

GXO Common Investment Fund (“the Scheme”)

Engagement Policy Implementation Statement

31 December 2025

1. Introduction

This Engagement Policy Implementation Statement has been prepared in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 (as amended) and is intended to be included in the Scheme's Report and Accounts for the year ended 31 December 2025.

The purpose of this statement is to explain how, and the extent to which, the Trustee has followed the stewardship, voting and engagement policies set out in the Scheme's Statement of Investment Principles ("SIP") during the year.

In preparing this statement, the Trustee has relied on reporting provided by the Fiduciary Manager and the underlying investment managers, including (where available) voting statistics and examples of significant votes and engagement activity.

2. Policies

The Trustee's relevant policies regarding stewardship, voting and engagement are outlined in the SIP. The most recent version of the SIP is available online and will be updated from time-to-time. During the year to 31 December 2025, the Trustee did not update the SIP, as such the policies contained in the September 2023 SIP are those which are relevant to this Statement, which can be accessed online here: [Home - GXO Logistics Pension Scheme UK](#). In particular, the SIP includes the Trustee's Responsible Investing beliefs.

The Trustee has appointed BlackRock as the adviser and Fiduciary Manager ("the Manager") for the Scheme. The Trustee delegates the day-to-day investment decisions and asset allocation to the Manager. The Trustee retains responsibility for the strategic investment objective and oversight of the Manager.

In practice, the Trustee has elected for the underlying or external managers to vote in line with the investment manager's own voting policies, as the Trustee believes they have strong stewardship policies. The Trustee works with the Manager to appropriately monitor the voting and engagement activities of these investment managers.

The Trustee notes the DWP guidance on reporting stewardship and other topics through the SIP and the Implementation Statement (published in 2022). The Trustee expects the format and content of this statement to continue to evolve over time.

3. Scope of this statement

The Trustee acknowledges that the extent to which the policies in relation to stewardship, voting and engagement can be applied varies across the portfolio. For example, in general, voting rights are typically not attached to fixed income securities, while the applicability to the LDI (liability-driven investment) portfolio is limited. Nonetheless, the Trustee and the Manager expect all investment managers to take an active role in the stewardship of investments where relevant.

4. Scheme activity

The SIP includes the Trustee's policy on Environmental, Social and Governance ("ESG") factors and stewardship. This policy sets out the Trustee's beliefs on ESG and the processes followed by the Trustee in relation to voting rights and stewardship.

The Trustee recognises that the Manager is engaging with the underlying managers to ensure they work to further improve their ESG policies and actions over time. As part of the Trustee's ESG policy, the Manager is required to request the underlying managers' policies and their adherence to them. The Manager reviews the policies of each underlying manager to ensure that these are appropriate.

The Trustee expects the Manager to continue to work with underlying managers in order to ensure those on the weaker side of voting and engagement take action to make improvements. The Manager has acknowledged that all managers have been taking steps to improve both their voting and engagement and "best in class" continues to evolve. The Trustee will be closely monitoring developments over the coming years.

5. Voting and Engagement

The Trustee has delegated to the Manager the responsibility of collecting the stewardship and engagement reports of the underlying managers. The Trustee also expects the Manager to monitor the underlying manager's activity to ensure compliance and confirm that it remains a suitable investment for the Scheme. The Trustee is comfortable that under this governance structure the responsibility sits with the Manager to communicate with the underlying managers and on a regular basis collect information as required.

The Manager has noted that there is variability between managers in the extent of their engagement and voting policies, with equity managers generally having made more progress than fixed income. This Implementation Statement focuses on the Scheme's equity managers given the voting rights attached to their strategies. It is intended that in future years there will be greater focus on other asset classes, particularly the fixed income managers.

The section below details the investment managers' approach to voting and engagement as well as some examples of significant engagements these managers have made over the 12 months in respect to the funds in which the Scheme is invested. In addition, summary voting statistics in respect of the Scheme's equity funds over the year to 31 December 2025 have been included.

Whilst it is important to monitor the activities of the underlying managers at a high level through this publicly available information, it is also important to monitor the voting and engagement activities undertaken on behalf of the Trustee by the Manager on a more granular level.

The underlying manager's approach to voting is described in the table below, along with summary voting statistics for the Scheme's equity funds.

Investment managers

The approach to voting and engagement of the Scheme's equity managers, American Century, Schroders, Wellington and BlackRock are detailed below.

American Century Investments (pooled active global small cap equity):

American Century Investments ("ACI") has adopted proxy voting policies to guide the voting of proxies related to investments held in the accounts it manages when the voting of such proxies has been delegated to ACI and, absent an agreement in writing to the contrary, ACI does not typically consult with a client before voting.

Approach

In voting proxies, ACI is guided by general fiduciary principles, as reflected in its proxy voting guidelines. ACI acts prudently, solely in the interest of the beneficial owners of the accounts we manage, and for the exclusive purpose of providing benefits to such persons. In furtherance of that goal, ACI have adopted a set of proxy voting policies to guide how they vote on certain common recurring proxy issues. When voting on a proposal that is not specifically covered by our proxy voting policies, ACI seeks to evaluate the factors underlying the proposal and seeks to vote in the manner that we believe will do the most to maximize shareholder value. ACI subscribes to the proxy voting services of Institutional Shareholder Services ("ISS"), including their proxy voting platform, voting advisory services, and vote disclosure services. While ACI review and consider ISS's research, analysis, and recommendations, ACI vote proxy using the ISS voting platform in accordance with the ACI's proxy voting policies, which can differ from those of ISS.

ACI will look for votes on which their Sustainable Research team made recommendations, votes related to proxy contests, or transaction related proposals such as mergers, acquisitions, and corporate reorganizations, or other votes that have the potential to make a material impact on an issuer's long-term financial performance to identify those considered to be "most significant."

JB Hi-Fi Ltd (Australian, electronics)	30th October 2025 – 0.8% of portfolio value. Proposal was made to approve the Share Plan grant. American Century voted against the proposal and did not notify the company of their intention ahead of the vote. The manager believed a vote against the grant of restricted shares to incoming CEO Nick Wells was warranted. The terms of the restricted shares under the Variable Reward Plan are similar to prior years and continued to be highlighted as problematic. Concerns for inconsistency of the restricted shares with the typical requirements of shareholders for long term incentives in the Australian market include: - the restricted shares replace a conventional incentive and are granted based on one-year assessment of bonuses under the plan and are then only subject to three-year continuous service, and - the restricted shares have no longer term performance conditions attached as a condition of vesting.
Genesis Minerals Ltd (Australian, Mining)	13th November 2025 – 1.3% of portfolio value. Proposal was made for a non-routine amendment of the company articles. American Century voted against the proposal and did not notify the company of their intention ahead of the vote. The manager believed a vote against the resolution was warranted. The proposed amendments to the company's constitution contain an explicit provision for the company to conduct virtual-only shareholder meetings without any ability for shareholders to physically attend. This represents a material corporate governance concern for many shareholders. The hybrid meeting format is preferred by many shareholders, and corporate governance concerns exist in the virtual-only format given that this may diminish transparency and accountability, including shareholder rights to ask questions and holding directors publicly accountable.
Paylocity Holding Corporation (US, Technology)	4th December 2025 – 0.2% of portfolio value. Proposal was made for an amendment to the Omnibus Stock Plan. American Century voted against the proposal and did not notify the company of their intention ahead of the vote. The plan allows for the immediate vesting of awards upon a change in control.
Subsea 7 SA (Luxembourg, Energy)	25th September 2025 – 0.8% of portfolio value. Proposal was made for a merger with Saipem. American Century voted for the proposal and did not notify the company of their intention ahead of the vote. In accordance with American Century's custom policy, the proposal is to refer selected types of mergers and acquisitions to American Century for review and voting instruction. The decision was to vote for as it had potential to make a material impact on long-term financial performance.
Duolingo Inc (US, Technology)	11th June 2025 – 0.6% of portfolio value. Proposal was made to ratify a named executive officer's compensation. American Century voted for the proposal and did not notify the company of their intention ahead of the vote. Following additional research, and based on the firm's latest 10-K, the Clawback Policy is in fact sufficiently robust as it includes a three-year lookback period and applies to all incentive awards. As such, the manager voted for this resolution.
BPER Banca SpA (Italy, Financials)	11th June 2025 – 1.9% of portfolio value. Proposal was made to approve a capital increase without pre-emptive rights in connection with the acquisition of Banca Popolare di Sondrio SpA, amending Article 5. American Century voted for the proposal and did not notify the company of their intention ahead of the vote. The manager believed that a vote for the proposal is warranted in support of maximizing shareholder value.

Bellring Brands Inc (US, Consumer discretionary)	28 th January 2025 – 0.6% of portfolio value.	
	Proposal was made to declassify the Board of Directors. American Century voted for the proposal and did not notify the company of their intention ahead of the vote.	The manager supports a declassified board structure.
Bellring Brands Inc (US, Consumer discretionary)	28 th January 2025 – 0.6% of portfolio value.	
	Proposal was made to adopt director election resignation guideline. American Century voted against the proposal and did not notify the company of their intention ahead of the vote.	The manager believes a vote against this proposal was warranted, as the company has adopted a director resignation policy and there are no recurring issues or company-specific factors at Bellring that suggest the proponent's more-stringent direct resignation policy is necessary at this time.
Toll Brothers, Inc (US, Construction)	11 th March 2025 – 0.6% of portfolio value.	
	Proposal was made to eliminate a supermajority vote requirement to remove directors. American Century voted for the proposal and did not notify the company of their intention ahead of the vote.	American Century voted for this proposal to reduce supermajority vote requirements.
Asics Corp (Japan, Retail)	28 th March 2025 – 0.8% of portfolio value.	
	Proposal was made to approve donation of treasury shares to Asics foundation. American Century voted against the proposal and did not notify the company of their intention ahead of the vote.	The manager believed that a vote against this proposal was warranted because Asics fails to provide a compelling rationale for the donation of treasury shares to the Asics Foundation.
American Century Global Small Cap	Year to 31 December 2025	
	Votable proposals	1,496
	% of resolutions voted	98.6%
	% of resolutions voted against management	9.6%
	% of resolutions abstained	0%
Schroders (pooled active emerging market equity fund):		
Approach	The overriding principle governing Schroders' approach to voting is to act in the best interests of its clients. Schroders' voting policy and guidelines are outlined in its publicly available Environmental, Social and Governance Policy. Schroders evaluates voting issues arising and, where it has the authority to do so, votes on them in line with its fiduciary responsibilities in what it deems to be the interests of its clients. In applying the policy, Schroders considers a range of factors, including the circumstances of each company, performance, governance, strategy, and personnel.	
	It is Schroders' policy to vote all shares at all meetings globally, except where there are onerous restrictions – for example, shareblocking. Schroders utilises the services of ISS and the Investment Association's Institutional Voting Information Services ("IVIS") in conjunction with its own research and policies when formulating voting decisions. Glass Lewis (GL) also act as one of Schroders service providers for the processing of all proxy votes in all markets. GL delivers vote processing through its Internet-based platform Viewpoint. Schroders receives recommendations from GL in line with our own bespoke guidelines, in addition, they receive GL's Benchmark research. This is complemented with analysis by Schroders in house ESG specialists and where appropriate with reference to financial analysts and portfolio	

managers. With regards to abstaining from votes, Schroders' preference is to support or oppose management and only use an abstention sparingly. Schroders may abstain where mitigating circumstances apply, for example where a company has taken some steps to address shareholder issues.

For certain holdings of less than 0.5% of share capital in the USA, Australia, New Zealand, Japan, and Hong Kong, Schroders has implemented a custom policy that reflects the views of its ESG policy and is administered by Schroders' proxy voting provider, ISS. Schroders votes on both shareholder and management resolutions. Aligned with Schroders Engagement Blueprint, they have ongoing engagement programmes with emerging market companies on the importance of corporate governance, amongst other topics. Schroders actively vote against individuals on boards that are not making enough progress on the priorities identified in the Engagement Blueprint. Schroders significant vote criteria is broad, it is all votes against management that are considered significant.

Schroders may tell the company of the intention to vote against the recommendations of the board before voting, in particular if the fund is a large shareholder or if there is an active engagement on the issue. Schroders always endeavours to inform companies after voting against any of the board's recommendations.

Abu Dhabi Commercial Bank (Abu Dhabi, financials)	27th February 2025 – 0.3% of portfolio value A proposal was made to appoint an auditor and give the authority to set the fees. Schroders voted against this proposal due to a lack of disclosure. This was against the Glass Lewis recommendation. The result was 94% for and only 4% against with 2% abstained.
First Abu Dhabi Bank (Abu Dhabi, financials)	11th March 2025 – 0.4% of portfolio value At the firm's annual meeting, a proposal was made to appoint the Bank's auditor and give the Board authority to set the level of fees, which the management recommended to agree. Schroders voted against the proposal due to a lack of disclosure on the matter. Schroders voting against the proposal went against the Glass Lewis recommendation, which was to abstain from voting. The result was the proposal was approved.
Bank Rakyat Indonesia (Indonesian, financials)	24th March 2025 – 0.5% of portfolio value A proposal was made at the company's special meeting to approve for the Directors' fees, bonuses and long-term incentive plans. Schroders voted against the proposal as the company did not disclose how the bonus is determined nor whether the achievement of performance metrics has been met or not. Schroders voting against the proposal was in line with Glass Lewis' recommendation on voting, but against the management proposals, however, the result was that the proposal was passed.
Samsung Biologics Co Ltd (Samsung Group) (South Korean, Biotech)	14th March 2025 – 3.1% of portfolio value A proposed resolution was tabled at the annual meeting for the Directors' fees. Schroders voted against the resolution due to the lack of explanation for the proposed increase to Directors' fees. While Schroders voted against the proposal, the result was that the proposal was passed. The intention to vote against was in line with Glass Lewis' recommendation, and against management recommendations.
NARI Technology	23rd January 2025 – 0.6% of portfolio value

(Chinese, electrical)	Proposal was made to elect Guangsheng Zeng to the Board. Schroders voted against due to insufficient independence on the Board of supervisors. This was with the Glass Lewis recommendation. The vote was passed with negligible resistance.										
Bank Rakyat Indonesia (Indonesian, financials)	17th December 2025 – 0.5% of portfolio value A proposal was made at the company's annual meeting to approve the delegation of authority for the 2026 corporate work plan and budget. Schroders voted against the proposal due to a lack of disclosure. Schroders voting against the proposal was in line with Glass Lewis' recommendation on voting, but against the management proposals, the result was that the proposal failed.										
Schroders Emerging Market Equity	<table> <tr> <th colspan="2">Year to 31 December 2025</th></tr> <tr> <td>Votable proposals</td><td>1,859</td></tr> <tr> <td>% of resolutions voted</td><td>95.4%</td></tr> <tr> <td>% of resolutions voted against management</td><td>6.9%</td></tr> <tr> <td>% of resolutions abstained</td><td>0.3%</td></tr> </table>	Year to 31 December 2025		Votable proposals	1,859	% of resolutions voted	95.4%	% of resolutions voted against management	6.9%	% of resolutions abstained	0.3%
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Wellington:	(pooled active small cap global equity fund)										
Approach	Wellington votes according to its Global Proxy Voting Guidelines and employs a third-party vendor, Glass Lewis, to perform administrative tasks related to proxy voting. Wellington does not automatically vote proxies either with management or in accordance with the recommendations of third-party proxy providers, ISS and Glass Lewis. Wellington has its own ESG Research Team, which provides voting recommendations. Wellington's approach to voting is investment-led and serves as an influential component of their engagement and escalation strategy. The Investment Stewardship Committee, a cross-functional group of experienced professionals, oversees Wellington Management's activities with regard to proxy voting practices. Routine issues that can be addressed by their proxy voting guidelines are voted by means of standing instructions communicated to their primary voting agent. Some votes warrant analysis of specific facts and circumstances and therefore are reviewed individually. We examine such vote sources, including internal research notes, third-party voting research, and company engagement. While manual votes are often resolved by investment research teams, each portfolio manager is empowered to make a final decision for their relevant client portfolio(s), absent a material conflict of interest. Based on these resources and in conjunction with Wellington's Global Proxy Voting Guidelines, individual portfolio managers have authority to make final decisions on voting. There is no "house vote". Wellington's proxy voting system allows different votes to be submitted for the same security. Various portfolio managers holding the same securities may arrive at different voting conclusions for their clients' proxies. As a general rule, Wellington does not selectively divulge its voting positions to clients in advance of shareholder meetings. Such disclosure could constitute release of material non-public information, constraining the recipient in their own actions, and potentially constraining Wellington Management in several dimensions										
Acuity Brands Inc (US, Industrial Technology)	22nd January 2025 – 0.9% of portfolio value At the Annual meeting on 22nd January 2025, there was a shareholder proposal regarding Majority Vote for Election of Directors. The Management of Acuity Brands Inc published a recommendation to vote Against the shareholder proposal, the proxy voting advisor Glass Lewis recommended to vote For the proposal. Wellington voted Against (With Management, Against proxy advisor Glass Lewis). The rationale for voting against was that the shareholder proposal does not afford										

management sufficient discretion to set the corporate strategy and therefore it was not in shareholders' best interests. The outcome of the vote is not available at this time.

8th May 2025 – 1.2% of portfolio value

iA Financial Corp

(Canadian, Insurance)

A shareholder proposal was made to include “Environment and Climate change” in the Skills matrix. Wellington voted For this proposal on the rationale that the proposal is expected to provide useful information for further investment research by requesting disclosure on the matter.

The outcome of the vote is not available at this time.

8th November 2025 – 0.8% of portfolio value

Amber Enterprises

(Indian, Electronics)

A resolution was made to give the authority to issue shares and convertible debt without preemptive rights. Wellington voted in favour of the proposal given they understood this would support their growth strategy and allow for improved engagement with management. The result of the vote was not available at the time.

8th November 2025 – 0.8% of portfolio value

Fortis Healthcare

(UK, Pharma)

A resolution was proposed to elect B. Tsin-Lin but Wellington voted against the proposal. This was due to low attendance and would not have improved company engagement. The result of the vote was not available at the time.

14th August 2025 – 0.6% of portfolio value

Ashok Leyland

(Indian, Autos/ commercials)

A resolution was proposed to elect G Mahadevan but Wellington voted against this proposal. Wellington raised diversity concerns, particularly the lack of gender diversity on the Board. The result of the vote was not available at the time.

11th January 2025 – 0.6% of portfolio value

Narayana Hrudayalaya

(Indian, hospitals)

A proposal was made to reelect the Managing Director and Group CEO, and approve their remuneration package. Wellington voted against the proposal on the grounds of poor disclosure and a belief that this was not in the best interests of shareholders. The result of the proposal was that it was approved.

28th March 2025 – 0.6% of portfolio value

Tokyo Ohka Kogyo Co

(Japanese, tech/chem)

A resolution was tabled to elect Y Narumi and this was supported by management. However, Wellington voted against management for this proposal on the grounds of the Board's independence and composition not being in the financial interests of shareholders. The result was that the proposal was passed.

4th June 2025 – 1.1% of portfolio value

Car Gurus

(US, tech)

A resolution was tabled to pass an advisory vote on executive compensation. However, Wellington voted against the proposal on the grounds of concerning pay practices and not enhancing company engagement. The result of the vote was not available at this time.

Wellington Small Cap Equities

Year to 31 December 2025

Votable proposals	1,393
% of resolutions voted	100.0%
% of resolutions voted against management	3.6%
% of resolutions abstained	0%

BlackRock (pooled passive developed global equity fund):

BlackRock sees its investment stewardship program, including proxy voting, as part of its fiduciary duty and as a way to enhance the value of clients' assets, using its voice as a shareholder on their behalf to ensure that companies are well led and well managed.

The Scheme has authorised BlackRock to vote on their behalf. 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 BIS voting decisions reflect its reasonable and independent judgment of what is in the best long-term financial interests of clients. This is informed by analysis of company disclosures, third-party research, comparisons against a company's industry peers, as well as engagement with companies and BlackRock's active portfolio managers.

BIS engages with management teams and/or board members on material business issues including environmental, social, and governance matters and through voting proxies in the best long-term economic interests of its clients.

BIS votes to formally communicate its support for or concerns about how companies are addressing governance and material business risks and opportunities that may impact their ability to deliver long-term financial returns. In BIS' voting determinations, the team takes into consideration the context in which companies are operating their businesses. BIS' voting is thoughtful, methodical, and always anchored in BlackRock's fiduciary duty to clients as an asset manager.

When BIS determines that it is in clients' financial interests to signal concern to companies through voting, the team does so in two forms: 1) it might not support the election of directors or other management proposals; or 2) it might not support management's voting recommendation on a shareholder proposal. Voting to elect directors to the board is a near-universal right of shareholders globally and an important signal of support for, or concern about, the performance of the board in overseeing and advising management.

Approach

Whilst BlackRock subscribes to research from the proxy advisory firms Institutional Shareholder Services (ISS), Egan-Jones and Glass Lewis, it is just one among many inputs into its vote analysis process, and it does not blindly follow their recommendations on how to vote. BlackRock does not follow any single proxy research firm's voting recommendations. It subscribes to two research providers and uses several other inputs in its voting and engagement analysis, including a company's own disclosures, public information and ESG research. BlackRock uses Institutional Shareholder Services' (ISS) electronic platform to execute vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, BlackRock works with proxy research firms who apply proxy voting guidelines to filter out routine or non-contentious proposals and refer any meetings where additional research and possibly engagement might be required to inform their voting decision.

BlackRock prioritize work around themes on which they most frequently engage companies, where they are relevant and a source of material business risk or opportunity. BIS also engages with clients year-round to understand their focus areas and expectations, and participates in market-wide policy debates to help inform these priorities. The themes identified are reflected in the benchmark policies and updated annually: Global Principles, regional voting guidelines and engagement priorities. These public documents underpin BlackRock's stewardship activities and form the benchmark against which they assess the long-term financial performance of investee companies. BIS publish "vote bulletins" and "case studies" on key votes at shareholder meetings to provide insight into certain vote decisions expected will be of particular interest to clients. The vote bulletins are published on the "Vote Bulletin library" section of the BIS website. The case studies can be found in flagship publications, namely the Investment Stewardship Annual Report and the Global Voting Spotlight, as well as pieces published on the "BIS Insights Hub" website.

These bulletins and case studies are intended to explain vote decisions relating to proposals addressing a range of corporate governance issues, including sustainability-related matters that may be material to a company's business model, that are on the agenda for a shareholder general meeting. Other factors considered in deciding to publish a vote bulletin

and/or a case study include the profile of the issue in question and the level of client interest expected in the vote decisions. The vote bulletins and case studies include relevant company-specific background, sector or local market context, and engagement history when applicable. Vote bulletins and case studies may also include observations on emerging corporate governance issues and market-level stewardship developments.

BIS does not disclose vote intentions in advance of shareholder meetings as they do not see it as their role to influence other investors. BIS' published regional voting guidelines provide clients, companies, and others guidance on their position on common voting matters.

6th February 2025 – 0.1% of portfolio value

The Sage Group
(UK, Tech)

During the 2024-25 proxy year, some UK companies continued to seek shareholder approval to grant larger pay packages and increase their use of time-based awards. In their disclosures, companies have stated that these updated packages enable closer alignment with compensation offered in the U.S. market, thereby improving their competitiveness in attracting and retaining global talent. The company updated its program following significant growth in its business, and related efforts to ensure such policies remained competitive in the U.S. market, where a majority of its revenue is based. A proposal was made to approve the remuneration policy to improve the structure and process of the committee.

BlackRock voted for the proposal, understanding this to be in the best interests of shareholders under the incentives aligned with value creation priority, which received around 81% shareholder support.

23rd April 2025 – 0.1% of portfolio value

The Cigna Group
(US, Healthcare)

During the 2024-25 proxy year, shareholder proposals were filed at several U.S. companies seeking to amend their bylaws to remove a provision to require that shares be held continuously for at least one year in order to count towards the applicable ownership threshold to exercise the right to call a special meeting. Examples of these companies included The Cigna Group.

A proposal was made to amend the right to call a special meeting and BlackRock voted against the proposal believing that the proposed amendment to the provision to call special meetings is sufficient. The vote was deemed significant under the strategy, purpose and financial resilience priority. In BIS' view, the one-year holding requirement to call a special meeting of shareholders is a reasonable safeguard against the ineffective use of corporate resources, as well as the risk that a special meeting may be called by shareholders who have amassed the required threshold of shares in a relatively short period of time to advance interests that may conflict with those of long-term shareholders.

The result was that the proposal failed. Shareholder support for the proposals was just under 10%.

24th April 2025 – 0.1% of portfolio value

HCA Healthcare
(US, Healthcare)

In the 2024-25 proxy year, some shareholder proposals sought to address company impacts on people through shareholder directed decisions on issues related to human capital management and corporate strategy. An example of this was at HCA Healthcare, Inc. (HCA Healthcare), a U.S.-based health care services company, which included two shareholder proposals on such matters at its April 2025 AGM. The first proposal requested that the board of directors amend the committee charter for one of HCA Healthcare's board committees that is responsible for patient safety and quality of care to require a review of the impact of staffing levels on patient safety, quality of patient care and patient satisfaction metrics. The second proposal requested that the board of directors publish a report describing the healthcare impacts of HCA Healthcare's acquisition strategy over the past ten years on the communities in which it operates.

BIS supported neither proposal at the April 2025 AGM as, in BlackRock's assessment, they made requests where the company already had policies in place to address the proponent's

request or were overly prescriptive. The voting was deemed significant under the company impacts on people priority.

In the case of the first proposal, the company's board committee was already empowered to review any matters that could impact patient safety, quality of care and patient safety metrics, including staffing levels. In the case of the second proposal, the central subject matter fell under the strategic decision making and oversight roles of HCA Healthcare's management team and board. The proposals received, respectively, ~10% and ~ 12% support from shareholders at the April 2025 AGM.

**Quest
Diagnostics
Inc.**
(US,
Healthcare)

15th May 2025 – 0.1% of portfolio value

In line with Cigna example above, Quest sought to amend their bylaws to remove a provision to require that shares be held continuously for at least one year in order to count towards the applicable ownership threshold to exercise the right to call a special meeting.

BIS did not support these shareholder proposals at their 2025 AGM, and the vote was significant under the engagement priority of strategy, purpose and financial resilience.

In BIS' view, the one-year holding requirement to call a special meeting of shareholders is a reasonable safeguard against the ineffective use of corporate resources, as well as the risk that a special meeting may be called by shareholders who have amassed the required threshold of shares in a relatively short period of time to advance interests that may conflict with those of long-term shareholders. The outcome was that the proposal failed.

Shell Plc
(UK,
Oil and Gas)

20th May 2025 – 0.2% of portfolio value

Shell plc (Shell) is an energy company headquartered in the UK, with operations in more than 70 countries around the world. Shell noted that global demand for liquified natural gas (LNG) is expected to rise by approximately 60% by 2040, driven by economic growth in Asia, emissions reductions in heavy industry and transport, and the impact of artificial intelligence. Shell has stated its ambition to deliver more value with fewer emissions as it works to become a net zero emissions business by 2050.

The dedicated team engaged with members of the company's board and management in November 2024 and April 2025 to better understand Shell's approach to managing climate-related risks and opportunities. The team sought further clarity on the company's strategy, and particularly Shell's assumptions around LNG, given its increased strategic emphasis on integrated gas and LNG as a driver of long-term growth.

At the time of the meeting, funds and SMAs that directed BlackRock to apply the Guidelines to their holdings collectively held less than 1% of the company's total shares available for voting. The dedicated team supported the shareholder proposal. Engagement discussions and BlackRock's proprietary insights informed the team's assessment of how the company's business model and LNG assumptions aligned with its climate commitments. The team concluded that enhanced transparency would help investors better understand the relationship between Shell's LNG outlook and its net zero commitments.

The outcome of the vote was that the proposal failed with only 21% shareholder support and the vote was deemed significant given BIS' engagement priority of climate and natural capital

**Amazon.com
Inc.**
(US,
Consumer
retail)

21st May 2025 – 2.7% of portfolio value

Amazon.com, Inc. (Amazon) is a U.S. based online retailer, media company, and technology solutions provider. Through its cloud computing division – Amazon Web Services (AWS). Amazon has increased its capital allocation to develop its artificial intelligence capabilities as part of the company's broader growth strategy. For example, in January 2025, AWS announced plans to invest an estimated \$11 billion to expand infrastructure in the U.S. state

of Georgia to support cloud computing and AI powered technologies. AWS also committed to invest \$8.3 billion to expand cloud infrastructure in India, as part of a larger \$12.7 billion planned investment by 2030 to meet growing demand for cloud services and artificial intelligence in the country.

Amazon has pledged to reach net zero carbon emissions across its operations by 2040, with AWS aligning its infrastructure and operations to support this goal. AWS, for example, has “committed to reducing their environmental impact and continue to make progress toward net zero carbon by 2040, water positive by 2030, and reducing waste.” In March 2025, the dedicated team engaged with Amazon to better understand its data center growth plans and related power needs and how these align with its 2040 climate commitments.

On the agenda at Amazon’s May 2025 AGM was a shareholder proposal requesting that “Amazon issue a report explaining how it will meet the climate change-related commitments it has made on greenhouse gas emissions, given the massively growing energy demand from artificial intelligence and data centers that Amazon is planning to build.” BIS categorized the proposal as significant given its climate and natural capital engagement priority.

At the time of the meeting, funds and SMAs that directed BlackRock to apply the Guidelines to their holdings collectively held less than 1% of the company’s total shares available for voting. The dedicated team supported the shareholder proposal. While Amazon has disclosed several initiatives to reduce the carbon footprint of its data centers — including the use of carbon-free energy sources such as wind, solar, and nuclear — and lower-carbon construction alternatives, the dedicated team concluded that enhanced transparency would help investors better understand the relationship between Amazon’s AI-driven global growth plans and its 2040 net zero goals. The shareholder proposal received approximately only 20% support.

6th June 2025 – 0.4% of portfolio value

Alphabet Inc.
(US,
Consumer
retail)

In recent years, companies in various sectors have highlighted advancements in deploying AI in their businesses as both a material driver of opportunity and risk. BIS has voted on several shareholder proposals requesting companies to report on and assess the impact of, their use of AI. An example of this was at Alphabet, Inc. (Alphabet), a multinational communications services company, which included a shareholder proposal in the agenda at its June 2025 AGM requesting that the company conduct an independent human rights impact assessment (HRIA) related to AI-driven targeted advertising policies. This proposal was categorised as significant falling under BIS’ company impacts on people engagement priority.

BIS supported a similar proposal at Alphabet’s June 2024 AGM given BIS’ assessment that the independent HRIA would help investors understand the effectiveness of the human rights due diligence carried out by Alphabet in relation to this material operational risk. Following changes to the company’s AI-related disclosures during the 2024-25 proxy year, including the publication of updated safety frameworks, as well as its annually published advertising safety report, BIS did not support the shareholder proposal at the June 2025 AGM which received ~14% support from shareholders resulting in a failed proposal.

**BlackRock
Factor
Equities
(Active)**

Year to 31 December 2025

Votable proposals	2,742
% of resolutions voted	98.4%
% of resolutions voted against management	5.3%
% of resolutions abstained	1.1%

**BlackRock
US Equities
ESG
Enhanced
(Index)**

Year to 31 December 2025

Votable proposals	6,471
% of resolutions voted	97.9%
% of resolutions voted against management	1.7%
% of resolutions abstained	0.0%

BlackRock UK Equities (Index)	Year to 31 December 2025	
	Votable proposals	9,739
	% of resolutions voted	99.6%
	% of resolutions voted against management	2.9%
	% of resolutions abstained	0.0%
BlackRock Asia Pacific Equities (Index)	Year to 31 December 2025	
	Votable proposals	3,105
	% of resolutions voted	99.9%
	% of resolutions voted against management	13.5%
	% of resolutions abstained	0.0%
BlackRock Japan Equities (Index)	Year to 31 December 2025	
	Votable proposals	5,799
	% of resolutions voted	100.0%
	% of resolutions voted against management	2.4%
	% of resolutions abstained	0.0%
iShares S&P 500 Financials (Index) (Bought February 2024)	Year to 31 December 2025	
	Votable proposals	1,046
	% of resolutions voted	91.9%
	% of resolutions voted against management	0.6%
	% of resolutions abstained	0%

BlackRock (pooled active equity fund):

Approach	Engagement with public companies is the foundation of BlackRock Active Investment Stewardship (BAIS) approach to stewardship. Through direct dialogue with company leadership, BAIS seek to understand their businesses and how they manage risks and opportunities to deliver durable, risk-adjusted financial returns. Portfolio managers and stewardship specialists may engage jointly or independently on material corporate governance matters. BAIS' discussions focus on topics relevant to a company's success over time, including governance and leadership, corporate strategy, capital structure and financial performance, operations and material sustainability-related risks, as well as macro-economic, geopolitical and sector dynamics. BAIS aim to be constructive investors and are generally supportive of management teams that have a track record of financial value creation. BAIS aim to build and maintain strong relationships with company leadership based on open dialogue and mutual respect. For clients who have authorised BlackRock to vote on their behalf, BlackRock Active Investment Stewardship (BAIS) works with active portfolio managers to vote their holdings, in a manner that, in BAIS' assessment serves the financial interests of clients in the context of their active equity investment mandates. For the vast majority of companies, BAIS anticipate voting in favor of management recommendations, consistent with BAIS' active investment decisions and support for management teams that have a strong track record of financial value creation. BAIS can convey concerns through voting in two forms: 1) they might not support the election of directors or other management proposals; or 2) they might not support management's voting recommendation on a shareholder proposal. Voting to elect directors to the board is a near-universal right of shareholders globally and an important way they can convey support for, or concern about, the performance of the board in overseeing and advising management.
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The BAIS engagement and voting guidelines are not prescriptive and are applied in the context of a company's operating environment and an active equity portfolio manager's investment strategy, anchored in BlackRock's fiduciary duty to clients. BAIS undertakes the analysis related to the items on the agenda of the annual or special shareholder meeting and makes voting recommendations to the active portfolios managers with holdings. Active portfolio managers may override the BAIS recommendation if they determine that voting their holding differently is more aligned with the investment objectives of their fund.

The vast majority of proposals on which BAIS votes are routine, and they will generally vote in line with management recommendations and BAIS' Global Engagement and Voting Guidelines. BAIS may determine that a vote is significant based on the potential financial impact on clients, the level of anticipated interest across clients in the vote, the complexity of the issue, or the context within which the vote is made, amongst other things. BAIS vote on all proposals to advance BAIS clients' financial interests, consistent with their investment objectives and BlackRock's fiduciary duty as an asset manager. BAIS do not disclose their vote intentions in advance of shareholder meetings. BAIS' role is to make informed voting decisions for those clients who have authorised BlackRock to vote on their behalf.

BlackRock Europe Equities (Active)	Year to 31 December 2025	
	Votable proposals	1,060
	% of resolutions voted	94.7%
	% of resolutions voted against management	0.1%
	% of resolutions abstained	0.1%

6. Stewardship

While specific voting rights are broadly confined to the realm of listed equities, the Trustee expects the Manager to ensure all managers engage in stewardship activities, regardless of asset class. Below are two brief case studies on how the Manager has engaged with government bodies, and integrated ESG factors into cash investing for the Scheme.

Engagement with issuers/government bodies

The majority of Scheme assets are held in gilts as part of the funding level hedging strategy. BlackRock are the asset manager for these assets and so the Trustee requires their engagement on emissions attributable to the Gilts holding. BlackRock engages regularly with regulators, governments and debt management offices on a range of topics. As an important part of their fiduciary duty, the Trustee supports their advocating for public policies that they believe are in investors' long term best interests.

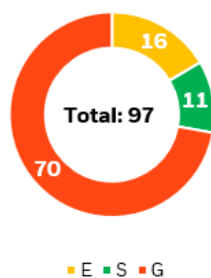
Engagement examples from BlackRock over the last year include:

- At the end of February 2025, BlackRock responded to the consultation report on leverage in non-bank financial intermediation issued by the Financial Stability Board ([fsb-leverage-in-non-bank-financial-intermediation-consultation-report-022825.pdf](#)) and in December 2025 BlackRock published their own paper to respond, Enhancing the resilience of the Gilt Repo market, focusing on central clearing and minimum haircut requirements.
- BlackRock partnered with ICMA and others in the industry to work on a response to the HMT consultation on the potential need for a specific UK green taxonomy.
- Attending the quarterly DMO consultation with Gilt Market investors and GEMM in December 2025 to discuss gilt issuance over Q1 2026.

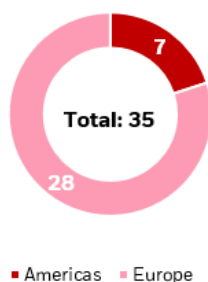
The illustration below shows the engagement their stewardship team have had with LDI's trading counterparties:

BlackRock's Firm Level Engagement with LDI Counterparties

Total Engagements Across Each ESG Category



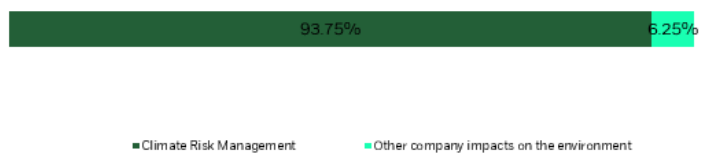
Total Engagements Across Geographies



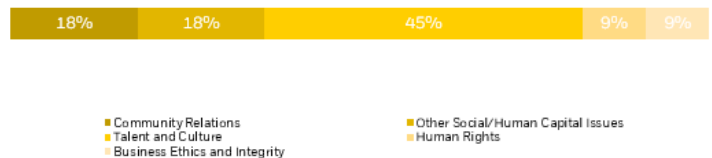
Source: BlackRock. As of Q3 2025.

Engagement Topics Across ESG Categories

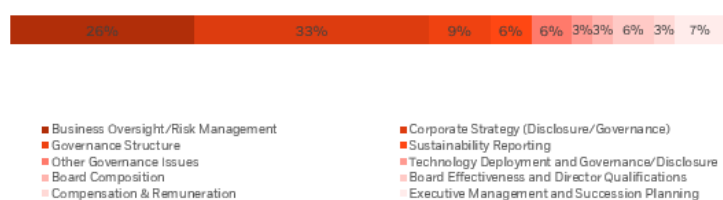
Engagements on Environmental



Engagements on Social



Engagements on Governance



BlackRock continues to be an active participant and leader in the evolution of the green bond market. An example of BlackRock's involvement on defining the evolving green bond market is its role on the issuance of the inaugural green gilt.

BlackRock favourably views the mitigation heavy focused project allocations thus far in UK's green gilt program. BlackRock provided guidance and direction in terms of best practices for impact reporting. In a call with the UK DMO, the UK green gilt impact reporting methodology was discussed, they delved into programs and reporting details for categories like clean transport, energy efficiency, and eligible UK expenditures in Official Development Assistance (ODA) eligible countries, among others.

ESG integration in cash investing

In addition to the BlackRock Sustainable Investing baseline screens which are applied broadly across the ICS platform, the BlackRock ICS LEAF fund (in which the Scheme invests) also applies an additional Environmentally tilted screen. Issuers of Money Market Fund instruments will be excluded from direct investment if (at the time of investment) they have below average Environmental practices as viewed by MSCI or such other external ESG research provider used by the Manager from time to time. This attributes to an investment universe reduction of around 300 parent issuers, or a 54% reduction. Tangibly this means LEAF reports a higher "E" score at a fund level.

The Trustee continues to believe strongly in the principles set out in the SIP and has been demonstrably committed to good stewardship for many years.

7. Concluding remarks

The Trustee is comfortable that the policies in the SIP have been followed over the year to 31 December 2025. The Trustee expects that the format and content will continue to evolve over time, in line with guidance and to reflect any future changes in the SIP.

The Trustee recognises the responsibility that institutional investors must promote high standards of investment stewardship and will continue to use the influence associated with the Scheme's assets and its Manager to positively influence the Scheme's investment managers.