

Parker Hannifin Pension & Death Benefit Plan Defined Contribution (DC) Section

Implementation Statement

Covering the period from 1 July 2024 to 30 June 2025

Purpose of this statement

This implementation statement has been produced by the Trustee of the **Parker Hannifin Pension & Death Benefit Plan (“the Plan”)** to set out the following information for its DC section over the year to **30 June 2025**:



how the Trustee’s policies on exercising rights (including voting rights) and engagement activities have been followed over the year;



the voting activity undertaken by the Plan’s investment managers on behalf of the Trustees over the year, including information regarding the most significant votes and the use of proxy voting services;



A summary of any changes to the Statement of Investment Principles (SIP) over the period; and,



A description of how the Trustee’s policies, included in their SIP, have been followed over the year.



Conclusions

In reviewing the activities of the past year, the Trustee believes that the policies set out in the Statement of Investment Principles (“SIP”) have been effectively implemented.

A significant proportion of the Plan’s investment managers have demonstrated transparency in their voting and engagement activities, and the Trustees believe that these activities reasonably align with the with the stewardship priorities of the Plan.

Based on the information received, the Trustees believe that the investment managers have acted in accordance with the Plan’s policies on exercising rights (including voting rights) and engagement activities. The Trustees are supportive of the key voting action taken by the applicable investment managers over the period to encourage positive governance changes in the companies in which the investment managers hold shares.

Stewardship policy

The Trustee made changes to the Statement of Investment Principles (SIP) part way through the period, which were approved in September 2024. The commentary on how the Trustee has followed the Statement of Investment Principles includes more detail on the key changes to the SIP over the year. This SIP was in place for the majority of the period, and was in force at the end of the period.

The SIP describes the Trustee's stewardship policies on the exercise of rights (including voting rights) and engagement activities.

To enable the Trustee to make high quality decisions, the fact-finding and analysis involved in preparing this statement was delegated to the Trustee's independent investment advisor.

The Trustee has established voting principles with their managers. These principles include researching companies, identifying any issues and then engaging with them as necessary. The Trustee focuses its reporting around voting and engagement on the following priorities identified:

- Climate change
- Diversity, Equity & Inclusion

The Plan's SIP has been made available online here: [Statement of Investment Principles](#)

How voting and engagement/stewardship policies have been followed

The Trustee believes that its policies on voting and engagement have been met in the following ways:

- The Plan invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Plan's fund managers.
- The Trustee reviewed the stewardship and engagement activities of the managers in place during the period at their 29 January 2025 meeting and in the preparation of its Implementation Statement. Following the implementation of the new default strategy and self-select fund range, the Trustee was comfortable with the stewardship and engagement activities of the managers in place.
- As part of ongoing monitoring of the Plan's investment managers, the Trustee uses ESG ratings provided by its investment consultant to assess how the Plan's investment managers take account of ESG issues, including voting and engagement.
- Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the fund manager is in alignment with the Plan's stewardship policies.

How the SIP has been followed over the year

The Trustee updated the Plan's SIP in September 2024. The update to the SIP was to reflect the new default strategy and self-select range as well as the Trustee's policy on illiquid assets. In the Trustees' opinion, the Statement of Investment Principles has been followed over the year in the following ways:



Policies on investment strategy

Policy 1

To offer a suitable default strategy for members and a selection of core funds for members to self-select.

The Trustee implemented changes to the Plan's default investment strategy over the year, including the replacement of the equity fund manager, and the additions of multi-asset credit and short-dated index-linked gilts mandates. The Trustee also added an annuity targeting fund to the self-select fund range.

These changes were made in line with the Trustee's objective to support members with different attitudes to risk and different plans for accessing their benefits.

Policy 2

To manage the expected volatility of the returns achieved in order to control the level of volatility in the value of members' pensions pots

In the default strategy, the Trustee uses a lifestyle glidepath which invests members in medium to higher risk funds when they are far from retirement, with the aim of attaining high long-term inflation-protected growth. As a member draws nearer to retirement the default strategy progressively switches to lower risk funds, that aim to protect the savings they have built up over time.

The Trustee implemented a new strategy in September 2024 that aimed to achieve the above through new diversifying asset classes, such as multi-asset credit, as well as reducing volatility as members approach retirement through additional diversification and considerations around the duration of the bonds held.

Policy 3

To reduce the risk of the assets failing to meet projected retirement income levels

The lifestyle strategy described above focusses on growth through the initial phase to help the member grow a pot consistent with adequate income levels and then reduces volatility as members approach retirement to decrease the probability of shocks causing significant impacts to pot size. The Trustee also monitored the projected pot sizes of typical members of the Plan, relative to Pension UK's (formerly PLSA's) Retirement Living Standards, as part of their regular investment monitoring.

Policy 4

To achieve good member outcomes net of fees and subject to acceptable levels of risk

As part of the implementation of the new default strategy and self-select fund range, the Trustee analysed the fees paid by members and worked with the platform provider to secure lower fees in line with peers. The Trustee recognises that net returns are more important than low costs, supported by the inclusion of active management within the portfolio, where they believe appropriate.



Policies on monitoring manager and advisor performance

Policy 1

To evaluate each of the Plan's investment managers by considering performance, the role it plays in helping to meet overall long-term objectives, risk, the need for diversification, and liquidity

The Trustee receives quarterly performance reports from both its platform provider and investment consultant, who also provide a more detailed annual report. The report considers the short-term and long-term performance, as well as performance against benchmarks tailored for members. The Trustee also receives fund ratings from its investment consultant.

As part of the implementation of the new default strategy and self-select range, the Trustee replaced several funds that were no longer suitable for their long-term objectives.

Policy 2

To monitor the suitability of the objectives for the Plan and performance (net of fees) against these objectives at least every three years and also when there is any significant change in the investment policy, underlying economic conditions or the profile of the members

The Trustee completed a full strategy review of the default strategy and self-select range in the year prior to one considered in this report.

Policy 3

To monitor the Plan's advisors

The Trustee has set objectives for their investment advisors and reviews the performance of the investment advisors annually, as per requirements.



Policies on financially material and non-financial considerations

Policy 1

To consider financially material considerations, including ESG, when selecting and monitoring funds and managers

All the new funds added as part of the strategy review implementation in September 2024 were rated as 'Acceptable' or 'High Conviction' for sustainability by the Barnett Waddingham Sustainable Investment Team.

The Trustee receives annual Sustainability Investment Monitoring Reports from Barnett Waddingham. The report provided to the Trustee over the year reflected the revised investment strategy and highlighted the improvements in sustainability of the new investment managers compared to the previous investment strategy. No material concerns were identified as part of this report.

Policy 2

Aligning Plan assets with net zero greenhouse gas emissions by 2050 where practicable is expected to help reduce the risks to the Plan from climate change

Following the implementation of the investment strategy changes during September 2024, the default strategy now invests in sustainability (including climate) tilted equity funds and a multi-asset credit fund that considers sustainability in its investment process. This change reflects an improvement in the strategy's greenhouse gas emissions compared to the previous investment strategy.



Policies on voting and engagement

Policy 1

To encourage managers to improve their voting and engagement practices

As part of the annual implementation statement the Trustee reviews the voting and engagement of the Plan's managers. A contributing factor in the transition away from BlackRock was from issues identified by the investment advisor on their stewardship reporting.

When comparing the voting statistics of the previous passive equity manager, BlackRock and the new manager, L&G, there has been a marked increase in votes against management, suggesting a more active role being taken by the manager.



Policies on manager arrangements

Policy 1

To ensure that the managers' investment approaches are consistent with the Trustee's policies before any new appointment, and to monitor and to consider terminating any arrangements that appear to be investing contrary to those policies.

The Trustee reviews the performance and approach of managers in their quarterly investment reporting, which includes views and ratings from their investment consultant. Any significant changes are flagged by the investment consultant as well as any recommendations on considerations around the manager.

Policy 2

The Trustee recognises that portfolio turnover and associated transaction costs are a necessary part of investment management. The impact of these costs is reflected in performance figures provided by the investment managers, which the Trustee assess managers against, and hence do not explicitly monitor portfolio turnover.

As part of the transition to the new strategy the investment consultant and platform provider produced pre- and post-transition reports, which included due diligence on the transaction costs associated with the transfer. The Trustee also held a go/no-

go call prior to the transfer dates, with the help of their investment consultant, to confirm there were no significant market issues at the time of the transfer.

Portfolio turnover and transaction costs are also captured by the Trustee's investment advisor's fund ratings. The Trustee considers total costs of the investment as part of the Value for Member assessment annually.

**Prepared by the Trustees of the Parker Hannifin Pension & Death Benefit Plan
September 2025**

Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Plan's default strategy on behalf of the Trustee over the year to 30 June 2025. Voting data is not available for the Corporate Bond, Gilts and Cash funds due to these funds having no voting rights.

As part of the strategy review implemented in September 2024, the Trustee replaced the BlackRock passive equities with L&G passive equities. Voting data relating to the BlackRock equities has therefore been omitted on grounds of materiality.

Manager	L&G			
Fund name	Future World Global Equity Index Fund (Unhedged and Hedged)	Diversified Fund	FTSE4Good Developed Equity Index Fund	Future World Developed (ex UK) Equity Index Fund
Structure	Pooled			
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.			
No. of eligible meetings	5,517	10,460	1,190	1,352
No. of eligible votes	55,250	104,120	16,893	18,926
% of resolutions voted	100.0%	99.9%	99.9%	99.9%
% of resolutions abstained¹	1.2%	1.3%	0.3%	0.5%
% of resolutions voted with management¹	81.4%	76.5%	82.0%	75.6%
% of resolutions voted against management	17.4%	22.1%	17.7%	24.0%
Proxy voting advisor employed	L&G's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, L&G have put in place a custom voting policy with specific voting instructions.			
% of resolutions voted against proxy voter recommendation	9.8%	14.4%	13.8%	18.5%

¹ As a percentage of the total number of resolutions voted on. Totals may not add up to 100%. Numbers are subject to rounding.
Note: segregated mandates allow the Trustees to engage with managers and influence their voting behaviour. Pooled fund structures result in limited scope for the Trustees to influence managers' voting behaviour.

Manager	L&G		HSBC	BNY Mellon
Fund name	Future World Emerging Markets Equity Index Fund	Future World UK Equity Index Fund	Islamic Global Equity Index Fund	Real Return Fund
Structure	Pooled			
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.			
No. of eligible meetings	3,772	393	100	74
No. of eligible votes	30,005	6,319	1,596	1,052
% of resolutions voted	100.0%	100.0%	97.2%	98.0%
% of resolutions abstained¹	1.9%	0.0%	0.0%	0.0%
% of resolutions voted with management¹	82.5%	93.5%	83.4%	92.6%
% of resolutions voted against management	15.6%	6.5%	16.6%	7.4%
Proxy voting advisor employed	L&G's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, L&G have put in place a custom voting policy with specific voting instructions.		HSBC use the voting research and platform provider Institutional Shareholder Services (ISS) to assist with the global application of their own bespoke voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene HSBC's guidelines.	ISS
% of resolutions voted against proxy voter recommendation	5.4%	4.7%	1.6%	5.9%

¹ As a percentage of the total number of resolutions voted on. Totals may not add up to 100%. Numbers are subject to rounding. Note: segregated mandates allow the Trustees to engage with managers and influence their voting behaviour. Pooled fund structures result in limited scope for the Trustees to influence managers' voting behaviour.



Significant votes

The Trustee has communicated their stewardship priorities to their investment managers via their investment consultant. However, they did not communicate what they consider to be the most significant individual votes in advance of those votes being taken.

BNY Mellon, HSBC & L&G have provided a selection of votes which they believe to be significant. The Trustee selected three of the most significant votes for each fund, where 'most significant' denotes the votes most associated with the stewardship priorities of the Plan. Where there are multiple votes that relate to these priorities, the Trustee has selected the votes from the three largest stock holdings.

For several L&G index funds, the significant votes provided were very similar due to the nature of the underlying assets, we have shown these funds' significant votes in the same table.

Where the managers have not provided significant votes that align with the Trustee's stewardship priorities, the Trustee has selected three votes for each fund by considering 'most significant' votes to be those for which there was sufficient data and commentary.

Where data is not provided, the investment consultant acts on the Trustee's behalf to feedback to managers and encourage improvements in industry data standards and transparency over time.

A summary of the significant votes provided is set out below.

L&G Future World Global Equity Index Fund, Future World Developed (ex UK) Equity Fund and FTSE4Good Developed Index Fund

	Significant vote 1	Significant vote 2	Significant vote 3
Company name	Broadcom Inc.	Alphabet Inc.	Mastercard Incorporated
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.25% (Unhedged) 1.21% (Hedged) 1.46% (Developed ex UK) 1.74% (FTSE4Good)	0.94% (Unhedged) 0.93% (Hedged) 1.10% (Developed ex UK) 2.17% (FTSE4Good)	0.78% (Unhedged and Hedged) 0.92% (Developed ex UK) 1.02% (FTSE4Good)
Summary of the resolution	Resolution 1g: Elect Director Henry Samueli	Resolution 1d: Elect Director John L. Hennessy	Resolution 7: Oversee and Report on a Racial Equity Audit
How the manager voted	Against	Against	For
Rationale for the voting decision	Climate Impact Pledge: A vote against is applied as the company is deemed not to have made sufficient progress against L&G's climate expectations and red	Diversity: A vote against is applied as L&G expects a company to have at least one-third of women on the board. Independence - Board balance:	Shareholder Resolution Diversity: A vote in favour is applied as L&G support such information and risk management approach to Diversity.

	lines, as set out in their sector guides through L&G's dial-mover engagement programme.	L&G also provided additional rationale beyond those relating directly to the Plan's stewardship priorities, covering board balance, independence and shareholder rights. These can be shared upon request.	
Criteria on which the vote is considered "significant"	Thematic - Climate: L&G's Asset Management business considers this vote to be significant as it is applied under the Climate Impact Pledge, their flagship engagement programme targeting companies in climate-critical sectors	Thematic - Diversity: L&G's Asset Management business views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.	Thematic - Diversity: L&G's Asset Management business views diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.
Outcome of the vote	The resolution passed	The resolution passed	The resolution failed to pass
Implications of the outcome	L&G's Asset Management business will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	L&G's Asset Management business publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
Relevant stewardship priority	Climate change	Diversity, Equity and Inclusion	Diversity, Equity and Inclusion

L&G Diversified Fund

	Significant vote 1	Significant vote 2	Significant vote 3
Company name	National Grid Plc	Realty Income Corporation	Ares Capital Corporation
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.23%	0.18%	0.15%
Summary of the resolution	Resolution 17: Approve Climate Transition Action Plan	Resolution 1c: Elect Director Reginald H. Gilyard	Resolution 1b: Elect Director Eric B. Siegel

How the manager voted	For	Against	Against
Rationale for the voting decision	<p>Climate Change: L&G is voting in favour of the National Grid Climate Transition plan. They commend 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. They also appreciate the clarity provided in the 'Delivering for 2035 report' and look forward to seeing the results of National Grid's engagement with SBTi regarding the decarbonisation of heating.</p>	<p>Diversity: A vote against is applied as L&G expects a company to have at least one-third of women on the board.</p> <p>L&G also provided additional rationale beyond those relating directly to the Plan's stewardship priorities, covering average board tenure and board mandates. These can be shared upon request.</p>	<p>Diversity: A vote against is applied as L&G expects a company to have at least one-third of women on the board.</p> <p>L&G also provided additional rationale beyond those relating directly to the Plan's stewardship priorities, covering board balance, committee independence and accountability and remuneration. These can be shared upon request.</p>
Criteria on which the vote is considered "significant"	<p>Thematic - Climate: L&G is publicly supportive of so called "Say on Climate" votes. They expect 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, L&G deem such votes to be significant, particularly when L&G votes against the transition plan.</p>	<p>Thematic - Diversity: L&G's Asset Management business views gender diversity as a financially material issue for their clients, with implications for the assets we manage on their behalf</p>	<p>Thematic - Diversity: L&G's Asset Management business views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf</p>
Outcome of the vote	The resolution passed	The resolution passed	The resolution passed
Implications of the outcome	L&G's Asset Management business will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	L&G's Asset Management business publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		

Relevant stewardship priority	Climate Change	Diversity, Equity and Inclusion	Diversity, Equity and Inclusion
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L&G Future World UK Equity Fund

	Significant vote 1	Significant vote 2	Significant vote 3
Company name	Shell Plc	Energean Plc	Rio Tinto Plc
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	3.52%	0.40%	0.39%
Summary of the resolution	Resolution 22: Request Company Disclose Whether and How Its: Demand Forecast For LNG; LNG Production And Sales Targets; And New Capital Expenditure In Natural Gas Assets; Are Consistent With Climate Commitments, Including Target To Reach Net Zero Emissions By 2025	Resolution 5: Re-elect Karen Simon as Director	Resolution 19: Approve Climate Action Plan
How the manager voted	Against	Against	For
Rationale for the voting decision	<p>Shareholder resolution - Climate change: While L&G recognise the intent behind Resolution 22, they have decided to vote against it following careful consideration. This decision follows a series of constructive engagements with Shell's leadership, during which the company committed to improving disclosures on stranded asset risks and financial resilience related to its LNG operations. L&G acknowledge meaningful progress in Shell's reporting, which now provides a clearer basis for assessing climate-related risks. In light of these</p>	<p>Diversity: A vote against is applied because of a lack of progress on gender diversity on the board. L&G expects companies to have at least 40% female representation on the board.</p>	<p>Climate Change: The mining and diversified metals sector produces minerals that are essential to the energy transition. L&G believe that long-term, responsible investors, such as L&G Asset Management, can support these companies as they decarbonise. Last year, L&G published their updated framework for assessing mining company climate transition plans. Rio Tinto is making significant strides in carrying out its core role in the transition in a sustainable manner and has demonstrated this through our constructive engagement, leading to</p>

developments, L&G believe the resolution's key objectives are being addressed through ongoing company actions.

substantial alignment of its Climate Action Plan with L&G's framework. They especially welcomed Rio Tinto's enhanced disclosures on its plans to decarbonise its value chains, as well as the clear and quantified actions set out to meet its emission reduction targets. L&G Asset Management will therefore be supporting Rio Tinto's Climate Action Plan.

Criteria on which the vote is considered "significant"

Pre-declaration: This shareholder resolution is considered significant. L&G recognise the underlying merit of this resolution, after careful consideration, they have made the decision to vote against. This decision is underpinned by a series of direct and constructive engagements with Shell's leadership. Through these discussions, L&G received clear commitments that the company will enhance its reporting in line with L&G's expectations specifically, providing detailed disclosures on stranded asset risks and financial resilience related to Shell's growing exposure to liquefied natural gas (LNG). These gaps were key reasons they were unable to support the company's climate transition strategy at its 2024 AGM. Following a detailed analysis of the company's disclosures, they believe Shell's current reporting provides a basis for investors to consider alignment with various climate outcomes, contributing to the broader objectives of the resolution.

Thematic - Diversity: L&G's Asset Management business views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.

Pre-declaration: This shareholder resolution is considered significant as L&G have been engaging in detailed and constructive discussions on this topic with the company since voting against its previous Climate Action Plan in 2022, aiming to bridge the remaining gaps, particularly regarding its approach to scope 3 emissions and customer decarbonisation. Following what L&G view as substantive progress by Rio Tinto in this area, primarily through enhanced disclosure of its plans to decarbonise its value chains, as well as the clear and quantified actions set out to meet its emission reduction targets, L&G believe the company's enhanced strategy closely aligns with L&G's framework above, and should support its decarbonisation journey and the creation of long-term value as the climate transition unfolds.

Outcome of the vote	The resolution fails to pass	The resolution passed	The resolution passed
Implications of the outcome	L&G's Asset Management business will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	L&G's Asset Management business publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
Relevant stewardship priority	Climate Change	Diversity, Equity and Inclusion	Climate Change

L&G Future World Emerging Markets Equity Index Fund

	Significant vote 1	Significant vote 2	Significant vote 3
Company name	Alibaba Group Holding Limited	PDD Holdings Inc.	Petroleo Brasileiro SA
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.76%	0.60%	0.25%
Summary of the resolution	Resolution 5.4: Elect Director Irene Yun-Lien Lee	Resolution 6: Elect Director George Yong-Boon Yeo	Resolution 3: Elect Directors
How the manager voted	Against	Against	Against
Rationale for the voting decision	Classified Board: A vote against is applied as L&G supports a declassified board as directors should stand for re-election on an annual basis. Diversity: A vote against is applied as L&G expects a company to have at least one-third women on the board. Board mandates: A vote against is applied because L&G have concerns regarding the time commitment required to manage all board positions and how this may impact	Diversity: A vote against is applied as L&G expects a company to have at least one-third of women on the board.	Bundled: Climate Impact Pledge: A vote against is applied as the company is deemed not to have made sufficient progress against our climate expectations and red lines, as set out in L&G's sector guides through LGIM's dial-mover engagement programme. L&G also provided additional rationale beyond those relating directly to the Plan's stewardship priorities, covering eligibility of board

	<p>their ability to remain informed and effectively contribute to board discussions.</p> <p>L&G also provided additional rationale beyond those relating directly to the Plan's stewardship priorities, covering board classification and mandates. These can be shared upon request.</p>		<p>directors. This can be shared upon request.</p>
Criteria on which the vote is considered "significant"	<p>Thematic - Diversity: L&G views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.</p>	<p>Thematic - Diversity: L&G views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.</p>	<p>Thematic - Climate: L&G considers this vote to be significant as it is applied under the Climate Impact Pledge, their flagship engagement programme targeting companies in climate-critical sectors.</p>
Outcome of the vote	The resolution passed	The resolution passed	The resolution passed
Implications of the outcome	L&G's Asset Management business will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	L&G's Asset Management business publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
Relevant stewardship priority	Diversity, Equity and Inclusion	Diversity, Equity and Inclusion	Climate change

HSBC Islamic Global Equity Fund

	Significant vote 1	Significant vote 2	Significant vote 3
Company name	Meta Platforms, Inc.	Mastercard Incorporated	The Proctor & Gamble Company
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	5.1%	1.5%	1.2%

Summary of the resolution	Disclose a Climate Transition Plan Resulting in New Renewable Energy Capacity	Oversee and Report on a Racial Equity Audit	Report on Median Gender/Racial Pay Gap
How the manager voted	For	For	For
Rationale for the voting decision	HSBC believe that the proposal would lead to the better management of climate-related risks and be in the interest of shareholders.	HSBC believe that the proposal would contribute to improvement to racial equality and be in the interest of shareholders.	HSBC believe that the proposal would contribute to improving gender inequality.
Criteria on which the vote is considered "significant"	The companies have a significant weight in the portfolio and HSBC voted against management.		
Outcome of the vote	The resolution failed to pass	The resolution failed to pass	The resolution failed to pass
Implications of the outcome	HSBC will likely vote again on similar proposals should they see insufficient improvements.		
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	No	No
Relevant stewardship priority	Climate change	Diversity, Equity and Inclusion	Diversity, Equity and Inclusion

BNY Mellon Real Return Fund

	Significant vote 1	Significant vote 2	Significant vote 3
Company name	The Goldman Sachs Group, Inc.	Unilever Plc	The Goldman Sachs Group, Inc.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.0%	1.6%	1.0%

Summary of the resolution	Report on Clean Energy Supply Financing Ratio	Approve Remuneration Report	Advisory Vote to Ratify Named Executive Officers' Compensation
How the manager voted	For	Against	For
Rationale for the voting decision	<p>BNY Mellon supported a shareholder proposal requesting the company to report on clean energy supply financing ratio as, in their view, the ask is aligned to the sustainable financing activities of the company and should provide shareholders increased transparency in assessing the company's progress on the company's management of climate risks and opportunities.</p>	<p>BNY Mellon voted against executive pay arrangements owing to significant pay increases granted to executive(s) and the absence of a compelling rationale for this. Further, they voted against executive remuneration arrangements owing to the exit arrangements agreed with a former executive which they considered to be excessive.</p>	<p>BNY Mellon supported this management proposal, however, deemed it significant. The rationale for the same is provided below.</p>
Criteria on which the vote is considered "significant"	<p>BNY Mellon deemed this vote significant as it aligns to our longer-term engagements and voting activity with the bank. Further, in the current context, they deemed the support to the proposal as noteworthy as well.</p>	<p>This vote provides an example of where a significant portion of the company's shareholders disagreed with a company's pay practices.</p>	<p>BNY Mellon determined this vote significant given the scenario around the one-off grants. In their meeting with the lead independent director on the same topic, the bank explained the rationale well. They may vote against if there are any recurring/frequent grants or if there are any issues with succession planning.</p>
Outcome of the vote	The resolution failed to pass	The resolution failed to pass	The resolution passed
Implications of the outcome	<p>BNY Mellon supported this shareholder proposal as they believe the proposal complements the sustainable finance target set by the bank and would be helpful for investors to assess the bank's progress on financing clean energy as well as decarbonising its portfolio (where it has set targets). Further, the proposal does not seem to be prescriptive as peer banks have already</p>	<p>The vote outcome is an indication that shareholder dissatisfaction still persists at Unilever with respect to executive pay. In their opinion, the exit arrangements albeit done under a different board composition and members, was not in line with best practice. Further, they believe, the executive compensation can be further aligned to shareholders by</p>	<p>While the one-time award granted to the CEO and COO are excessive in quantum, BNY Mellon supported the say-on-pay. The compensation committee's rationale that retention was the main reason these awards were given is noted. Further, it is crucial for succession planning that these executives remain at the bank for the next five years. Furthermore, the awards vest</p>

	disclosed or committed to disclose the same. In addition, the disclosure if directly provided by the bank would be more robust than third party estimates, as the bank would be better placed to include all relevant lending activities in the calculation.	making the proportion more longer-term in nature. This remains a topic that they aim to speak on with the company's board.	at the end of five years, which gives some comfort at the margin as well. In addition, they believe, the compensation committee is not going to provided further one-off awards to these executives in the near future.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	No	No
Relevant stewardship priority	Climate change	n/a – the manager only provided three significant votes.	n/a – the manager only provided three significant votes.



Engagement

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Plan's cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

	L&G			
Fund name	Future World Global Equity Index Fund (Hedged and Unhedged)	Diversified Fund	Future World Developed (ex UK) Equity Index Fund	Future World UK Equity Index Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	1,558	2,753	797	263
Number of entities engaged on behalf of the holdings in this fund in the year	1,072	2,126	515	149
Number of engagements undertaken at a firm level in the year			6,321	

	L&G			BNY Mellon
Fund name	Future World Emerging Markets Equity Index Fund	FSTE4Good Developed Equity Index Fund	Future World Inflation Sensitive Annuity Aware Fund	Real Return Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	511	776	242	18
Number of entities engaged on behalf of	416	482	110	12

the holdings in this fund in the year

Number of engagements undertaken at a firm level in the year

6,321

48

HSBC

M&G

BlackRock

Fund name

Islamic Global Equity Index Fund

Sustainable Total Return Credit Fund

Corporate Bond Tracker Fund

Number of engagements undertaken on behalf of the holdings in this fund in the year

70

26

117

Number of entities engaged on behalf of the holdings in this fund in the year

40

13

65

Number of engagements undertaken at a firm level in the year

1,650

395

Data not available



Examples of engagement activity undertaken over the year to 30 June 2025

BlackRock

Noodles & Company

BlackRock engaged with Noodles & Company over the shareholder proposal requesting that the company “disclose its current [greenhouse gas] GHG emissions, establish and publish targets for measurably reducing them, and regularly report progress meeting those targets”. BlackRock engaged with the company to gain into the board’s approach to material climate risks and opportunities and how these align with the financial interests of BlackRock clients as long-term investors. Following the engagement BlackRock voted against the engagement, believing the company reporting the information requested would be a financial burden on the company and impact the long-term financial interests of clients, given the company were in a difficult financial position.

BNY Mellon

Unilever

BNY Mellon engaged with Barclays with regards to the bank’s client transition framework (CTF) for climate change, specifically regarding its scoring methodology, including factors such as sub-targets used for sectoral assessment and material topics used for scoring.

Following their engagement with Barclays, the bank highlighted that it regularly reviews client’s disclosures and actions on the transition to a greener economy and engages if they feel it will add value. BNY Mellon communicated that they felt investors would gain more comfort if they understood the material parameters or risk indicators Barclays uses to assess a specific sector. Overall, BNY Mellon are comfortable with Barclays overall approach and that their feedback was acknowledged by the bank to provide more disclosure on its engagement policy. BNY Mellon will monitor the bank’s update on its broader transition plan later this year and aim to engage again early next year.

HSBC

Leading European Pharmaceutical Company (Name not provided)

The company has had significant commercial success over recent years; however, HSBC felt the company’s climate plan had not kept pace with this. Specifically, HSBC wanted the company to address their Scope 3 emissions, which are emissions within the supply chain. HSBC had a private meeting with the investor relations and sustainability team, where they shared their concerns and also spoke to the head of sustainability at a company event. The company has subsequently announced clearer targets to engage its supply chain in supporting emissions reduction. The company remains on the priority list of HSBC, and they will continue to monitor and encourage progress.

L&G

Rio Tinto

L&G have been engaging with Rio Tinto since 2022 when they voted against their previous Climate Action Plan. At the time, while recognising the progress they had made, L&G were concerned by the absence of quantifiable targets for Scope 3 emissions, and the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.

L&G have since engaged to bridge the gaps against their expectations, particularly with regards to Scope 3 emissions and customer decarbonisation.

Following the engagement, L&G feels that the company have made substantive progress, particularly on its plans to decarbonise its value chains, as well as clear and quantified actions set out to meet its emission reduction targets. L&G now feel the company's enhanced strategy aligns with their own framework and thus voted in support of the company's Climate Action Plan.

M&G

Orsted

M&G engaged with Orsted, a Danish offshore wind specialist on the potential negative biodiversity impacts of offshore wind. M&G met with the company's global sustainability team climate lead and biodiversity lead, to discuss what actions Orsted were taking and to ascertain their progress against the Nature Action 100 benchmark.

M&G confirmed that Orsted have been working on the issue, engaging with a biodiversity consultancy and subsequently launching a measurement framework. The company also ran through the tools it had at its disposal to assess the biodiversity impact of their windfarms. Overall, M&G were very satisfied with how seriously the company was taking biodiversity.