Vodafone Group Pension Scheme

Annual Implementation Statement – Scheme year ended 31 March 2026

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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 2025 to 31 March 2026.

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 predominantly a Defined Benefit scheme, with a small Additional Voluntary Contribution arrangement.

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 January 2026.

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 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 is reviewing the SIP in Q3 2026 to reflect the desegregation of the Scheme, under which the Vodafone Section and Cable & Wireless Worldwide (CWW) Section were combined into a single pool of assets and liabilities, forming one merged Scheme - the Vodafone Group Pension Scheme ("VGPS"). The desegregation took effect from 4th September 2026.

At the time of drafting, the Trustee is preparing communications to inform members about the desegregation of the Scheme, which will be issued in due course.

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

Vodafone Section

- In April 2025, the liability benchmark for the Section was refreshed, and the target hedge ratio was updated to 92%, in line with the estimated funding level for the Section at the time.
- The target hedge ratio was subsequently updated to 95% in September 2025, in line with the latest calibrated funding level position and the cap set by the Master Agreement.
- Following improvements in the Section's funding level and progress on the 2025 valuation, the Section undertook a two-stage de-risking process in October and November 2025, reducing synthetic equity exposure by £46m and £115m, respectively. Consequently, lowering the expected return of the overall Vodafone Section portfolio from Gilts+1.9% p.a. to Gilts+1.6% p.a..
- Following a review of the Section's liquid credit portfolio, the Trustee agreed to several strategic changes to improve the overall risk-return efficiency of the portfolio, strengthen

diversification and reduce reliance on equity exposure. As part of implementing the agreed strategy, the Section's synthetic equity exposure was reduced by £157m in March 2026, lowering the exposure to 10% of total assets. The IFC also approved a 3% top-up to Multi-Class Credit, implemented through investments of £26m in the ICG Total Credit Fund and £22m in the TwentyFour Dynamic Bond Fund, funded from a redemption from the Section's Insight LDI portfolio.

- As part of the liquid credit review, following the end of Q1, the Trustee Board approved new allocations to Enhanced Structured Credit and Absolute Return Bond mandates. Implementation of these allocations is currently underway at the time of drafting.

Cable & Wireless Section

- In April 2025, the liability benchmark for the Section was refreshed, and the target hedge ratio was updated to 101%, in line with the estimated funding level for the Section at the time.
- In April 2025, a final distribution of c.$0.5m from the J.P. Morgan Pooled Venture Capital II Fund was received, following the liquidation of the fund by the manager.
- In June 2025, the Section bought additional holdings from the Cable and Wireless Superannuation Fund in the J.P. Morgan Pooled Venture Capital Institutional Investors III Fund and US Pooled Corporate Finance Institutional Investors III Fund at a 50% discount to their 31 March 2025 net asset value.

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 2025, the Trustee updated the Climate Risk Management Policy, reaffirming its climate-related targets, including a 50% reduction in Scope 1 and Scope 2 carbon emissions by 2030 and achieving net zero emissions from the Scheme's investments by 2050 (for Scopes 1 and 2, and separately for Scope 3). The Trustee noted that these targets may need to be recalibrated over time to align with the prevailing policy environment and the pace of the low-carbon transition.

- In September 2025, the Trustee met with Greencoat (one of the Scheme's managers for both the Vodafone and CWW Sections) to discuss their ESG integration and stewardship activities (in particular those related to the Scheme's stewardship priorities). The manager was challenged on their engagement activities, presenting relevant case studies to the Trustee.

- In November 2025, the Trustee continued its engagement with Insight. At the IFC meeting, Insight presented case studies demonstrating engagement activity aligned with the Trustee's stewardship priorities of climate change, human rights and corporate governance. In addition, the manager provided further detail on their escalation processes and approach where engagement does not lead to progress.

- Updated the Scheme's Responsible Investment ("RI") policy in November 2025 to reflect the Trustee's consideration of the Scheme's climate-related targets in light of global progress on the low-carbon transition. The Trustee recognised that the Scheme's existing targets may need to be revisited over time, subject to fiduciary considerations and the evolving policy environment. The Scheme's existing targets remain unchanged.

- Monitored the Scheme's investment managers on an ongoing basis, including reviewing stewardship activity, voting behaviour and engagement outcomes against the Trustee's responsible investment priorities.

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 2025 to 31st March 2026. 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 ("L&G"), in the following pooled investment funds:

- **L&G 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.

L&G has its own voting policies that determine its approach to voting and the principles it follows when voting on investors' behalf. L&G 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	6,820
Number of resolutions eligible to vote on	68,549
Proportion of eligible resolutions voted on	100.0%
Proportion of resolutions voted with management	77.9%
Proportion of resolutions voted against management	20.5%
Proportion of eligible resolutions abstained from	1.6%
Proportion of eligible to attend meetings where voted at least once against management	61.2%
Proportion of resolutions voted contrary to the proxy advisor (if applicable)	9.4%

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

[1] *Invested in by Vodafone Section only*

[2] *Voting activity for the L&G All World Equity Index Fund and the L&G 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. L&G is a signatory to the code. Their latest statement of compliance can be found via the link below:

L&G: Active Ownership 2025

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 L&G's reports on the votes cast. L&G reported on the most significant votes cast within the fund managed on behalf of the Scheme over the year to 31 March 2026, including the rationale for the voting decision and the outcome of the vote. A number of these key votes is set out below.

L&G 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, L&G wants to ensure they continue to help their clients in fulfilling their reporting obligations. L&G also believe public transparency of their vote activity is critical for their clients and interested parties to hold them to account.

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

In determining significant votes, L&G'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 L&G's annual Stakeholder roundtable event, or where they 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 L&G engagement campaign, in line with L&G Investment Stewardship's 5-year ESG priority engagement themes.

Significant votes - L&G All World Equity Index Fund and L&G All World Equity Index Fund GBP Hedged

The tables below give a snapshot of significant votes for the year to 31 March 2026 – Source: L&G

Company name	**Microsoft Corporation**
Date of vote	05-December-25
Summary of the resolution	Resolution 1f: Elect Director Satya Nadella
How L&G voted	L&G voted against the resolution.
Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G 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.
Rationale for the voting decision	Joint Chair/CEO: A vote against is applied as L&G 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	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
The criteria by which L&G has assessed this vote to be "most significant"	Thematic - Board Leadership: L&G considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO.

Source: L&G

Company name	**Broadcom Inc.**
Date of vote	21-April-25
Summary of the resolution	Resolution 1g: Elect Director Henry Samueli
How L&G voted	L&G voted against the resolution.
Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G 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.
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 their climate expectations and red lines, as set out in their sector guides through L&G's dial-mover engagement programme.
Outcome of the vote	Pass
Implications of the outcome e.g. lessons learned and likely future steps in response to 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.
The criteria by which L&G has assessed this vote to be "most 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.

Source: L&G

Company name	**Palo Alto Networks, Inc.**
Date of vote	12-September-25
Summary of the resolution	Resolution 6: Declassify the Board of Directors
How L&G voted	L&G voted for the resolution.
Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G publicly communicates its vote instructions on its website the day after the company meeting, with a 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.
Rationale for the voting decision	Shareholder Resolution - Board structure: A vote in favour is applied as LGIM supports a declassified board as directors should stand for re-election on an annual basis.
Outcome of the vote	Pass
Implications of the outcome e.g. lessons learned and likely future steps in response to the outcome	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
The criteria by which L&G 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: L&G

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: L&G All World Equity Index Fund

Entity: Microsoft Corp

Section: Vodafone Section

Topic of engagement: Governance of AI; Human Rights

Why was the company the subject of engagement?

L&G believe that artificial intelligence ('AI') drives long-term innovation, productivity and value creation across sectors. To secure these gains, they believe investors must engage with companies and policymakers on baseline expectations for governance, risk management and transparency.

Microsoft is among several companies that have outsized influence on the integration of AI into our economy through its software products and cloud operation. L&G believe companies like Microsoft should be transparent in their uses of AI and their risk management processes.
Given the scale of the company's cloud and digital operation globally, the human rights risks in its operation and in the value chain remain high.

The objective of this engagement is for Microsoft to improve its transparency, governance and risk management regarding the use of AI and human rights.

How did you engage with the company?

L&G first engaged with Microsoft on the topic of AI governance in 2023, following the publication of their 'safe AI' expectations. Among big tech companies, L&G have considered Microsoft to be a transparency leader over the past few years. In late 2025, the manager met with the company again ahead of their AGM in order to discuss shareholder resolutions that had been filed, in relation to AI & data governance and human rights. L&G wanted to understand how Microsoft is approaching these issues and what measures the company has taken to manage relevant risks.

Given the corrective actions the company has taken in response to stakeholder feedback, L&G voted against two shareholder resolutions on the topic of human rights in 2025. However, L&G voted for a shareholder proposal requesting a report on AI data usage oversight, as the regulatory environment is changing quickly and there are increased legal and reputational risks related to copyright infringement associated with its data sourcing practices.

Levels of individual typically engaged with include Governance and Engagement Director.

What was the outcome of the engagement?

Microsoft has improved its transparency on responsible AI governance and human rights over the past few years. Although the company's disclosures on AI governance are generally better than its international peers, L&G have found that the company could further improve its data governance disclosures, especially in relation to government requests for content removal and user data. The company has made amendments to internal risk classification process for projects and which type of projects would require additional human rights due diligence, which L&G view positively. L&G will continue to monitor progress in AI governance and related processes.

L&G value these engagements in helping them understand the hurdles companies face in meeting their expectations, especially on emerging and fast-evolving topics, and for the company itself to understand the financial materiality of these risks to their investors. L&G look forward to future engagements on the topics of AI governance and the environment.

Entity: Apple Inc

Section: Vodafone Section

Topic of engagement: Governance - Digitisation

Why was the company the subject of engagement?

L&G believe that artificial intelligence ('AI') drives long-term innovation, productivity and value creation across sectors. To secure these gains, they believe investors must engage with companies and policymakers on baseline expectations for governance, risk management and transparency.

Apple is among several companies that have outsized influence on the integration of AI into our economy through its hardware products. L&G believe companies like Apple should be transparent in their uses of AI and their risk management processes. Historically L&G found that Apple disclosed very little about its approach to managing AI risk, which prompted the engagement on this topic.

The objective of this engagement is for Apple to improve its transparency, governance and risk management regarding its development and use of AI, in line with L&G's expectations published in 2023.

How did you engage with the company?

L&G met with Apple twice in 2025 - the first time was ahead of their AGM in order to discuss a shareholder resolution that had been filed, asking them to report on ethical AI data acquisition and usage. L&G wanted to understand how Apple is approaching these issues and what measures the company has taken to manage relevant risks.

Although L&G supported a similar shareholder resolution at the company's AGM in 2024, they voted against the shareholder resolution in 2025 as L&G deemed that the company is taking sufficient care and efforts to protect personal data when it comes to AI training.

Subsequently, L&G met with Apple in late 2025 for a detailed discussion of governance of AI and risk management at the company.

Levels of individual typically engaged with include senior counsel and the head of investor relations.

What was the outcome of the engagement?

Apple had published responsible AI principles in the months following the AGM in 2024, after which L&G held a second meeting to better understand the company's approach to AI governance and risk management. Although the company's disclosures did not fully align with L&G's aforementioned expectations, particularly with regard to board education and risk management, L&G have found that the company has been disclosing more information and taking actions to improve its practices over the past year, including child safety tools, content check and feedback mechanism, and Generative AI Human interface guidelines for app developers.

L&G value these engagements in helping them understand the hurdles companies face in meeting our expectations, especially on emerging and fast-evolving topics, and for the company itself to understand the financial materiality of these risks to their investors. L&G look forward to future engagements on this topic and will monitor Apple's progress on their expectations.

Mandate: Insight Active Corporate Bond Portfolio

Entity: Great Places

Section: Vodafone and CWW Sections

Topic of engagement: Climate Change

Why was the company the subject of engagement?

As part of Insight's Housing Association engagement programme, they identified the issuer to have meaningful building safety exposures, and relatively insufficient Scope 3 emission reporting detail as the issuer failed to capture embodied carbon in its reporting.

Insight engaged to assess operational responses to health and safety risks, and to encourage clearer targets across embodied carbon.

How did you engage with the company?

Insight asked the issuer to clarify whether its new carbon reporting included embodied carbon detail. The issuer confirmed this was not included in its Scope 3 emissions detail but assured Insight it will be widening its approach to include this in the 2026-27 reporting period.

Insight highlighted that some peers had been reporting on embodied carbon and were setting targets for embodied carbon across new developments. For new developments, the issuer stated it is extending its environmental framework by targeting alignment with the Greater Manchester Combined Authority net zero guidance which sets out embodied carbon targets.

Regarding building safety and remediation efforts, the issuer mentioned this was largely completed in-house, with new sensors and analytics being piloted. External Wall System (EWS)-affected buildings have remediation scheduled through 2027, with cost-recovery avenues under way.

Insight asked the issuer to explain how it is looking to address tenant satisfaction and service improvements following historically weaker performance across regulatory Tenant Satisfaction Measurement figures. The issuer commented that tenant-satisfaction metrics are stabilising, and complaint-handling processes have been reorganised to accelerate resolutions.

What was the outcome of the engagement?

Insight believes the conversation was positive, and it was felt that the issuer displayed a strong commitment to addressing areas of weakness Insight had initially identified. For instance, although nascent, there are positive signs on its embodied carbon strategy. Insight would like to see the company look to evidence environmental outcomes consistently across developments going forward and have set the following engagement objectives: 1) Set embodied carbon targets for new developments 2) Water efficiency targets and 3) Disclose capex required to address buildings with EWS defects.

Entity: Procter & Gamble

Section: Vodafone & CWW Sections

Topic of engagement: Climate Change and human rights

Why was the company the subject of engagement?

Insight engaged following updates to the Climate Action 100+ Benchmark Framework that resulted in increased expectations for Scope 3 Category 11 (use of sold products), which are material for consumer goods companies and have implications for the issuer's net zero alignment assessment. Other areas of focus included external controversies and peer benchmarking related to plastic waste, recyclability, post-consumer recycled (PCR) content, and readiness for upcoming deforestation and packaging regulations.

How did you engage with the company?

During Insight's engagements, the issuer outlined its approach to reducing Scope 3 emissions from product use through product innovation and long-standing consumer behaviour campaigns. However, Scope 3 Category 11 emissions are not currently included in the issuer's net zero target, limiting alignment under external benchmarks despite SBTi-validated targets for other Scope 3 categories.

On plastics and waste, the issuer highlighted progress towards virgin plastic reduction targets and design improvements to enhance recyclability. However, PCR usage remains below peers and the pathway to achieving 100% recyclable packaging lacks sufficient clarity. Reuse and refill initiatives remain largely at pilot stage.

On human rights and supply chain labour standards, the issuer described auditing programmes focused on tier 1 suppliers, with escalation for tier 2 and 3 suppliers where higher risks are identified. Nevertheless, disclosures remain largely qualitative, with limited transparency on grievance outcomes, policy effectiveness and Board-level oversight. The engagement also covered deforestation and responsible sourcing, where the issuer emphasised limited direct exposure to regulated commodities and reliance on supplier-led compliance mechanisms, supported by traceability systems and satellite monitoring for key materials such as palm oil.

What was the outcome of the engagement?

The issuer was receptive to Insight's feedback and reaffirmed its strategic focus on innovation-led decarbonisation and packaging solutions.

Insight identified areas where enhanced ambition, clearer targets and improved disclosure would strengthen credibility and alignment with evolving regulatory and investor expectations.

The engagements objectives set include: 1)a Scope 3 Category 11 emissions target, 2) Increase use of PCR and 3) Progress reuse and refill schemes beyond pilot stage.

Mandate: Insight High Grade ABS Fund

Entity: Pepper

Section: Vodafone & CWW Sections

Topic of this engagement: ESG considerations in loan origination

Why was the company the subject of engagement?

Pepper is a significant issuer in the Australian market and is widely held across Insight's portfolio. Insight identified Pepper as a priority engagement target after determining that ESG considerations had not historically formed part of the firm's loan origination process. As a result, the engagement sought to raise this as a key area of concern and encourage greater integration of ESG factors into decision-making.

At this stage, Insight's primary objective was to raise awareness of the issue and assess Pepper's willingness to engage. Insight viewed this as an important first step towards achieving improved ESG disclosures, which would enable more robust and comprehensive ESG analysis.

How did you engage with the company?

Insight first engaged with Pepper in Q4 2022, through a meeting between a senior portfolio manager at Insight and Pepper's Deputy Head of Treasury. Engagement continued in Q2 2023, focusing on Pepper's new product range and its analysis of Energy Performance Certificate (EPC) data.

Further engagement took place in Q4 2024, Q1 2025 and Q4 2025, covering developments in issuance activity and the evolution of lending patterns within the Iberian market. Additional discussions focused on Pepper's inaugural Commercial Mortgage-Backed Securities issuance, with particular attention given to governance-related considerations.

What was the outcome of the engagement?

Pepper confirmed that ESG considerations were not a significant part of their loan origination and underwriting processes. Furthermore ESG had not, to date, been part of their disclosures at either a corporate or issuer level. Insight raised this as an area of concern and Pepper agreed that disclosures needed to improve and would be looking to build on a number of ESG metrics in their annual reports.

Insight also raised the issue of loan origination practices and Pepper agreed that this was something they were reviewing, although had no immediate plans to amend their origination policies.

Insight viewed the outcome of engagement as positive in terms of disclosures noting the annual report will need to be reviewed to confirm they are appropriate. They also believe loan level disclosures and loan practices need continued engagement.

Entity: Bavarian Sky (BSKY)

Section: Vodafone & CWW Sections

Topic of this engagement: Environment - Climate Change

Why was the company the subject of engagement?

Bavarian Sky is a leading issuer in both the UK and European Auto ABS market. Historically transparency has been relatively poor in carbon reporting with sometimes only limited descriptions of

make and model in data tapes hindering approximations of auto carbon reporting. Insight engaged with Bavarian Sky with the specific aim to improve transparency of reporting and to understand the likely path of their EV lending (Environmental) and the UK commissions outcome (social) and implications for deals.

How did you engage with the company?

Insight has regularly engaged with BSKY in the past but continued in Q2 2025. The issuer has been open to engagement hence no escalation required. The single engagement over the quarter was focussed as a 1-2-1 engagement with their head of Structured Finance (Raoul Meeren).

What was the outcome of the engagement?

BSKY confirmed that they remain committed to EV lending as part of the 'Neue Klasse' and that they expect it to result in a material increase in EV sales and into ABS issuance as a result. BSKY use securitisation channel for 20% of their overall funding.

Entity: OCP

Section: Vodafone & CWW Sections

Topic of this engagement: ESG integration in CLO structures

Why was the company the subject of engagement?

Insight engaged with OCP, a Collateralised Loan Obligation (CLO) manager, to encourage the implementation of a more robust ESG framework within its CLO structures. A key objective of the engagement was to promote the incorporation of the ten principles of the UN Global Compact into the terms of both existing and future CLO issuances

How did you engage with the company?

Insight engaged with OCP in Q2 2025 in relation to a new CLO transaction (OCP Euro CLO 2025-13). The engagement was initiated following Insight's new issue analysis, which identified the transaction as having one of the weakest ESG scores within its peer group under Insight's proprietary CLO ESG framework, placing it in the bottom 10% of the investment universe, highlighting an engagement opportunity. Insight engaged with the CLO manager to encourage improvements to ESG-related deal terms for both the current transaction and future issuances.

What was the outcome of the engagement?

OCP agreed to amend the deal terms and to introduce appropriate changes to their documentation. The amended deal then scored above the bottom 10% of Insight's proprietary methodology.

The adjustment resulted in the originator amending the language in their CLO documentation to implement minimum standards for all loans including to ensure that each obligor has been assessed and is not in severe violation of one or more of the UN Global Compact 10 principles.

Mandate: Greencoat Solar II Fund

Entity: Sell8

Section: Vodafone & CWW Sections

Topic of this engagement: Environment - Solar

Why was the company the subject of engagement?

Across the globe, many households remain disconnected from national electricity grids, limiting access to lighting, communication, education and economic opportunity. Simultaneously, large volumes of working solar panels are discarded each year during system upgrades in Europe and North America. Greencoat's initiative demonstrates how renewable energy assets can be given a second life to deliver meaningful environmental and social impact

How did you engage with the company?

Sell8, a vetted solar module recycling partner, partnered with a local organisation to collect and refurbish used commercial PV panels. After full efficiency testing, cleaning and safety checks, the panels were redeployed in domestic off grid kits and installed across three countries, providing essential services such as LED lighting, phone charging and small appliances. The project also trained local technicians to install and maintain the systems, building skills and improving long term reliability.

What was the outcome of the engagement?

Households reported better quality of life, including improved study conditions for students, reduced kerosene use and better communication through reliable device charging. Overall, the initiative shows how smart reuse can deliver environmental and social benefits, cutting costs by up to 60%, diverting over 10 tonnes of e-waste from landfill, and improving daily life for households previously without reliable power

Entity: Fields Solar Farm

Section: Vodafone & CWW Sections

Topic of this engagement: Environment - Solar

Why was the company the subject of engagement?

There is currently limited information on how solar sites can influence biodiversity outcomes compared to conventional agricultural land. Greencoat support research initiatives on this topic by providing access to their sites for independent studies. Greencoat also partner with experts to build an evidence base that helps the sector understand how solar farms affect biodiversity and wildlife.

How did you engage with the company?

In 2024, a pilot study was carried out at Fields Solar Farm in Shropshire to compare bird and bat activity on the solar farm plots with an adjacent agricultural field. This work has been essential in establishing an evidence base for sector use in 2025 and beyond. Acoustic recorders were deployed across both habitats to capture calls of birds and bats, supported by basic habitat assessments. The work helps to understand how vegetation structure and solar farm management practices may influence wildlife behaviour.

What was the outcome of the engagement?

The pilot highlighted a clear opportunity to deepen Greencoat's understanding of how wildlife uses solar farm environments, reinforcing the value of a more comprehensive analysis. Even at this early stage, the findings have already helped shape the next phase of research: a major national study led by Keele University, spanning more than 20 solar farms across a variety of landscapes. As the research progresses, it will generate practical, evidence-based insights to help guide future solar farm design, siting and management. This research aims to ensure Greencoat continue to minimise impacts on birds and bats, while creating opportunities for nature to thrive.

Mandate: Equitix Fund V

Entity: Calisen

Section: Vodafone & CWW Sections

Topic of this engagement: Environment - Climate change

Why was the company the subject of engagement?

Calisen is a leading UK smart-energy infrastructure company that owns, installs, and manages smart meter systems. Engagement with Calisen centred on strengthening the company's sustainability framework and refining the outcomes of its double materiality assessment.

How did you engage with the company?

Equitix engaged with Calisen through discussions covering a broad range of sustainability topics, including transition and political risk, physical climate risk, operational performance, supply-chain oversight, and social-value considerations. Equitix also provided feedback aimed at improving the clarity and prioritisation within the DMA (Double Materiality Assessment). Equitix reviewed Calisen's

CDP submission and wider reporting processes. Work also covered the company's approach to governance, TCFD-related disclosure, stakeholder-engagement practices, and the maturity of the sustainability programme. Engagement examined external ratings feedback, supply-chain ESG practices, and future alignment with frameworks such as the Science Based Targets initiative.

What was the outcome of the engagement?

Equitix's review of Calisen's CDP submission and reporting processes contributed to enhancements that supported an improved external score.

Entity: Viridor Energy Ltd

Section: Vodafone & CWW Sections

Topic of this engagement: Environment - Climate Change

Why was the company the subject of engagement?

Viridor Energy (Viridor) is a leading UK developer, owner, and operator of Energy Recovery Facilities that process non-recyclable waste to generate electricity and reduce reliance on landfill. Equitix engaged with Viridor to support the follow-on implementation of the asset's double materiality assessment (DMA).

How did you engage with the company?

The engagement involved the Portfolio Manager's participation in interview sessions to provide input into the preliminary DMA findings and reviewing the development of the updated sustainability strategy. In addition, Equitix developed an engagement plan to focus ongoing engagement activities on material sustainability topics, including decarbonisation, circular economy and climate risk.

What was the outcome of the engagement?

Equitix's engagement with Viridor supported both the completion and follow-on implementation of the asset's double materiality assessment (DMA). Viridor also hosted an ESG engagement day with external experts to build internal capability and reinforce buy in to the sustainability programme. Work continued to refine the sustainability governance framework and update stakeholder engagement materials.

Mandate: ICG Total Credit Fund

Entity: Chemical Business

Section: Vodafone and CWW Sections

Topic of this engagement: Climate

Why was the company the subject of engagement?

The Company asked lenders to approve an updated sustainability ratchet with a Key Performance Indicator (KPI) tied to absolute CO2 Emissions reduction, Use of Renewable Energy and Low Carbon Product sales. The KPIs did not seem ambitious as the current level of emissions reductions meant they had already achieved their 2027 target. The focus of the engagement for ICG was to understand the degree of difficulty of achieving the targets.

How did you engage with the company?

ICG engaged with the management team through the agent bank.

What was the outcome of the engagement?

Following engagement with the Company, ICG were comfortable with the target since the baseline "current" emissions levels reflected the weak end-market and current bottom of cycle utilization rates rather than outperformance on targets in prior years. Given the expectation for utilization rates to increase, ICG believed the targets would become increasingly challenging to achieve, especially beyond 2029 once they have achieved the lower hanging fruit in initiatives. The target was also based on a 60% reduction in 2030 emissions, which is more ambitions that SBTi-validated target of 50%.

Lastly, ICG considered the Company's historic credibility in reducing emissions as the Company has been extremely focused on reducing energy intensity since the 2019 LBO. This was most clearly demonstrated by their resilience during the energy spike post-Russia's invasion of Ukraine, when the Company outperformed peers. The Company is spending real capex dollars to achieve further emission reductions, as outlined in their 2025 refinancing where they outlined several major investments in green energy and hydrogen storage, in conjunction with the Dutch government.

Entity: Anonymised Company

Section: Vodafone and CWW Sections

Topic of this engagement: ESG - Climate

Why was the company the subject of engagement?

While ICG Total Credit Fund is not invested in the Company, the Company was reviewed as part of ICG's ESG and climate-related research activities. The Company is a leading provider of property restoration services and is exposed to extreme climate-related issues. The demand fluctuations the company is exposed to regarding extreme weather conditions causes margin volatility and limits consistent cash flow generation and deleveraging. ICG engaged with the PE sponsor, AEA, to understand the measures they are implementing to ensure the Company is more defensive against future climate-related demand fluctuations

ICG sought to understand the measures being implemented to ensure the Company is more defensive against future climate-related demand fluctuations and to assess the company's ability to manage the impact of weather-related volatility on its financial performance.

How did you engage with the company?

ICG engaged with the PE sponsor, AEA, regarding the measures being implemented to ensure the Company is more defensive against future climate-related demand fluctuations.

What was the outcome of the engagement?

Through the engagement, ICG discussed the Company's strategy to diversify revenues through bolt-on acquisitions across additional verticals and regions. While this M&A has put pressure on the cash flow generation of the business, increased the debt quantum and increased leverage, it is intended to broaden the company's sources of revenue. The engagement also reinforced ICG's view that the expected increase in extreme weather conditions should not automatically be perceived as a credit positive. The inconsistency in performance has led to prolonged high leverage and limited cash generation, which applies pressure to a straightforward refinancing process.

Mandate: TwentyFour Dynamic Bond Fund

Entity: Bank of America

Section: Vodafone Section

Topic of engagement: Environment - Climate Change

Why was the company the subject of engagement?

TwentyFour engaged with BofA Investor Relations and ESG team to understand the rationale behind the weakening of the fossil fuel financing policies, the increase in FF financing reported by the Banking on Climate Chaos report and their plans for any future policy changes or lending plans. This was a key engagement as TwentyFour have noted they have weakened their policies more than their peers.

How did you engage with the company?

TwentyFour engaged with Bank of America to understand the rationale behind changes to its fossil fuel financing policies and assess whether these reflected broader industry trends. Discussions focused on the bank's continued commitment to its Net Zero Banking Alliance targets, the relaxation of certain financing restrictions, and the impact of state-level anti-ESG legislation in Texas and Florida. TwentyFour also conducted independent analysis of the regulatory landscape and peer

practices to evaluate whether Bank of America's response was proportionate relative to other major US banks.

What was the outcome of the engagement?

Bank of America clarified that its policy changes were driven by state-level anti-ESG legislation and the desire to maintain access to municipal debt capital markets. TwentyFour continues to assess whether this response is consistent with broader industry practice. To complete their review of their BofA exposure, TwentyFour have actively engaged with the other major Wall Street banks to understand their near-term intentions regarding their fossil fuel financing policies. TwentyFour's primary objective is to confirm that they do not anticipate following BofA's lead by rolling back project-level exclusions in response to state-level political pressure.

Entity: Urbaser (URBASR)

Section: Vodafone Section

Topic of engagement: Governance

Why was the company the subject of engagement?

Urbaser, a Spanish waste management specialist, launched a €1bn payment-in-kind (PIK) toggle note to fund a dividend to its owner, Platinum Equity, just six weeks after issuing a Senior Secured debt package to part-fund an additional €1bn of dividends. The deal proved controversial since it significantly weakened the balance sheet shortly after the previous deal, despite no warning for investors who bought into the Senior Secured notes.

How did you engage with the company?

TwentyFour participated in a small groupholder meeting with Urbaser's management team and a representative of Platinum Equity, the private equity owner of Urbaser, to voice their concerns and highlight that they viewed the new dividend issuance as overly aggressive. Management claimed they were confident the business could withstand the additional debt burden, given its strong recent financial performance and robust industry outlook.

What was the outcome of the engagement?

Although TwentyFour don't expect Urbaser to encounter operational trouble in the near term, Platinum Equity's overly aggressive approach made TwentyFour uncomfortable holding the name. TwentyFour sold the bonds opportunistically and will exercise caution in any future Platinum Equity deals. TwentyFour also published a blog discussing how transactions such as Urbaser's erode credit quality and increase systemic leverage, as evidenced by both S&P and Moody's immediately downgrading Urbaser's senior notes following the PIK issuance.

Section 4: Conclusion

The Trustee has assessed adherence to the engagement policies set out in the SIP over the period from 1st April 2025 to 31st March 2026. 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 L&G 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: L&G's voting policy

Policy on consulting clients:

L&G'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, L&G 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 L&G'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:

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 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.