



Vodafone Group Pension Scheme

Annual Implementation Statement – Scheme year ended 31 March 2025



Table of Contents

Section 1: Introduction.....	3
Section 2: How the Trustee has adhered to their engagement and voting policies	5
Section 3: Voting information.....	8
Section 4: Conclusion	24
Appendix 1: LGIM's voting policy	25



Section 1: Introduction

This document is the Annual Implementation Statement (“the statement”) prepared by the Trustee of the Vodafone Group Pension Scheme (“the Scheme”) covering the Scheme year (“the year”) from 1 April 2024 to 31 March 2025.

The purpose of this statement is to set out:

- Details of how and the extent to which, in the opinion of the Trustee, the Trustee’s policies on engagement and voting (as set out in the Statement of Investment Principles (the “SIP”)) have been adhered to during the year; and
- A description of voting behaviour (including the most significant votes made on behalf of the Trustee) and any use of a proxy voter during the year.

The Scheme is a Defined Benefit only scheme.

The SIP is a document which outlines the Trustee’s policies with respect to various aspects related to investing and managing the Scheme’s assets including but not limited to: investment managers, investment portfolio construction and risks.

The latest version of the SIP can be found online [here](#).

The SIP linked above reflects the latest version which is dated June 2023.

The SIP sets out the current Trustee policies but, recognising the importance of Environmental, Social and Governance (‘ESG’) factors on the performance of the Scheme’s assets as well as the impact which these have on the world in which the Scheme’s members live, the Trustee is continuing to review its policies and practices. This review considers how these might better reflect evolving risks and opportunities which ESG factors present.

Similar to last year, the Trustee’s focus over the short-term continues to be on how the Scheme’s investments can better reflect the Trustee’s views in respect of climate change, human rights and corporate governance. The Trustee remains committed to working with its investment managers and advisors to align with these views, as well as the wider objectives and asset allocation of the Scheme.

The Trustee reviews its policies and practices on an ongoing basis and updates the SIP to reflect changes in these where appropriate. The Trustee plans to review the SIP in October 2025.

The following strategic decisions were made for both Sections of the Scheme over the reporting period:

Vodafone Section

- In August 2024, the Section’s exposure to the Insight Synthetic Equity mandate was trimmed by £39m, which aimed to reduce risk within the portfolio and bring the expected return in-line with the target level set by the Master Agreement.
- In November 2024, the final proceeds were received from Aviva Investors Lime Property Fund Unit Trust, following the initial redemption request submitted in July 2023.

In November 2024, c.£220m of proceeds were received from the Federated Hermes Unconstrained Credit Fund, having been redeemed in October 2024 due to concerns regarding changes within the investment team. The proceeds were reinvested into the ICG Total Credit Fund and the TwentyFour Dynamic Bond Fund, split equally between the two Multi-Class Credit (“MCC”) funds.

Cable & Wireless Section

- In November 2024, the final proceeds were received from Aviva Investors Lime Property Fund Unit Trust, following the initial redemption request submitted in July 2023.
- In November 2024, a £70m investment was made into the ICG Total Credit Fund, a MCC fund, funded from the Insight Segregated LDI portfolio, in order to enhance the Section’s expected return and improve portfolio diversification in a governance and capital-efficient manner.

For completeness, please note that the above strategic changes were carried out within the parameters agreed within the SIP.



Section 2: How the Trustee has adhered to its engagement and voting policies

The Trustee's policies on voting and engagement, as stated in the SIP are:

- In accordance with the Financial Services and Markets Act 2000, the Trustee will set general investment policy, but will delegate the responsibility for selection of specific investments to an appointed investment manager or managers. The investment managers shall provide the skill and expertise necessary to manage the investments of the Scheme competently. Similarly, where the Trustee invests in pooled vehicles and funds, responsibility for the management of the underlying assets rests with the investment managers of the funds. Prior to any new appointment of a manager or investment in a pooled vehicle or fund, the Trustee will seek advice from the Investment Consultant on the suitability of the appointment or investment proposed. It will also, periodically, seek further advice on the ongoing suitability of its appointments and investments.
- The Trustee will evaluate the investment managers' performance in light of the specific mandate it expects the investment managers to carry out on the Scheme's behalf. This forms part of the Trustee's periodic review of the suitability of the Scheme's mandates in the context of the Scheme's wider investment strategy, including considering whether the balance between different kinds of investments remains appropriate, the expected return on the investments and the risks to which the Scheme is exposed. Further reviews are carried out based on changes in the Scheme's circumstances, market conditions or the Investment Consultant's views of a particular manager.
- On behalf of the Trustee, the Scheme's investment advisor engages with investment managers on a regular basis to understand their continuing approaches to Responsible Investment and ESG issues, ensuring that the funds invested in remain appropriate and consistent with the Trustee's approach, policies and objectives.
- The Trustee appoints its investment managers with an expectation of a long-term partnership, which incentivises active ownership of the Scheme's assets and effective ESG management (which the Trustee believes is best reflected in the overall long-term performance of the manager). When assessing a manager's performance, the focus is on longer-term outcomes, and the Trustee would not expect to terminate a manager's appointment based purely on short term performance. However, a manager's appointment could be terminated within a shorter timeframe due to other factors such as a significant change in business structure or the investment team.
- The Trustee's policy is to take into account factors that are considered to be financially material, such as potential future returns and risks of any investments made. ESG-related matters (which include broad corporate governance issues, effective stewardship and more specific considerations such as climate change) are considered to be financially material by the Trustee. The Trustee expects that the extent to which social, environmental or ethical issues may have a fundamental impact on the portfolio will be taken into account by the investment managers in the exercise of their delegated duties.
- The Trustee expects its investment managers, where appropriate, to engage with companies (and other relevant persons including, but not limited to, other investment managers, other stakeholders, and issuers/other holders of debt and equity) on matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest risks, and ESG issues concerning the Trustee's investments. The Trustee believes such engagement will protect and enhance the long-term value of its investments and incentivise the investment managers to take a long-term view of the performance of its investments. The Trustee reviews its investment managers' policies in these areas to satisfy itself that they broadly meet with the Trustee's views.
- Should the Trustee's monitoring process reveal that, in its view, a manager's portfolio is not sufficiently aligned with the Trustee's policies, the Trustee will engage with the manager further to encourage alignment. Where segregated mandates are used, the Trustee will use its discretion, where appropriate, to set explicit guidelines within the investment management agreement. This monitoring process includes specific consideration of the sustainable investment/ESG characteristics of the portfolio and managers' engagement activities. If, following engagement, it is the view of the Trustee that the degree of alignment remains unsatisfactory, the manager will be terminated and replaced.



- The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights. The managers are expected to exercise these rights and engage with companies with care and diligence that could be reasonably expected of a prudent professional discretionary investment manager, taking into account any relevant Trustee policies adopted from time to time and their impact on eligible participants and beneficiaries of the Scheme over an appropriate time horizon. The Trustee does not explicitly monitor manager's alignment with Trustee policies on voting.
- The Trustee encourages the Scheme's investment managers to discharge their responsibilities in respect of investee companies in accordance with the UK Stewardship Code published by the Financial Reporting Council. The Trustee will monitor the activities of all of its managers on a regular basis but appreciates that its applicability may be limited for certain asset classes.

Over the year, the Trustee has undertaken a number of actions in line with these policies as set out below:

- In May 2024, the Trustee updated the Climate Risk Management Policy to (1) reflect the Trustee's stewardship themes, (2) change the additional climate change metric to Data Quality (measured by the PCAF data quality score), and (3) to separate Scope 3 emissions from the Trustee's net zero target.
- Over May and June 2024, the Trustee received training on updates to the Scheme's climate-related targets and metrics. This included training on the PCAF data quality scoring methodology and NGFS scenario framework in May, and the introduction of a new non-emissions-based data quality metric.
- Updated the Scheme's Responsible Investment policy ("RI") in November 2024 to ensure it reflects the Scheme's current targets and the actions of the Trustee in relation to responsible investing, including its climate-related net zero commitments, stewardship priorities, and ESG integration across manager selection and monitoring. During the same month, the Trustee received further training on stewardship. This explored the Trustee's progress toward aligning with the DWP's expectations and moving beyond minimum compliance.
- In November 2024, the Trustee continued its engagement with Insight, focusing on stewardship themes of climate change, human rights, and corporate governance. This built on the prior year's dialogue and aimed to assess progress and maintain accountability. Insight provided updates at the IFC meeting, confirming that engagement objectives are tracked and escalated where necessary.
- In February 2025, the Trustee met with Equitix (one of the Scheme's managers for both the Vodafone and CWW Sections), where they discussed their ESG integration and stewardship activities in relation to the Scheme's stewardship priorities across the Fund V portfolio. The manager was challenged on their engagement activities, presenting case studies to the Trustee on their ESG engagement.
- Climate-related considerations were integrated into the research phase of the Scheme's MCC manager selection process, where prospective managers were required to demonstrate how they account for climate risks and opportunities within their investment approach and decision-making frameworks. .
- Monitored the Scheme's investment managers to ensure their activities align with the Trustee's expectations.

As set out in section 4, the Trustee has assessed adherence to the engagement policies set out in the SIP, for the period from 1st April 2024 to 31st March 2025. The Trustee believes that these policies have been adhered to over the Scheme year and will continue to monitor the investment managers' stewardship practices on an ongoing basis.



Section 3: Voting information

The Scheme is invested in a diverse range of asset classes. However, this document focusses on the equity investments which have voting rights attached.

As at year-end, the Scheme's equity holdings comprised a mixture of pooled investment funds, which are managed on a passive basis relative to a defined index, and synthetic equity exposure via derivatives. Given the synthetic exposure is achieved with derivatives, the synthetic mandate does not carry voting rights, while voting entitlements within the pooled funds lie with the investment managers.

The Scheme's equity holdings are invested with Legal & General Investment Management ("LGIM"), in the following pooled investment funds:

- **LGIM All World Equity Index Fund (GBP Hedged and unhedged share classes)**: pooled investment fund investing in global equities, which aims to track the performance of the FTSE All-World Index to within +/- 0.5% per annum for two years out of three.

As set out in the SIP, the Trustee's policy is to delegate the exercising of rights (including voting and stewardship) and the integration of ESG considerations in day-to-day decisions to the Scheme's investment manager. This section sets out the voting activities of the Scheme's equity investment manager over the year, including details of the investment manager's use of proxy voting.

LGIM has its own voting policies that determine its approach to voting and the principles it follows when voting on investors' behalf. LGIM also uses voting proxy advisors which aid in its decision-making when voting. More details are provided in Appendix 1.

The below table sets out the voting activity of the Scheme's equity investment manager, on behalf of the Trustee, over the year; as both mandates followed identical voting approaches, the activity is reported on a consolidated basis.

Voting statistics	All World Equity ^{1,2}
Number of meetings eligible to vote	6,611
Number of resolutions eligible to vote on	63,689
Proportion of eligible resolutions voted on	99.8%
Proportion of resolutions voted with management	79.5%
Proportion of resolutions voted against management	19.0%
Proportion of eligible resolutions abstained from	1.5%
Proportion of eligible to attend meetings where voted at least once against management	59.9%
Proportion of resolutions voted contrary to the proxy advisor (if applicable)	10.4%

Note: Voting statistics are out of total eligible votes and are sourced from the investment manager LGIM. Totals may not sum due to rounding.

¹ Invested in by Vodafone Section only

² Voting activity for the LGIM All World Equity Index Fund and the LGIM All World Equity Index Fund GBP Hedged

As outlined in the SIP, the Trustee recognises the UK Stewardship Code 2020 and monitors the Scheme's investment managers' adherence to the Code. LGIM is a signatory to the code. Their latest statement of compliance can be found via the link below:

[LGIM: Active Ownership \(2024\)](#)



The following table outlines a number of significant votes cast by the Scheme's investment manager on the Trustee's behalf. The commentary set out below is based on detail in LGIM's reports on the votes cast. LGIM reported on the most significant votes cast within the fund managed on behalf of the Scheme over the year to 31 March 2025, including the rationale for the voting decision and the outcome of the vote. A number of these key votes is set out below.

LGIM has provided the following details on how they selected their significant votes:

As regulation on vote reporting has recently evolved with the introduction of the concept of 'significant vote' by the EU Shareholder Rights Directive II, LGIM wants to ensure we continue to help our clients in fulfilling their reporting obligations. We also believe public transparency of our vote activity is critical for our clients and interested parties to hold us to account.

For many years, LGIM has regularly produced case studies and/ or summaries of LGIM's vote positions to clients for what we deemed were 'material votes'. We are evolving our approach in line with the new regulation and are committed to provide our clients access to 'significant vote' information.

In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement; and
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.



Significant votes - LGIM All World Equity Index Fund and LGIM All World Equity Index Fund GBP Hedged

The tables below give a snapshot of significant votes for the year to 31 March 2025 – Source: LGIM

Company name	Microsoft Corporation
Date of vote	10-December-24
Summary of the resolution	Resolution 9: Report on AI Data Sourcing Accountability
How LGIM voted	LGIM voted for the resolution.
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Shareholder Resolution - Governance: A vote FOR this resolution is warranted as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language models
Outcome of the vote	Fail
Implications of the outcome e.g. lessons learned and likely future steps in response to the outcome	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
The criteria by which LGIM has assessed this vote to be "most significant"	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.

Source: LGIM

Company name	Alphabet Inc.
Date of vote	07-June-24



Summary of the resolution	Resolution 1d: Elect Director John L. Hennessy
How LGIM voted	LGIM voted against the resolution.
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Average board tenure: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board. Independence: A vote against is applied as LGIM expects the Chair of the Committee to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background. Independence: A vote against is applied as LGIM expects the Chair of the Board to have served on the board for no more than 15 years and the board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Shareholder rights: A vote against is applied because LGIM supports the equitable structure of one-share-one-vote. We expect companies to move to a one-share-one-vote structure or provide shareholders a regular vote on the continuation of an unequal capital structure.
Outcome of the vote	Pass
Implications of the outcome e.g. lessons learned and likely future steps in response to the outcome	LGIM will continue to engage with the company and monitor progress.
The criteria by which LGIM has assessed this vote to be "most significant"	Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf. Thematic - One Share One Vote: LGIM considers this vote to be significant as LGIM supports the principle of one share one vote.

Source: LGIM



Company name	Eli Lilly and Company
Date of vote	06-May-24
Summary of the resolution	Resolution 1c: Elect Director Jamere Jackson
How LGIM voted	LGIM voted against the resolution.
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Classified Board: A vote against is applied as LGIM supports a declassified board as directors should stand for re-election on an annual basis. Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.
Outcome of the vote	Pass
Implications of the outcome e.g. lessons learned and likely future steps in response to the outcome	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
The criteria by which LGIM has assessed this vote to be "most significant"	Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO.

Source: LGIM



Engagement Activity

This section includes information on the engagements carried out on the Trustee's behalf related to its three key stewardship themes. Below are case studies by investment managers on their engagement activity during the reporting period:

Mandate: LGIM All World Equity Index Fund

Entity: Nippon Steel

Section: Vodafone Section

Topic of engagement: Environment – Climate Change

Why was the company the subject of engagement?

Nippon Steel Corporation, the largest steel maker in Japan, and one of the largest globally in terms of production, was the subject of engagement due to the highly carbon-intensive nature of traditional steelmaking processes. A shift to green steel requires a supportive policy environment for low-carbon alternatives. Assessments by third-party data providers indicated that Nippon Steel lagged behind its peers in climate policy engagement disclosures.

How did you engage with the company?

LGIM has been engaging with Nippon Steel for many years, specifically through the Climate Impact Pledge since early 2022. In 2023, the focus of the engagement was on climate-related lobbying, as the company failed to meet the 'red line' criterion related to this issue. LGIM expanded its engagement by collaborating with other investors to increase influence. Despite several meetings with the company, the disclosures provided so far did not meet LGIM's expectations.

What was the outcome of the engagement?

LGIM co-filed a shareholder proposal with the Australasian Centre for Corporate Responsibility, requesting Nippon Steel to disclose its climate-related policy positions and lobbying activities annually. The proposal signalled strong investor demand for greater transparency. As Japan updates its key climate and energy policies, LGIM will continue engaging with Nippon Steel, expecting the board to address investor expectations and enhance accountability and transparency in its policy influence efforts.

Entity: Total Energies

Section: Vodafone Section

Topic of engagement: Human Rights - Social

Why was the company the subject of engagement?

LGIM engaged with TotalEnergies following reports by *Politico* alleging serious human rights violations by government security forces at the company's liquefied natural gas (LNG) project in Mozambique. These incidents were said to have occurred after the army reclaimed territory previously affected by insurgent attacks, leading to the suspension of the project and evacuation of staff. Given that TotalEnergies had signed an agreement with government security forces to protect the asset, LGIM sought to understand the potential reputational risks and the company's approach to safeguarding human rights in such a sensitive context.

How did you engage with the company?

In December 2024, LGIM met with TotalEnergies' ESG Investor Relations Manager, alongside colleagues from the Investment Stewardship team. The engagement focused on understanding the company's response to the allegations, the internal investigations conducted, and the preventative measures in place to detect and mitigate human rights violations at and around the project site.

What was the outcome of the engagement?

TotalEnergies confirmed that it had cooperated with government investigations and conducted its own inquiries, including interviews with security personnel and local communities. These investigations did not yield evidence supporting the allegations as described. The company continues to monitor the situation and gather information.



LGIM noted that, aside from the original *Politico* article, no other media sources had corroborated the claims. LGIM will continue to monitor developments and engage further should new information emerge.

Mandate: Insight Active Corporate Bond Portfolio

Entity: Housing Association

Section: Vodafone and CWW Sections

Topic of engagement: Corporate Governance

Why was the company the subject of engagement?

The company, a UK housing association managing nearly 68,000 homes (mostly affordable and London-based), was engaged following a regulatory downgrade by the Regulator for Social Housing (“RSH”). RSH cited serious failings in consumer standards and governance, including inadequate risk and control frameworks.

How did you engage with the company?

Insight engaged with the company to understand its response to RSH’s concerns. The company explained that health and safety risks are reviewed by three subcommittees, which it believes offers stronger assurance. It plans to increase Board-level oversight while retaining the subcommittees. The company also highlighted the Board’s skill mix and the appointment of a new Non-Executive Director. RSH has given the company until March 2025 to develop its remediation plan.

What was the outcome of the engagement?

The company hosted a Funder’s Day to outline its recovery strategy, reaffirming its commitment to regaining a G1 rating. A remediation plan and voluntary undertaking will be submitted to RSH by March 2025, followed by a 12–18 month implementation period. Insight will continue monitoring progress and notes that the company’s governance score may be impacted in the short term.

Entity: Public Sector Energy Company

Section: Vodafone & CWW Sections

Topic of engagement: Environment – Climate Change

Why was the company the subject of engagement?

Insight engaged with a European state-owned energy company due to its heavy reliance on nuclear and renewable sources, which account for 93% of its total energy production. Whilst this lowers the issuer’s carbon intensity, it brings increased risks related to health, safety, and waste management. Insight also engaged on the feasibility of PCAF’s Green Bond Carbon Footprinting with the issuer.

How did you engage with the company?

Insight discussed the company’s energy mix, water risk, and residual coal exposure. The issuer confirmed plans to exit coal by 2030, with the last coal plant shutting down in 2027, but retaining some minority shareholdings in coal plants in China. Insight initiated discussions on PCAF’s Green Bond Carbon Footprinting and inquired about the issuer’s transparency on nuclear waste disposal and health and safety standards. The issuer is expanding both nuclear and renewable energy sources and is building deep underground storage facilities for nuclear waste.

What was the outcome of the engagement?

The engagement revealed that the issuer is considered best in class for nuclear security, thanks to stringent home market regulations and diversified uranium sources. Regarding water risk, the issuer operates in water-scarce areas and has implemented various initiatives to mitigate water use, such as exploring the collection and reuse of steam byproducts from open cycle nuclear reactors. Despite these efforts, the issuer acknowledged its high-water intensity and is actively working to reduce it.

On the topic of green bond issuance, the issuer has examined the EU Green Bond Standard but is cautious about being a first mover, preferring to understand market value first. The issuer is supportive of PCAF’s Green Bond Carbon



Footprinting consultation and indicated it could provide the necessary data to meet the standard. Insight will continue to monitor the issuer's progress on these environmental and governance issues through ongoing engagement and stewardship.

Mandate: Insight High Grade ABS Fund

Entity: Residential Mortgage Lender

Section: Vodafone & CWW Sections

Topic of this engagement: Environment - Energy Efficiency

Why was the company the subject of engagement?

Insight engaged with an issuer in the residential mortgage lending market due to its focus on energy efficiency in residential financing. This engagement aligns with Insight's goal to promote sustainable practices within the financial sector.

How did you engage with the company?

Insight engaged with the issuer to discuss their proposal to provide residential financing for the construction, purchase, or refinance of energy-efficient homes, subject to pre-specified eligibility criteria. The dialogue focused on understanding the issuer's green bond framework, particularly the eligibility criteria such as minimum energy rating and construction year.

What was the outcome of the engagement?

The issuer intends to include loans that qualify as green mortgages in a future green bond issuance programme. Insight supported this initiative and recommended that performance reporting on these loans against non-green ones would assist with credit underwriting and market absorption of their green bonds programme. As a result of the engagement, Insight now has a better understanding of the issuer's approach to energy-efficient origination. The issuer is aware of Insight's interest in residential mortgage backed securities issuance, backed by energy-efficient mortgages, and will work to build their green mortgage lending. They will ensure Insight is provided with appropriate notice to help provide feedback when they look to bring public bonds into this issuance.

Entity: ABS Lender

Section: Vodafone & CWW Sections

Topic of this engagement: Environment - Climate Change

Why was the company the subject of engagement?

Insight engaged with an issuer in the auto lending segment of the ABS market due to the lack of carbon metrics within their data tapes. This engagement aligns with Insight's goal to promote transparency and the inclusion of carbon metrics in documentation.

How did you engage with the company?

Insight raised the issue that the carbon output of autos securitised was not available in data tapes. The originator stated that they are currently unable to produce this information as it is not readily available, but they are working with their IT systems to capture this data going forward. Insight emphasised the increasing importance of transparency in reporting and encouraged the originator to include the required ESG and carbon metrics in their regular reporting of underlying collateral pools.

What was the outcome of the engagement?

The originator agreed to work on building the provision of required ESG and carbon metrics into their regular reporting of underlying collateral pools. Insight plans to follow up to gauge progress on these disclosures, even if the data is not fully complete.



Entity: Residential Mortgage Lender

Section: Vodafone & CWW Sections

Topic of this engagement: Environment - Energy Efficiency

Why was the company the subject of engagement?

Insight engaged with a lender in the residential mortgage lending market. The engagement was initiated to build an understanding of the lender's approach to energy efficiency and to understand how the lender enables customers to contribute to a greener economy while reducing their living and energy costs.

How did you engage with the company?

Insight engaged with the lender prior to their initial deal being brought to market. The engagement started in Q3 2024, although the deal was not officially launched until Q4 2024. The initial engagement aimed to understand the lender's practices, especially the provision of information such as EPC checker and Car CO2 checker to enable borrowers to make greener financial choices. Further discussions focused on the lender's progress in green lending activities, including funding for solar panels and air source heat pumps. Insight encouraged broader lending across a potential green collateral pool.

What was the outcome of the engagement?

The engagement provided Insight with a better understanding of the lender's approach to energy-efficient origination. The lender is likely to be actively engaged in sharing best practices and informing broader market practices regarding the inclusion of green metrics in decision-making and reporting metrics on a data tape level. Although no immediate follow-ups were required, the data tape from the inaugural deal will provide insight into whether the company can provide more than standard reporting. Insight plans to review the collateral pool ahead of the launch to determine the investment decision and will continue engagement and review of data tape

Mandate: Greencoat Solar II Fund

Entity: UBH

Section: Vodafone & CWW Sections

Topic of this engagement: Environment - Climate change

Why was the company the subject of engagement?

Panel recycling is a key part of the lifecycle of a solar project. Modules must be disposed of in compliance with Waste Electrical and Electronic Equipment regulations. The purpose of the engagement was to identify a sustainable waste management provider that would meet Greencoat's criteria.

How did you engage with the company?

Greencoat completed an extensive tender process with a variety of providers. Through this process, UBH was identified as the best provider for meeting Greencoat's criteria.

What was the outcome of the engagement?

UBH has built a new dedicated recycling facility in the UK, which is the first of its kind. This facility features a low carbon footprint process and a high-grade recycling output of over 95% of the material from each module. A first pilot project to recycle modules from Thorne Solar Farm will be completed in 2025.

Entity: Solar Stewardship Initiative

Section: Vodafone & CWW Sections

Topic of this engagement: Environment - Climate change

Why was the company the subject of engagement?



Greencoat hopes to contribute to ensuring traceability in the solar supply chain. They have supported the Solar Stewardship Initiative (“SSI”) since 2022 and was a founding member of the initiative.

How did you engage with the company?

In 2024, Greencoat continued its support for the SSI. A member of the Greencoat team sits on the Responsible Sourcing Committee board and has been involved in the evolution of SSI since its inception. Engagements include attending ad hoc meetings and providing feedback on consultations.

What was the outcome of the engagement?

This is an ongoing engagement, however, outcomes so far have included the successful conclusion of an SSI pilot in 2022 to develop a new standard for the solar photovoltaic (“PV”) supply chain. As a result of this pilot, and feedback from a public multi-stakeholder consultation, the new SSI ESG Standard was published in 2023 and subsequently officially launched in 2024. In early 2025, two top solar manufacturers achieved SSI accreditation for the first time. The SSI is the first ESG standard to be specifically tailored to the needs of the PV industry, which Greencoat can leverage for its supply chain, demonstrating its commitment to sustainable and responsible sourcing practices.

Mandate: Equitix Fund V

Entity: Sust Global

Section: Vodafone & CWW Sections

Topic of this engagement: Environment - Climate change

Why was the company the subject of engagement?

Equitix, in collaboration with Sust Global and funded by the UK Space Agency, initiated a project to develop advanced climate change analytics for wind energy generation assets. The goal was to understand the impacts of climate change on their portfolio of wind energy assets and manage sustainability-related risks effectively.

How did you engage with the company?

The engagement involved using high-resolution wind speed models and forward-looking wind speed analytics, which utilised satellite-derived data and AI techniques. Equitix also led a working group with the International Project Finance Association (“IPFA”) to develop quantitative climate impact metrics and build industry understanding.

What was the outcome of the engagement?

The project led to the creation of a white paper, set to be published in April 2025, summarising the findings. These insights will be used in due diligence and asset monitoring in the wind generation sector. Additionally, the learnings from this project are expected to inform how climate risk is considered across other sectors within Equitix.

Entity: Viridor Energy

Section: Vodafone & CWW Sections

Topic of this engagement: Environment - Climate Change

Why was the company the subject of engagement?

Equitix engaged with the Viridor Energy’s ESG team to discuss the latest updates regarding their climate strategy. This engagement was particularly focused on findings from a recently completed climate resilience and adaptation assessment.

How did you engage with the company?

The engagement involved discussions following a climate risk screening undertaken by Equitix in 2023-2024. Viridor Energy completed its first in-depth assessment of climate risk at each underlying energy waste site. This assessment identified strong embedded climate resilience across the portfolio under a worst-case, high warming scenario.

What was the outcome of the engagement?



The assessment provided valuable insights into how Viridor Energy can quantify the impact of climate-related risk for decision-making purposes. Equitix plans to engage with Viridor Energy's team again following the completion of a double materiality assessment, which will inform the development of their sustainability strategy. This assessment is expected to be completed in Q3 2025.

Mandate: ICG Total Credit Fund

Entity: Manufacturing Company

Section: Vodafone and CWW Sections

Topic of this engagement: Human Rights - Social

Why was the company the subject of engagement?

ICG engaged with a company that produces resin-based storage solutions, outdoor furniture, and toolboxes. As part of their ongoing diligence, ICG visited several of the company's plants to assess operational practices and safety measures.

How did you engage with the company?

During a visit to the company's plant in Northern Italy, ICG observed a "near-miss" incident involving a forklift and a staff member. The company's Head of Europe and the plant manager promptly logged the incident in the near-miss log. ICG noted that health & safety KPIs and the near-miss log were prominently displayed and actively updated at the facility entrance, indicating a serious commitment to employee safety.

On a subsequent visit to the company's UK plant, the Head of Europe demonstrated that forklifts had been fitted with safety devices (surround lights) to reduce accident risks, and staff followed the protocol of sounding the forklift's horn before turning a corner.

What was the outcome of the engagement?

ICG found it positive that the plant leaders and middle management were taking employee health & safety seriously and maintaining high visibility of KPIs. The proactive measures, such as fitting forklifts with safety devices and adhering to safety protocols, were commendable. ICG will continue to engage with the company on health & safety matters over time to ensure ongoing improvements and adherence to safety standards.

Entity: Nursing Home Operator

Section: Vodafone and CWW Sections

Topic of this engagement: Human Rights - Social

Why was the company the subject of engagement?

ICG engaged with the company, a prominent nursing home operator in Europe, due to significant negative press in 2022. An investigative journalist released a book alleging abuse and poor care across leading French nursing homes. Although the company was not mentioned, the sentiment towards the sector became increasingly negative. ICG began to scrutinise the care quality management and control measures at both the company and competitors to ensure they had the necessary procedures in place to manage such risks and provide a higher quality of care.

How did you engage with the company?

ICG gathered extensive information from the competitor through talks and annual ESG reports, gaining confidence in their governance and care quality monitoring. However, the company did not publish ESG reports and had weaker communication. In May 2024, the company launched an amend-and-extend transaction of existing debt and provided an ESG questionnaire, which ICG found insufficient.

What was the outcome of the engagement?

ICG informed the company that their investment was contingent on greater transparency. This led to a one-on-one call with the Head of Strategy where the company shared detailed information on governance, complaint procedures, audits, care quality KPI monitoring, and ESG-based compensation. The detailed information provided



changed ICG's opinion on the company's ESG risk. ICG became comfortable that the company is one of the most advanced European care homes in terms of ESG and decided to invest in the new deal.

Mandate: TwentyFour Dynamic Bond Fund

Entity: Barclays

Section: Vodafone Section

Topic of engagement: Environment - Climate Change

Why was the company the subject of engagement?

TwentyFour engaged with Barclays as part of their Carbon Emissions Engagement Policy. This engagement was initiated due to Barclays' significant exposure to fossil fuel financing, which was identified as having gaps in their policies. Notably, Barclays had the highest percentage of fossil fuel financing in its loan book among European banks.

How did you engage with the company?

TwentyFour sought clarifications on several points, including the phase-out of coal financing and the transition of current oil and gas financing off the balance sheet.

What was the outcome of the engagement?

Barclays responded by outlining a clear and comprehensive climate strategy, including restrictive financing policies, science-based targets, and progress on reducing emissions. TwentyFour will continue to monitor Barclays' fossil fuel financing and track progress against set targets, planning to engage with Barclays again in the future to assess ongoing progress on climate-related goals and commitments.

Entity: BNP

Section: Vodafone Section

Topic of engagement: Human Rights - Social

Why was the company the subject of engagement?

TwentyFour engaged with BNP regarding their gender pay gap, which they publish for the UK. The figure stood at 37.8%, which is high compared to peers, and it has increased rather than decreased over the past year.

How did you engage with the company?

TwentyFour engaged with BNP to understand the reasons behind the high gender pay gap. BNP explained that the disparity is due to a higher number of men in senior positions and front office/technical roles, which also contributed to the significant gender bonus pay gap. They highlighted that BNP's London branch is on par with the industry average, comparing favourably to other companies.

What was the outcome of the engagement?

To address the gender pay gap, BNP outlined several initiatives focused on recruitment and early career development aimed at achieving a 1-to-1 gender balance. Additionally, they have numerous Diversity, Equity, and Inclusion committee efforts in place to tackle these issues. TwentyFour found the response from BNP to be satisfactory, indicating awareness and initial steps to address the gender pay gap. However, there is significant scope for improvement, and achieving meaningful change will take time. TwentyFour will continue to monitor BNP's progress and engage with them in the future to assess their advancements on this issue.



Section 4: Conclusion

The Trustee has assessed adherence to the engagement policies set out in the SIP over the period from 1st April 2024 to 31st March 2025. The Trustee believes that these policies have been adhered to over the Scheme year and will continue to monitor the investment managers' stewardship practices on an ongoing basis.

Following monitoring of the Scheme's investment manager over the year, and reviewing the voting information outlined in this statement, the Trustee is satisfied that LGIM is acting in the Scheme members' best interests and are effective stewards of the Scheme's physical equity assets.

The Trustee will continue to monitor the investment managers' stewardship practices on an ongoing basis.



Appendix 1: LGIM's voting policy

Policy on consulting clients:

LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as we continue to develop our voting and engagement policies and define strategic priorities in the years ahead. We also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

Process for deciding how to vote:

All decisions are made by LGIM's Investment Stewardship team and in accordance with our relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures our stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

Use of proxy voting services:

LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that we receive from ISS for UK companies when making specific voting decisions.

To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice.

We retain the ability in all markets to override any vote decisions, which are based on our custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows us to apply a qualitative overlay to our voting judgement. We have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action.