-select investment options which are appropriate for the profile of most members and offer options for sustainable investment.

Furthermore, the Trustee has agreed a climate-related target for both the DB and the DC sections of the Plan, as set out in the 2023 Climate Change-related Disclosures Report. A copy of this report can be found here

<https://smartpensionsuk.co.uk/governance-documentation>

3. Review of, and changes to, the SIP

The SIP in place during the Plan year was formally adopted by the Trustee in November 2023. A further review of the Plan's SIP was conducted by the Trustee in 2025, taking formal advice from its Investment Adviser (WTW) dated July 2025. The changes made in the SIP (which include, but are not limited to, changes in DC investment strategy) will be reflected in next year's implementation statement. There were no updates made to the SIP in 2024.

4. Adherence to the SIP

Overall, the Trustee believes the policies and principles outlined in the SIP dated November 2023 (the SIP in place during the Plan year) have been adhered to during the Plan year from January 2024 to December 2024. The rest of this section and the remaining parts of this statement set out details of how this has been achieved for the Plan.

Investment Mandates

Securing compliance with the legal requirements about choosing investments

Policy: As required by legislation, the Trustee consults a suitably qualified person when making investment selections by obtaining written advice from its Investment Adviser. The policy is detailed in Section 2 (Plan Governance) of the SIP, which applies to the DB and DC sections of the Plan.

How has this policy been met over the Plan year?
DB Section
<p>During the Plan year, the Trustee undertook a strategy review which aimed to ensure there is sufficient income generation to meet cashflow requirements of the Plan and ensure there was sufficient return to make sure the Plan was resilient to risk.</p> <p>The results of the review were to increase the strategic asset allocation to credit by 25%, which would be sourced from the LDI portfolio, and the transition was to be completed in 2025. As part of this work, the Trustee received appropriate advice from WTW as Investment Advisor on where to invest the credit which was invested in existing strategies.</p> <p>Following the above-mentioned strategy review, the Trustee decided to replace an existing Core Credit manager, after seeking the appropriate investment advice, and the transition to this new manager was completed in 2025.</p> <p>The Trustee receives, on an annual basis, written confirmation from its Investment Adviser that the DB section's investment managers and underlying mandates remain suitable. During the Plan year, this confirmation was received in November 2024 and presented to the Trustee during the December Investment Committee meeting.</p>
DC Section
<p>During the Plan year, the Trustee undertook its triennial DC strategy review, in order to ensure the ongoing Lifecycle and Freestyle fund options remained fit for purpose. The review combined written advice from the Trustee's Investment Adviser, alongside detailed and considered discussions between the Trustee and its Investment Advisor. A number of changes were agreed, which are due to be implemented in 2025.</p> <p>The Trustee receives, on an annual basis, written confirmation from its Investment Adviser that the DC section's investment managers and underlying mandates remain suitable. During the Plan year, this confirmation was received in November 2024 and presented to the Trustee during the December Investment Committee meeting.</p>

Realisation of Investments

Policy: The Trustee's policy is that there should be sufficient liquidity within the Plan's assets to meet short-term cashflow requirements in the majority of foreseeable circumstances, so that realisation of assets will not disrupt the Plan's overall investment policy. The policy is detailed in Section 2 (Realisation of Investments) of the SIP, which applies to the DB and DC sections of the Plan.

How has this policy been met over the Plan year?
DB Section
Over the Plan year, the Plan held a diversified portfolio consisting mostly of readily realisable assets. This included maintaining sufficient liquid assets to meet both short-term and longer-term cashflow requirements. In addition, during the year the Trustee produced a review of the LDI implementation policy, collateral and the liquidity framework for the Plan. No concerns were flagged as part of this review.
DC Section
Members' investments within the DC section are traded and priced on a daily basis, allowing members to review their investments as and when required.

Environmental, Social and Governance (“ESG”)

Financial and non-financial considerations and how those considerations are taken into account in the selection, retention and realisation of investments

Policy: The Plan's SIP outlines the Trustee's beliefs on ESG factors (including climate change). The Trustee does not take into account non-financial matters in the selection, retention and realisation of investments.

Further details are included in Section 3 of the SIP, which applies to the DB and DC sections of the Plan.

How has this policy been met over the Plan year?
DB and DC Sections
<p>During the Plan year, the Trustee produced the Climate Change-related Disclosures Report for the Plan year end 31 December 2023. The report is publicly available at https://www.smartpensionsuk.co.uk/#/page/governance-documentation.</p> <p>The Trustee has delegated responsibility for the selection, retention, and realisation of investments to its investment managers and accordingly, the Trustee seeks to manage the risks and opportunities associated with these ESG factors by selecting industry leaders in investment management against criteria which include ESG considerations. ESG and the level of integration will differ across asset classes and by investment manager.</p> <p>During the Plan year, the Trustee conducted a review of its investment beliefs which included beliefs relating to sustainability. The Trustee also reviewed its stewardship priorities during the Plan year and the Trustee concluded that the current stewardship priorities remain appropriate. Hence, the key stewardship priorities will continue to be Climate Change, Energy Efficiency, and Diversity, Equity & Inclusion. The Trustee will review these priorities periodically.</p> <p>A Stewardship and ESG Ratings review was carried out in November 2024, updating the Trustee on whether the underlying fund managers were signatories of the Principles for the Responsible Investment and the 2020 UK Stewardship Code. The review also included alignment with the Trustee Stewardship priorities, Climate Target / Net Zero Asset Managers initiative signatory status, monitoring of percentage of women employed in leadership roles and exposure to UN Global Compact violators. The review concluded that:</p> <ul style="list-style-type: none"> • All managers have a stewardship or engagement policy which is publicly available and are signatories of the FRC stewardship code and signatories of PRI • Half of the managers are signatory to the Net Zero Asset Managers initiative and have a publicly available net-zero target • All managers believe climate change risks and DE&I to be important and form part of their investment process. This aligns with the Trustee's view/ definition of significant vote • Majority of managers now report Scope 3 emissions. <p>The Plan's Investment Adviser reports any change in managers' ESG ratings to the Trustee on an ongoing basis and makes recommendations to the Trustee, as appropriate. ESG ratings are also monitored as part of the annual Value for Members assessment in respect of the DC Section, whilst ESG is one of the criteria considered in the appointment and ongoing retention of investment managers.</p> <p>The Trustee does not require the Plan's investment managers to take non-financial matters into account in their selection, retention and realisation of investments. However, the Trustee has considered and assessed member views (regarding both financial and non-financial factors) in relation to the range of DC lifecycle/lifestyle and self-select ('Freestyle') funds offered to members.</p>

Voting and Engagement Disclosures

The exercise of the rights (including voting rights) attaching to the investments and undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the Trustee's would monitor and engage with relevant persons about relevant matters).

Policy: The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to the Plan's investments to the investment managers.

The Trustee supports the aims of the Stewardship Code, and its investment managers are expected to operate in accordance with the guidelines laid out therein. The investment managers are also encouraged to report their adherence to the Stewardship Code using the "comply or explain" principle where appropriate. It is also the Trustee's policy to obtain reporting on voting and engagement and to periodically review the reports to ensure the policies are being met.

Further details are set out in Section 5 (Rights Attaching to Investments (Stewardship)) of the SIP, which applies to the DB and DC Sections of the Plan.

How has this policy been met over the Plan year?

DB and DC Sections

The Trustee takes into consideration managers' voting and engagement policies. Whilst the Trustee has given the investment managers full discretion in exercising these rights, it is comfortable that the managers appointed have strong credentials in this area. The Trustee does not use the direct services of a proxy voter.

Following the DWP's Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement: Statutory and Non-Statutory Guidance, one of the areas of interest was the significant vote definition. The most material change was that the Statutory Guidance provides an update on what constitutes a "significant vote":

- A significant vote is defined as one that is linked to the Plan's stewardship priorities/themes.
- A vote could also be significant for other reasons, e.g. due to size of holdings.
- Trustees are to include details on why a vote is considered significant and rationale for the voting decision.

Section 5 includes examples of engagement activity undertaken by the Plan's investment managers with investments in equities and credit, setting out a summary of voting activity whilst highlighting the most significant votes cast on behalf of the Trustee by these investment managers for the Plan's equity investments.

Voting activity captured by the Plan's key stewardship themes are considered to be a significant vote. While the Trustee did not provide prior guidance to investment managers on what it considered to be a significant vote, it acknowledges that its key stewardship themes are largely in alignment with those of the Plan's investment managers.

All the Plan's investment managers within the DB section (excluding historic residual investments), are signatories to the current UK Stewardship Code. The Plan's investment managers within the DC section (LGIM and HSBC) are also signatories to the UK Stewardship Code.

Given the composition of the DB investment portfolio, all of the funds under the DB portion of the Plan fall out of the scope of the requirement to report proxy voting data and therefore the voting data in this report is specific to DC only.

As part of the 2024 Stewardship and ESG ratings review carried out in November 2024, the Investment Adviser produced a "deep dive" analysis on LGIM's voting record over the previous year, recognising the manager's important role within the DC section of the Plan.

Monitoring the Investment Managers

Incentivising asset managers to align their investment strategies and decisions with the Trustee's policies

Policy: The Trustee's policy is set out in Section 5 (Aligning Investment Manager Appointments with the Trustee's Investment Strategy) of the SIP, which applies to the DB and DC sections of the Plan.

How has this policy been met over the Plan year?
DB Section
<p>For the investments in pooled funds, the Trustee accepts that it cannot specify the risk profile and return targets for these funds. However, appropriate funds have been selected to align with the investment strategy.</p> <p>For the DB section's segregated mandates, the Trustee has specified criteria in the investment manager agreements for the managers to meet the Plan's specific investment requirements and to have regard to the Trustee's policies set out in the SIP.</p> <p>The Trustee has communicated carbon emissions targets set out within the Climate Change-related Disclosures Report with the Plan's investment managers and engaged on the approaches to ensure alignment towards the determined targets.</p>
DC Section
<p>As the Trustee invests exclusively in pooled investment funds, it accepts that it cannot specify the risk profile and return targets for these funds.</p> <p>In the year to 31 December 2024, the Trustee was satisfied that the contractual arrangement in place with LGAS, who administer the Plan's DC assets, remained appropriate.</p> <p>In addition, the Trustee's approach on assessing the investment managers' stewardship and how ESG integration is monitored is set out earlier in this statement.</p> <p>Consistent with the DB section, the Trustee has communicated carbon emissions targets set out within the Climate Change-related Disclosures Report with the Plan's investment managers and engaged on the approaches to ensure alignment towards the determined targets.</p>

Evaluation of asset managers' performance and remuneration for asset management services

Policy: The Trustee's policy is set out in Section 5 (Evaluating Investment Manager Performance) of the SIP, which applies to the DB and DC sections of the Plan.

How has this policy been met over the Plan year?
DB Section
<p>Over the year to 31 December 2024, quarterly performance reviews were held with most of the Plan's investment managers.</p> <p>In addition, both quarter and longer-term performance metrics for all the Plan's investment mandates were reported to the Investment Committee quarterly at both an asset class and investment manager level.</p>
DC Section
<p>The performance of each of the Plan's funds, including those used in the Lifecycle and Lifestyle arrangements, were reviewed by the Investment Committee at each of its quarterly meetings. This included fund performance against their benchmarks over both quarter and longer-term periods.</p> <p>The charges paid to LGIM for their services in 2024 were analysed as part of the annual Value for Members assessment for the DC section, which was conducted by the Plan's Investment Adviser in March 2024 and June 2025. Further fee benchmarking analysis was carried out in Q4 2024 as a result of the decisions taken as part of the DC investment strategy review.</p>

Monitoring portfolio turnover costs

Policy: The Trustee's policy is set out in Section 5 (Portfolio Turnover Costs) of the SIP, which applies to the DB and DC sections of the Plan.

How has this policy been met over the Plan year?
DB Section
As noted in the SIP, the Trustee does not explicitly monitor portfolio turnover costs with respect to the DB section of the Plan. Investment manager performance was reported and evaluated net of all fees and transaction costs (costs incurred as a result of buying and/or selling assets), and where possible, performance objectives for investment managers were set on a net basis. In this way, managers were incentivised to keep portfolio turnover costs to the minimum required to meet or exceed their objectives.
DC Section
Transaction costs are reviewed by the Investment Committee at each quarterly meeting. The transaction costs are also disclosed in the annual Chair's Statement. The transaction costs for each fund covers the buying, selling, lending and borrowing of the underlying securities in the fund by the investment manager.
The impact of transaction costs is also considered as part of any changes to investment strategy.

The duration of the arrangements with asset managers

Policy: The Trustee is a long-term investor and does not seek to change the investment arrangements on a frequent basis. Further details of the Trustee's policy are set out in Section 5 (Manager Turnover) of the SIP, which applies to the DB and DC sections of the Plan.

How has this policy been met over the Plan year?
DB Section
Over the Plan year, the Trustee undertook a review of UK active credit mandates and one of the Core Credit managers.
This activity reflects the funding position for the DB section and desire for liquidity. The Trustee's policy is not to alter investment arrangements on a frequent basis, in line with the above.
DC Section
There remains no set duration for investment manager appointments. There have been no changes to the Plan's investment managers over the Plan year, however the Trustee has agreed a number of changes to the Plan's overriding investment strategy as part of the triennial investment strategy review carried out in 2024.
These changes, which will impact both the default and alternative Lifecycle arrangements, and the Freestyle fund range, will be implemented during 2025. The existing managers are being retained, with some new funds introduced and others removed.

Strategic Asset Allocation

Kinds of investments to be held, the balance between different kinds of investments and expected return on investments

DB section

Policy: The Trustee's policy on the kinds of investments to be held and the balance between different kinds of investments can be found under Objectives and Policy (Section 6.1, 6.2 and 6.3) in the SIP.

How has this policy been met over the Plan year?
DB Section
The Trustee regards the high-level distribution and balance of the assets to be appropriate for the Plan's objectives and liability profile. Currently the Plan targets a Growth / Matching portfolio of 0.5% / 99.5%.
Over the year, the Trustee also undertook a review of its investment beliefs in order to develop a set of focused investment beliefs to guide strategy discussions and decision-making. In 2024, the Trustee completed a survey to formulate these beliefs, which were reviewed and discussed.
The SIP was updated in July 2025 to reflect the agreed changes to the investment arrangements.

DC section

Policy: The Trustee's policy on the kind of investments to be held and the balance between different kinds of investments can be found under the following sections of the SIP:

- Overall Aims and Objectives (SIP Section 6.11 – 6.12)
- Investment Objectives (SIP Section 6.13 – 6.14)
- Investment Policies (SIP Section 6.15 – 6.21)
- Default Investment Strategy - Aims and Objectives, Investment Policies, Members' Best Interests (SIP Sections 6.22 – 6.31)
- Legacy Default Investment Strategies - Aims and Objectives, Investment Policies, Members' Best Interests (SIP Sections 6.31 – 6.39)
- Additional Default Arrangements, Aims and Objectives, Investment Policies, Members' Best Interests (SIP Sections 6.40 – 6.45)

How has this policy been met over the Plan year?

DC Section

As part of the quarterly Investment Committee meetings, the Trustee reviews the performance of the funds within the Plan's investment range, including the funds that form part of the Lifecycle and Lifestyle arrangements. This includes fund performance against benchmarks over both short and longer-term periods. The Trustee was satisfied that the majority of the funds over the Plan year have performed in line with their underlying aims and objectives.

Where performance is not in line with expectations, the Trustee will continue to monitor funds closely and take action if this is felt appropriate. However, changes to existing funds or new fund additions are generally made as part of a more holistic assessment within the broader context of the Plan's aims (as evidenced by the 2024 investment strategy review) and not just based on historic performance. WTW's investment manager research and their assessment and view on the managers' ability to achieve the performance objective of the funds is also factored in alongside wider strategy considerations. The Trustee will continue to monitor the funds' performance at the quarterly Investment Committee meetings.

Strategic Asset Allocation

Risks, including the ways in which risk are to be measured and managed

DB section

Policy: The Trustee recognises a number of risks involved in the investment of the assets of the DB Section and that the choice and allocation of investments can help to mitigate these risks. Details of these risks can be found under the following section of the SIP:

- Risk Management (SIP Section 6.10).

The Trustee considers both quantitative and qualitative measures for a number of risks on an ongoing basis when deciding investment policies, strategic asset allocation, and the choice of asset classes, funds, and asset managers.

How has this policy been met over the Plan year?

DB Section

Details of how the specific risks identified in the SIP are measured and managed can be found under Section 6.10 of the SIP.

During the Plan year, the Trustee reviewed the investment strategy in full, which included a detailed quantitative assessment of the investment risks associated with the DB Section's assets.

The Trustee has an LDI Implementation Policy which sets out the operational and governance processes established and implemented by the Trustee, and responsibilities of each of the stakeholders involved in the management of the Plan's LDI portfolio. As discussed in the above, this was reviewed during the year.

The Trustee maintains a register of key risks, including investment risks, which is reviewed annually by the Governance Committee or more frequently if new risks are identified. 'Top' risks are also reviewed quarterly, whilst all investment risks are additionally reviewed by the Investment Committee. The register of key risks rates the impact and likelihood of the risks and identifies mitigating factors and additional actions taken. Updates were made to risks considered by the Trustee surrounding climate risks, with ESG integration, in every triennial investment strategy.

The Trustee also received updates from its Investment Adviser on developments concerning the Plan's investment managers as required on an ongoing basis.

DC section

Policy: The Trustee recognises a number of risks involved in the investment of the assets of the DC Section and that the choice and allocation of investments can help to mitigate these risks. Details of these risks can be found under the following section of the SIP:

- Investment Policies (SIP Section 6.20)

In determining which investment options to make available, the Trustee considers the investment risk associated with DC pension investment. The risk can be defined as the uncertainty over the ultimate amount of savings available on retirement.

How has this policy been met over the Plan year?

DC Section

Details of how the specific risks identified in the SIP are measured and managed can be found under Section 6.20 of the SIP.

The Trustee received administration reports quarterly from LGAS, which were reviewed by the Trustee to ensure that core financial transactions were processed within agreed service levels and regulatory timelines.

The Trustee maintains a register of key risks, including investment risks, which is reviewed annually by the Governance Committee or more frequently if new risks are identified, whilst all investment risks are additionally reviewed by the Investment Committee. The register of key risks rates the impact and likelihood of the risks and identifies mitigating factors and additional actions taken.

Risk, and in particular how risk should be defined in the context of a member's journey through to retirement, was a key element of the DC investment strategy review that was carried out over the second half of 2024.

5. Voting and Engagement

Voting Activity during the Plan year

Set out below is a summary of voting activity for this reporting period relating to the relevant strategies in the DC Section of the Plan. Funds where voting is not applicable (i.e. non-equity funds) are not included. There is no voting data for the DB section as the Plan does not hold any equity funds.

Except for certain Additional Voluntary Contributions (AVCs) invested with Aviva, the DC investments are managed by LGIM and HSBC and held on the Legal & General investment platform.

Table 1								
Manager name	LGIM	LGIM	LGIM	LGIM	LGIM	LGIM	LGIM	LGIM
Fund name	Global Equity (70:30)	Global Equity (60:40)	All World Equity	World (ex-UK) Developed Equity	UK Equity	Global Real Estate Equity	Infrastructure Equity	World Emerging Market Equity
Number of securities at end of reporting period	4,590	2,924	4,181	2,281	507	349	86	1,802
Number of meetings eligible to vote	7,279	2,971	6,674	2,140	722	403	94	4,437
Number of resolutions eligible to vote	72,352	37,861	64,461	26,749	10,188	4,142	1,174	35,559
% of resolutions voted	99.9%	99.7%	99.8%	99.6%	100.0%	100.0%	98.6%	99.9%
Of the resolutions on which voted, % voted with management	81.1%	81.9%	79.6%	77.0%	94.0%	79.1%	72.6%	80.4%
Of the resolutions on which voted, % voted against management	17.8%	17.8%	19.2%	22.7%	6.0%	20.8%	26.5%	17.6%
Of the resolutions on which voted, % abstained from voting	1.1%	0.3%	1.3%	0.4%	0.0%	0.1%	0.9%	2.0%
Of the meetings in which voted, % with at least one vote against management	59.1%	69.3%	60.6%	80.7%	40.3%	69.2%	89.4%	51.6%
Of the resolutions on which voted, % voted contrary to recommendation of proxy adviser	9.9%	13.1%	10.4%	16.5%	5.2%	16.4%	22.6%	6.4%

Table 2								
Manager name	LGIM	LGIM	LGIM	LGIM	LGIM	LGIM	LGIM	HSBC
Fund name	Future World Fund	Ethical UK Equity	Ethical Global Equity	Sustainable Developed (ex-UK) Equity Index	Sustainable Global Equity Index	Sustainable UK Equity Index	Sustainable Emerging Markets Equity Index	Shariah Fund
Number of securities at end of reporting period	1,401	220	1,092	1,238	3,186	310	1,639	99
Number of meetings eligible to vote	1,711	260	1,174	1,392	5,516	382	3,742	103
Number of resolutions eligible to vote	22,007	4,499	16,651	19,541	55,469	6,160	29,768	1,677
% of resolutions voted	99.5%	100.0%	99.5%	99.4%	99.8%	100.0%	100.0%	94.0%
Of the resolutions on which voted, % voted with management	80.1%	94.3%	82.1%	76.7%	90.0%	94.1%	81.1%	77.0%
Of the resolutions on which voted, % voted against management	19.6%	5.7%	17.6%	22.8%	18.2%	5.9%	17.7%	22.0%
Of the resolutions on which voted, % abstained from voting	0.3%	0.1%	0.4%	0.6%	0.9%	0.1%	1.3%	0.0%
Of the meetings in which voted, % with at least one vote against management	71.4%	40.0%	74.0%	83.0%	59.7%	39.0%	53.2%	76.0%
Of the resolutions on which voted, % voted contrary to recommendation of proxy adviser	15.0%	4.9%	13.7%	17.0%	10.0%	4.5%	6.5%	1.0%

Most significant votes over the year

Commentary on a subset of the most significant votes over the period, from the Plan's asset managers who hold listed equities, is set out below. A "significant vote" is defined as one that is related to the Plan's beliefs and stewardship priorities, and/or it is a significant vote because of the size of the Plan's holdings portfolio. The votes included below are those that the Trustee believes to be significant based on:

- The Trustee's beliefs and stewardship priorities which relate to Climate Change, Energy Efficiency, and Diversity, Equity & Inclusion; and
- The top 10 holdings of the underlying funds invested in the Plan's default investment strategy which has equity exposure (i.e. All World Equity Index Fund, Future World Global Equity Index Fund, Infrastructure Equity and Global Real Estate Equity Index Fund).

Fund Name	All World Equity	All World Equity
Company name	Apple Inc.	Exxon Mobil Corporation
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	3.7%	0.6%
Date of vote	28 February 2024	29 May 2024
Summary of the resolutions	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy	Resolution 4: Revisit Executive Pay Incentives for Greenhouse Gas (GHG) Emission Reductions
How you voted	Against	Against
Stewardship topic	Diversity, Equity & Inclusion	Climate Change
Rationale for the voting decision	A vote AGAINST this proposal is warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and nondiscrimination policies, and including viewpoint and ideology in EEO policies does not appear to be standard industry practice.	A vote AGAINST is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.
Criteria for selecting this vote as "most significant"	LGIM views diversity as a financially material issue for its clients, with implications for the assets it manages on their behalf. However, LGIM already believes Apple's policies are fit for purpose.	This shareholder resolution is considered significant due to misleading proposals (shareholder resolutions brought with the aim of undermining positive environmental, social and governance behaviours) are a relatively recent phenomenon. Such proposals often appear to be supportive of, for example, the energy transition but, when considered in depth, are actually designed to promote anti-climate change views.
Outcome of the vote	Fail	Not provided
Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.	LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Fund Name	Sustainable Global Equity Index	Sustainable Global Equity Index
Company name	Moody's Corporation	SSE plc
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.1%	0.1%
Date of vote	16 April 2024	18 July 2024
Summary of the resolutions	Elect Director Leslie F. Seidman	Approve Net Zero Transition Report
How you voted	Against	For
Stewardship topic	Diversity, Equity & Inclusion	Climate Change
Rationale for the voting decision	A vote AGAINST is applied as LGIM expects a company to have at least one-third women on the board.	A vote for is applied as LGIM is in favour of the SSE Net Zero Transition Report. LGIM commends the company's efforts in committing to net-zero emissions across all scopes by 2050 and setting short and medium-term targets, in particular absolute scope 3 targets over the mid-term.
Criteria for selecting this vote as "most significant"	LGIM views gender diversity as a financially material issue for its clients, with implications for the assets it manage on their behalf.	LGIM is publicly supportive of so called "Say on Climate" votes. LGIM expects transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, LGIM deem such votes to be significant
Outcome of the vote	Not provided	Pass
Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.	LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Fund Name	Infrastructure Equity	Infrastructure Equity
Company name	National Grid Plc	Crown Castle Inc.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	3.2%	1.8%
Date of vote	10 July 2024	22 May 2024
Summary of the resolutions	Approve Climate Transition Plan	Elect Management Nominee Director Tammy K. Jones
How you voted	For	Against
Stewardship topic	Climate Change	Diversity, Equity & Inclusion
Rationale for the voting decision	LGIM is voting in favour of the National Grid Climate Transition plan. LGIM commends the company's efforts in committing to Net-Zero emissions across all scopes by 2050 and setting 1.5C-aligned near term science-based targets. LGIM also appreciates the clarity provided in the 'Delivering for 2035 report' and looks forward to seeing the results of National Grid's engagement with SBTi regarding the decarbonisation of heating.	A vote against is applied as LGIM expects a company to have at least one-third women on the board.
Criteria for selecting this vote as "most significant"	LGIM is publicly supportive of so called "Say on Climate" votes. LGIM expects transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, LGIM deems such votes to be significant, particularly when LGIM votes against the transition plan.	LGIM views gender diversity as a financially material issue for its clients, with implications for the assets LGIM manages on their behalf. Average board tenure: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.
Outcome of the vote	Pass	Not provided
Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.	LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Fund Name	Global Real Estate Equity	Global Real Estate Equity
Company name	Simon Property Group, Inc.	Realty Income Corporation
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.9%	2.8%
Date of vote	8 May 2024	30 May 2024
Summary of the resolutions	Elect Director Glyn F. Aeppel	Elect Director Michael D. McKee
How you voted	Against	Against
Stewardship topic	Diversity, Equity & Inclusion	Climate Change
Rationale for the voting decision	A vote AGAINST is applied as LGIM expects a company to have at least one-third women on the board. Average board tenure: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.	Climate Impact Pledge: A vote AGAINST is applied as the company is deemed to not meet minimum standards with regard to climate risk management. Independence: A vote against is applied as LGIM expects the Chair of the Board to have served on the board for no more than 15 years and the board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.
Criteria for selecting this vote as "most significant"	LGIM views gender diversity as a financially material issue for its clients, with implications for the assets LGIM manages on their behalf.	LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, LGIM's flagship engagement programme targeting companies in climate-critical sectors.
Outcome of the vote	Pass	Not provided
Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.	LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Summary of engagement activity over the year

The Trustee believes that the Plan's engagement policy as outlined in the SIP has been adhered to over the Plan year. Following monitoring of the Plan's investment managers over the year, and reviewing the engagement information outlined in this statement, the Trustee is satisfied that managers are acting in the Plan members' best interest and are effective stewards of the Plan's assets.

The following are examples of engagement activity undertaken by the Plan's DC Section investment managers. The case studies selected reflect the stewardship priority topics set by the Trustee. These engagements have been undertaken by the managers on behalf of all their clients who delegate this activity to them, and the statements made are attributed to the managers and do not necessarily reflect the personal views of the Trustee Directors. The Plan does not hold any direct investment in any of the named companies, rather they are held in one or more of the pooled funds in which the Plan's assets are invested. Further, the Trustee has no discretion or control over a decision to invest in any particular company.

Engagement case studies

Fund manager: LGIM

Company: APA

Topic: Climate Change

Summary of engagement: APA is Australia's largest energy infrastructure business. Under LGIM's Climate Impact Pledge campaign, they have been engaging with the company directly since 2022; as one of their selected 'dial mover' companies, LGIM believe it has the scale and influence across its industry and value chain for its actions to have positive reverberations beyond its direct corporate sphere. In early 2022, LGIM set out their expectations for management-proposed 'Say on Climate' votes and the criteria they consider in assessing whether to support them. LGIM expect companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of Scope 1, 2 and material Scope 3 GHG emissions and short, medium and long-term GHG emissions reduction targets consistent with the 1.5°C goal. As a consequence, when APA Group brought its climate transition plan to a vote, LGIM were unable to support it: although the plan presented Scope 1 and 2 goals for the medium and long term on a path to achieving net zero emissions by 2050, no Scope 3 targets were included. The company noted that these would be finalised no later than 2025. LGIM initiated engagement with the company after this vote, and met with them for the first time in early 2023 as part of their Climate Impact Pledge engagement, and LGIM have continued to build the relationship, setting out their expectations as per their net zero guide, and working with the company to understand the hurdles it faces and the challenges to meeting these expectations.

Outcome of engagement: LGIM were pleased that, in their meeting with the company in early 2024, APA confirmed that they will include a Scope 3 goal in the 2025 refresh of their Climate Transition Plan, and they outlined their proposed Scope 3 reduction pathway. The company noted that feedback from the 20% of investors, including LGIM, who voted against their proposed Climate Transition Plan in 2022, had solidified their decision to commit to a Scope 3 target. This demonstrates the effect of LGIM's engagement strategy, fully aligned with their voting policy, to encourage progress towards decarbonisation. LGIM have noted that they look forward to continuing the engagement with the company on their decarbonisation pathway and journey to net zero.

Fund manager: LGIM

Company: Nippon Steel Corp

Topic: Climate Change

Summary of engagement: Nippon Steel Corporation is the largest steel maker in Japan and one of the largest globally in terms of production. Traditional steelmaking processes are highly carbon intensive, and a shift to green steel will require a policy environment that supports a sufficient supply of low-carbon alternatives. Assessments undertaken by third-party data providers have demonstrated that Nippon Steel lags its peers on climate policy engagement disclosures, and in 2022 InfluenceMap named Nippon Steel as one of the most influential companies blocking climate policy action globally.

Engagement case studies

Under LGIM's Climate Impact Pledge, they publish their minimum expectations for companies in 20 climate-critical sectors. LGIM expect companies to disclose their climate-related lobbying activities, including trade association memberships, and explain the action they will take if the lobbying activities of these associations are not in line with the Paris Agreement. This has been their primary objective with Nippon Steel.

LGIM have been engaging with Nippon Steel for many years and specifically through their Climate Impact Pledge since early 2022, the same year in which they added the 'red line' related to climate-related lobbying. The company failed to meet this criterion, so LGIM made it the focus of their engagement with them for 2023, and expanded their engagement to work collaboratively with other investors to increase their influence. Despite several meetings with the company, the disclosures provided so far have not met LGIM's expectations. LGIM co-filed, together with the Australasian Centre for Corporate Responsibility ('ACCR'), a shareholder proposal asking the company to disclose annually, climate-related and decarbonisation-related policy positions and lobbying activities globally, including its own direct lobbying and industry association memberships, and review these for alignment with the Company's goal of carbon neutrality by 2050 and explain the actions it will take if these activities are determined to be misaligned.

Outcome of engagement: LGIM were pleased to see that the shareholder resolution achieved 27.98% support, sending a strong message to the company's board that investors expect greater transparency on climate-related policy engagement activity. This was also one of the highest levels of support recorded for a climate-related shareholder resolution in Japan.

2024 (and Q1 2025) was pivotal for Japan as the country is scheduled to update its key climate and energy policies. The choices made will determine the direction of its mid-term decarbonisation strategy and the results underscore the scale of investor attention on politically influential companies like Nippon Steel. LGIM will continue engaging with the company and expect to see their board address investor expectations and enhance accountability and transparency in its efforts to influence these policies as they take shape.

Fund manager: HSBC

Company: Leading European Pharmaceutical

Topic: Climate Change

Summary of engagement: The company has proven highly innovative and successful in developing a number of leading drugs across its therapeutic focus areas. HSBC engaged with the company as they noted the growing scope 3 emissions of the company and believe it should and can be aiming to reduce these emissions both as part of maintaining a strong license to operate and ESG rating, as well as demonstrating it takes a long term and engaged approach to ensuring a sustainable supply chain, upon which its success is partly based. HSBC met the company investor relations (IR) and ESG IR for a private meeting and shared their perspectives on the rise in scope 3 emissions despite the reduction target. They praised the company's approach to health access in less wealthy countries, and their commitment to living wages across its production facilities and supply chain. HSBC also attended a company event for investors on health equity and access where they were able to share their perspectives with the head of sustainability, and the wider IR team.

Outcome of engagement: Whilst the engagement is only a few quarters progressed, HSBC are pleased to see that the company has revealed more explicit targets to engage its supply chain on becoming science-based target aligned for emissions reductions. HSBC learned from the head of sustainability that some suppliers may have to be changed if they cannot reduce emissions, following a clear improvement process that is not completed. HSBC have noted that they will continue to monitor the company and engage in 2025.