

United Utilities Pension Scheme - Annual Implementation Statement

Introduction

This statement sets out how, and the extent to which, the Trustee's Statement of Investment Principles ("SIP") has been followed during the year to 31 March 2026. This statement has been produced in accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, as amended, and guidance published by the Pensions Regulator.

The statement relates to the SIPs that were in place during the year, specifically:

- The SIP dated March 2025, which was in place from 18 March 2025 to 15 December 2025.
- The SIP dated December 2025, which was agreed at the Trustee Board meeting held on 16 December 2025 and became effective thereafter. A copy of this SIP is enclosed.

The current SIP is available at <https://www.unitedutilities.com/corporate/careers/pensions/information-library/>.

The Scheme has a Defined Benefit (DB) Section and a Defined Contribution (DC) Section, and disclosures are provided on both Sections.

In relation to the DB investments, the Trustee has established an Investment Sub-Committee ("ISC") and has delegated responsibility for operational matters, including investment monitoring and the appointment and termination of investment managers to the ISC. Any decisions regarding the DB investment strategy are taken by the Trustee after receiving proposals from the ISC.

The Trustee has also established a DC Sub-Committee ("DCSC") to consider investment, member communications, and governance matters for benefits which are DC in nature. Decisions regarding the DC investment strategy are taken by the Trustee after receiving proposals from the DCSC.

SIP Review

The SIP was reviewed during the year and amended to reflect the following changes:

- An update to the strategic asset allocation in respect of the DB Section investments and the introduction of tolerance ranges around the strategic asset allocation.
- Changes to the names of certain funds in the DC Section, and the replacement of a money market fund within the DC Section with a money market fund that explicitly takes into account ESG considerations.

Further details on these changes are provided on the following pages.

Assessment of how the SIP policies have been followed for the year to 31 March 2026

The information provided in the following table highlights the work undertaken by the Trustee during the year, and longer term where relevant, and sets out how this work followed the Trustee policies in the SIP. **In summary, it is the Trustee's view that the policies in the SIP have been followed during the Scheme year to 31 March 2026.**

Requirement	Policy/section of SIP	In the year to 31 March 2026
Securing compliance with the legal requirements about choosing investments.	Section 2.2.	There were no new investments selected for the DB Section during the year. In respect of the DC Section, the Trustee replaced the BlackRock DC Cash Fund with the BlackRock Liquidity Environmentally Aware Fund in November 2025. The new fund has the same broad risk and return characteristics as the previous fund (including the same benchmark), but also has an enhanced approach to managing Environmental, Social, and Governance (ESG) risks and opportunities. For example, the new fund excludes investments issued by companies or governments with high exposure to ESG risks, such as those where a high proportion of revenues come from fossil fuel mining, exploration and/or refinement. The Trustee took written advice regarding this new investment and updated the SIP to reflect the change. The investment consultant attended all meetings of the ISC and DCSC during the year and provided updates on the investments and the continued suitability of the mandates and funds used.
Kinds of investments to be held and the balance between different kinds of investments.	Sections 5 and 6 of the SIP set out the asset classes and specific funds used within the Scheme, and the proportions used (where relevant).	<i>DB Section</i> During the year, the types of investment used did not change. However, the strategic asset allocation was updated to better reflect the run-off of the Scheme's senior private debt investments and the prevailing allocations. This resulted in a change from 52% Liability Driven Investment (LDI) / 24% Buy and Maintain Credit / 24% senior private debt to 45% LDI / 40% Buy and Maintain Credit / 15% senior private debt. The Trustee also introduced allocation tolerance ranges to prevent drift over time whilst seeking to avoid excessive rebalancing. <i>DC Section</i> The overall strategy (investment fund type, management style and asset allocations) used within the DC Section did not change during the year.
Risk and return, including the ways in which risks are to be measured and managed, and the expected return on investments.	Section 4 (risk), Section 5 (relating to expected / target returns with reference to benchmarks and, where relevant, targets), and 6.2 (DC Section default expected returns relative to inflation).	The Trustee maintained a Risk Register during the year which outlines risks by category, and considers the impact, likelihood, controls and mitigations for each risk. The Risk Register at the total Scheme level was maintained by the Governance, Risk and Audit Sub-Committee. The risks from the Risk Register relating specifically to DB and DC investments were then considered at each quarterly ISC and DCSC meeting respectively, with further oversight from the Trustee board. As a risk management tool, the relevant Sub-Committees reviewed, as part of ongoing monitoring, the research ratings assigned by its investment consultant to each fund. This denotes the investment consultant's assessment of the likelihood of the fund's performance objective being achieved, and the extent to which ESG factors are integrated effectively in the investment manager's strategy.

Requirement	Policy/section of SIP	In the year to 31 March 2026
		A key risk noted in the SIP is the risk that ESG issues, including climate change, could have an impact on the assets. To help to assess this risk and develop mitigation strategies, the Trustee completed an extensive review of climate-related risks during the year as part of preparing the annual climate change report. This included considering metrics such as the carbon footprint of the investments. <i>DB Section</i> • The ISC has put in place a six-monthly risk dashboard, produced by the investment consultant, which reviews the status of a number of the risks listed in the SIP, including funding level volatility and downside risk, expected versus required returns, interest rate and inflation risk, liquidity risk, ESG risks (assessed by monitoring manager engagement activity) and compliance with guidelines. There were no significant issues identified by the dashboard during the year. • The ISC also met with the two investment managers to the DB Section and the bulk annuity policy provider during the year, on 22 January 2026. In preparation for the manager meetings, the investment consultant produced a briefing paper which detailed performance, and any risks to discuss with the manager. The papers helped the ISC in reviewing the managers against the objectives and relevant SIP policies. • To assist with managing the risk of a mismatch between the Scheme's assets and its liabilities, between May and September 2025 the ISC carried out a review of the strategic asset allocation. The review led to the decision to update the strategic asset allocation as outlined earlier. • In respect of climate change risk, the ISC carried out an assessment of the degree of alignment of the Scheme's assets with the Trustee's net zero target by commissioning a transition plan. Further details can be found in the annual climate change report. <i>DC Section</i> • The DCSC reviewed a number of the risks noted in the SIP on a quarterly basis during the year as part of its regular investment monitoring. The reports include information on performance relative to the benchmarks set, to assist with measuring the risk stated in the SIP that "investment vehicles in which monies are invested under-perform the expectation of the Trustee". • The performance of the default investment strategy is also monitored each quarter relative to measures of inflation, to assist with measuring the inflation risk stated in the SIP. • To manage the risk stated in the SIP that the default investment strategy may not be suitable for the Scheme's members, a comprehensive membership review of the default strategy was completed during the year, with the conclusions discussed at the 2 June 2025 DCSC meeting. It

Requirement	Policy/section of SIP	In the year to 31 March 2026
		was agreed that no immediate changes were required, but the DCSC agreed to further explore private market investments, liaising with the platform provider on operational considerations.
Realisation of investments	Both Sections: References throughout including 5.6, 6.7-6.11.	The Trustee receives a report each quarter from both the DB and DC administrators, which detail the extent to which benefit payments and other core financial transactions have been processed within service level agreements and regulatory timelines. There were no issues experienced with liquidity or benefit payments during the year. <i>DB Section</i> The Trustee has put in place a cashflow policy with the administrator, whereby the administrator may disinvest up to a certain amount from the Scheme's investments each month to meet benefit payments. The ISC monitors this each quarter to ensure that the process is operating as intended. <i>DC Section</i> All funds are daily dealt pooled investment vehicles, accessed by an insurance contract. No issues were experienced during the year relating to the realisation of investments.
Financial and non-financial considerations and how those are taken into account in the selection, retention and realisation of investments.	The risks identified in the SIP are considered by the Trustee to be financially material considerations. Paragraphs 4.1.1 and Section 9 also refer.	The financially material risks identified by the Trustee, and how they are measured and managed, formed part of the SIP review during the year, as described in the introduction. As part of its advice on the selection and ongoing review of the investment managers, the investment consultant incorporates its assessment of the nature and effectiveness of managers' approaches to financially material considerations (including climate change and other ESG considerations), voting and engagement. ESG factors were a key driver of the replacement of the BlackRock DC Cash Fund with the BlackRock Liquidity Environmentally Aware Fund within the DC Section in November 2025. Over the year the Trustee took various steps to consider ESG matters, which are detailed later in this Statement in the section headed "Engagement Policy Statement". The Trustee also monitors ESG integration on a regular basis, aided by the provision of reports and updates from its investment managers and investment consultant. In particular, the Trustee has agreed climate metrics and targets, including a commitment to attain a "net zero" emissions target by 2050 for listed equity and credit assets. Metrics are prepared annually and disclosed in our Climate Change report, available at https://www.unitedutilities.com/corporate/careers/pensions/information-library/.

Requirement	Policy/section of SIP	In the year to 31 March 2026
Exercise of rights (including voting rights) attaching to investments and undertaking engagement activities.	Paragraphs 9.4 to 9.7.	To identify and report on “significant votes” and to prioritise engagement activities, the Trustee has agreed three stewardship priorities: climate change, labour practices and standards, and corporate governance (e.g. board quality, independence, and diversity). <i>DB Section</i> The assets of the DB Section are not invested in equities and do not typically have voting rights attached. During the year, the ISC met with the two investment managers and the insurer. When each organisation presented to the ISC, the manager / insurer was asked to highlight engagement activity. The Trustee has also arranged for reporting on engagements to be included in the quarterly investment dashboards prepared by the investment consultant. <i>DC Section</i> The Scheme continues to invest solely in pooled funds, where voting and engagement activities are delegated to the investment managers. However, stewardship monitoring on voting and engagement activity and adherence to the UK Stewardship Code is part of the Trustee’s policy, and the DC investment managers are expected to report on stewardship activities to the Trustee annually.
How arrangements incentivise a manager to align its strategy / decisions with Trustee policies.	Section 10.	No changes to policy during the year, which has been followed as outlined in the SIP.
How the arrangement incentivises a manager to make decisions based on medium to long term financial / non-financial performance of an issuer of debt or equity and to engage with issuers to improve performance.	Section 10.	Assessment of the medium to long-term financial and non-financial performance of an issuer are made by the investment managers, with appropriate monitoring by the Trustee. Performance targets for the portfolios in which the Scheme invests are long-term targets (to avoid, for example, a manager taking inappropriate risks to meet a short-term target). The Trustee has communicated its SIP policies on engagement to the investment managers and makes clear the importance of these issues to the Trustee during meetings with the managers.
How the method & time horizon of evaluation of the manager’s performance and the remuneration for asset	Section 10.	The Trustee reviewed short-term and long-term investment performance through quarterly investment reports. In respect of remuneration for asset management, we note the following:

Requirement	Policy/section of SIP	In the year to 31 March 2026
management services are in line with the trustees' policies.		<i>DB Section</i> An investment manager fee review report is produced by the investment consultant no less frequently than triennially (last completed in August 2025), which allows the ISC to assess remuneration to the managers for each of the Scheme's mandates. The reviews include benchmarking fees against a universe of comparable managers and mandates. <i>DC Section</i> The Trustee, via the DCSC, conducts an annual assessment of the extent to which the Scheme provides value for members. This includes benchmarking the fees paid by members. During the year, this assessment was undertaken and discussed at the DCSC meeting held on 8 September 2025.
How the Trustees monitor portfolio turnover costs incurred, and how they define and monitor targeted portfolio turnover or turnover range.	Section 10.	The Trustee has not set portfolio turnover targets; the Trustee instead assesses performance net of the impact of the costs of such activities. <i>DB Section</i> Transaction costs are assessed via periodic cost transparency reports (minimum triennially), and as a component of the implicit fees and costs incurred in each of the Scheme's mandates. <i>DC Section</i> Transaction costs are reviewed and disclosed annually as part of preparation of the annual Chair's Statement which is published on a public website. During the year the Chair's Statement was reviewed and approved at the DCSC meeting held on 8 September 2025.
The duration of the arrangement with the asset manager	Section 10.	No changes to policy during the year, which has been followed as outlined in the SIP.

Engagement policy statement

Section 9 of the SIP sets out the Trustee's policy on ESG considerations, including stewardship and climate change. The following work was undertaken during the year relating to the Trustee's engagement activity on ESG factors, stewardship and climate change.

Activity	Date	Details
Employer engagement	9 July 2025	ESG matters are important in relation to the employer, as they can impact the covenant strength, and may also highlight risks for the Trustee to be aware of. The Trustee board met with the employer in July 2025 for an overall business update, and ESG related issues formed a significant part of the agenda. Topics discussed included: - The company's latest Environmental Performance Assessment, which was positive. - Updates on tackling water spills and improving rivers. - Opportunities to unlock a new source of clean hydrogen from UK wastewater.
Training	21 August 2025	Part of the role of the ESG Sub-Group that was in place during the year was to identify emerging risks and opportunities relating to ESG topics. To assist with this, the ESG Sub-Group received training on ESG developments including policy news (such as the USA's withdrawal from the Paris Climate Agreement), emerging sustainability themes in AI and biodiversity, and the UK Stewardship Code 2026. While this Sub-Group has since been disbanded, its activities are now carried out by the Scheme's other sub-committees and there remains a commitment to completing regular training on engagement related topics.
Climate change reporting under the Taskforce on Climate Related Financial Disclosures (TCFD) framework	Q2 and Q3 2025	The Trustee reviewed the Scheme's annual Climate Change report. This included reviewing and documenting the following: - Trustee governance of climate related issues - The Scheme's strategy around managing climate related risks and opportunities, including scenario analysis - Climate-related risk management practices - Metrics and targets, such as absolute greenhouse gas emissions, carbon footprint, portfolio temperature alignment, and data quality. The full report can be found at https://www.unitedutilities.com/corporate/careers/pensions/information-library/
Insurer monitoring	22 January 2026	The Trustee purchased a bulk annuity insurance policy in 2023, insuring a portion of the Scheme's liabilities. The insurer's management of ESG risks has remained a focus in the Trustee's continued engagement with the insurer. To facilitate this ongoing dialogue, the Trustee also met with the insurer on 22 January 2026. Ahead of this, questions were put to the insurer to capture details of its approach to ESG risk and opportunity management. Key topics included the insurer's adherence to the Accounting for Sustainability Principles Charter, how they are aligning the asset portfolio with the goals of the Paris Agreement, and engagement activities.

Activity	Date	Details
Investment manager engagement (DB Section)	13 May 2025 and 22 January 2026	The Trustee met with the two investment managers appointed to manage the DB Section assets. In each of these meetings, engagement policies and activities were discussed. - The manager of the corporate bond and liability matching assets provided an update on its engagement with investee companies, the UK Government, and derivative counterparties. The manager's 2025 Climate Policy Advocacy statement was shared, which sets out the principles used to engage on climate policy with the UK government specifically, given the significant impact such national engagement can have, - In respect of the private debt investments, the manager provided a case study of an investment in an innovative healthcare company with a focus on supporting the rising population of 65+ individuals, and rising ocular conditions. This is a good example of an attractive investment opportunity that also supports wider social benefits.
Investment manager selection (DC Section)	8 September 2025	As part of a wider strategic review, the DCSC identified an opportunity to switch the Scheme's DC cash fund to a more sustainable option. The manager's approach to engagement and wider ESG management was a key factor behind the decision to select the new fund.
Stewardship related	Q3 2025	The Trustee Board reviewed the annual Implementation Statement covering the period to 31 March 2025 and considered the stewardship (voting and engagement) activities that had been carried out by the investment managers on the Trustee's behalf. The Trustee was satisfied that the stewardship activities were consistent with our policies in this area, and that the significant votes reported aligned with the Trustee's stewardship priorities. As part of this activity, the three stewardship priorities of the Trustee (climate change, labour practices and standards, and corporate governance) were formally reviewed. No changes were considered necessary.
Member infographic	February 2026	The Trustee prepared an "infographic" communication for our members, which summarises the annual climate change report, and the wider ESG and engagement activity conducted by the Trustee on members' behalf. The Trustee welcomes feedback from members and a number of channels are available for members to get in touch.
ESG and engagement monitoring	Quarterly throughout the year	Investment performance reports are reviewed by the Trustee each quarter. These include research ratings that take into account each investment manager's ESG capabilities, provided by the investment adviser. Any deterioration in ESG views would be considered as a prompt to review a mandate. No such deterioration was experienced. The Trustee has built additional engagement monitoring into the quarterly reporting through the inclusion of significant engagements carried out by the investment managers on the Trustee's behalf, aligned to the Trustee's three priority stewardship themes (climate change, labour practices and standards, and corporate governance).

Voting Activity during the Scheme year

The Trustee has delegated investment voting rights to the investment managers and does not use the direct services of a proxy voter. Most voting activity will arise in respect of public equities. The Trustee has received information relating to funds that invest in public equities.

DB Section

Since the Scheme's investment strategy includes investment in only liability driven investments and fixed income, with no equity exposure, it is extremely rare for voting rights to be held in respect of these assets. As such there is no voting activity to report here.

DC Section

The Scheme makes available to members the following pooled funds. A number of these funds are blended into a single fund, but the investments are spread across a range of underlying funds, as shown. The funds highlighted in blue rows in the table hold equities.

Blended Funds (with more than one underlying fund) – strategic allocations as at 31 March 2026

Fund	Underlying Manager and Fund	Asset Allocation %
UUPS Higher Growth	L&G Future World Global Equity Fund (GBP Hedged)	23.0
	L&G Future World Global Equity Fund	23.0
	BlackRock Global Minimum Volatility Index	21.0
	BlackRock Emerging Markets Equity Index	3.0
	UUPS Diversified Growth	30.0
UUPS Medium Growth*	L&G Future World Global Equity Fund (GBP Hedged)	16.0
	L&G Future World Global Equity Fund	16.0
	BlackRock Global Minimum Volatility Index	16.0
	BlackRock Emerging Markets Equity Index	2.0
	UUPS Diversified Growth	50.0
UUPS Lower Growth	L&G Future World Global Equity Fund (GBP Hedged)	10.0
	L&G Future World Global Equity Fund	10.0
	BlackRock Global Minimum Volatility Index	9.0
	BlackRock Emerging Markets Equity Index	1.0
	UUPS Diversified Growth	30.0
	BlackRock Corporate Bond All-Stocks Index	20.0
	BlackRock Up To 5 Year Index-Linked Gilt Index	20.0
UUPS Diversified Growth	L&G Diversified	33.3
	BlackRock ESG Screened and Selected Strategic Growth	33.3
	Schroders Sustainable Future Multi-Asset	33.3

* Fund used in default strategy.

Fund	Underlying Manager and Fund	Asset Allocation %
UUPS Defensive	BlackRock Corporate Bond All-Stocks Index	37.5
	BlackRock Up To 5 Year Index-Linked Gilt Index	37.5
	BlackRock Liquidity Environmentally Aware	25.0
UUPS Blended Bond	BlackRock Corporate Bond All-Stocks Index	50.0
	BlackRock Up To 5 Year Index-Linked Gilt Index	50.0

Other Funds (including underlying investment manager / fund)

Again, the funds highlighted in blue rows in the table hold equities.

Asset Class	Fund	Manager
Global Equities	BlackRock (30/70) Currency Hedged Global Equity Index	BlackRock
	BlackRock (50/50) Global Equity Index	BlackRock
	UUPS Sustainable Global Equities	L&G
	UUPS Shariah Global Equity	HSBC
Regional Equities	BlackRock UK Equity Index	BlackRock
	BlackRock US Equity Index	BlackRock
	BlackRock European Equity Index	BlackRock
	BlackRock Japanese Equity Index	BlackRock
	BlackRock Pacific Rim Equity Index	BlackRock
	BlackRock Emerging Markets Equity Index	BlackRock
	UUPS Ethical UK Equity	L&G
	UUPS Global Emerging Market Equity	Schroders
Bonds and Cash	BlackRock Corporate Bond All Stocks Index*	BlackRock
	BlackRock Up to 5 years Index Linked Gilt Index*	BlackRock
	BlackRock Over 15 Year Gilt Index	BlackRock
	BlackRock Over 5 Year Index-Linked Gilt Index	BlackRock
	BlackRock Over 15 Years Corporate Bond Index	BlackRock
	UUPS Corporate Bond	M&G
	Pre-Retirement (available within lifestyle only)	L&G
	BlackRock Liquidity Environmentally Aware	BlackRock
Property	UUPS Property Fund	Threadneedle

*Fund used in default strategy.

Investment Manager Voting Disclosures (relevant only for DC Section)

As shown in the previous tables, the DC Section makes available to members funds managed by a number of investment managers. Funds that invested in equities (including as part of a multi-asset investment fund) during the Scheme year are managed by:

- BlackRock, Inc (“BlackRock”)
- HSBC Global Asset Management (“HSBC”)
- Legal & General Investment Management (“L&G”)
- Schroder Investment Management Limited (“Schroders”)

Overview of voting activity carried out on behalf of the Trustee

The Trustee has been provided with the voting disclosures relating to the funds listed in the previous tables. These are summarised overleaf, taking the funds that invest in public equities from the tables on the previous pages and splitting the blended funds into their component parts, as voting is undertaken at the underlying fund level.

Note that due to the number of funds in which the Scheme invests, and cross-holdings across funds (including blended funds), it is not possible to calculate holding sizes for individual companies at the Scheme level.

Voting information is sourced from the investment managers.

Underlying Manager / Funds	12 Months to 31 March 2026 unless otherwise stated					
	No. meetings eligible to vote	No. resolutions eligible to vote	% resolutions voted on where eligible	Of resolutions voted, % voted with management	Of resolutions voted, % voted against management	Of resolutions voted, % abstained
Funds used in blends (where not covered below)						
L&G Future World Global Equity (hedged & unhedged)	5,886	60,906	100%	79%	20%	1%
BlackRock Global Minimum Volatility Index	372	5,499	98%	97%	2%	0%
L&G Diversified	9,195	99,713	100%	76%	23%	1%
Schroders Sustainable Future Multi-Asset	922	11,752	97%	89%	11%	0%
BlackRock ESG Screened and Selected Strategic Growth	403	5,662	91%	96%	4%	0%
Global Equity Funds						
BlackRock (30/70) Currency Hedged Global Equity Index	4,706	53,375	99%	90%	8%	2%
BlackRock (50/50) Global Equity Index	2,364	32,170	99%	96%	4%	0%
UUPS Sustainable Global Equities	See L&G Future World Global Equity Fund above – this is the same fund.					
UUPS Shariah Global Equity	108	1,645	95%	84%	15%	1%
Regional Equity Funds						
BlackRock UK Equity Index	716	9,788	99%	97%	3%	0%
BlackRock US Equity Index	542	6,925	99%	98%	2%	0%
BlackRock European Equity Index	605	10,434	81%	89%	10%	1%
BlackRock Japanese Equity Index	489	5,833	100%	98%	2%	0%
BlackRock Pacific Rim Equity Index	607	4,886	99%	92%	8%	0%
BlackRock Emerging Markets Equity Index	4,560	37,743	98%	81%	17%	2%
UUPS Ethical UK Equity	261	4,582	100%	94%	6%	0%
UUPS Global Emerging Market Equity	163	1,961	99%	93%	7%	0%

Totals may not sum due to rounding.

Significant votes (relevant only for DC Section)

During the year, the Scheme continued to invest in pooled funds, rather than investing in companies directly. As such, the investment managers exercise voting rights at the pooled fund level. As voting rights only apply to equity investments, these significant votes are provided only for the funds used by the Scheme that invested in equities.

Given the large number of votes considered by investment managers at every Annual General Meeting, for every company in every fund, along with the timescales over which voting takes place and the resource and expertise required, the Trustee did not identify significant voting ahead of the reporting period. Instead, the Trustee has (with the support of its adviser) retrospectively reviewed the voting records of the relevant investment managers, in order to identify significant votes in the context of the Trustee's stewardship priorities, which are:

- Climate change
- Labour practices and standards
- Corporate governance, including board diversity, shareholder rights, and executive remuneration.

To ensure that this statement is inclusive for all members regardless of which funds they invest in, we provide a significant vote for every fund. There is a very large number of votes on the topics above, but we consider that the votes set out on the following pages are a well-rounded reflection of the types of issues considered, and the voting practices of the managers.

While votes themselves are important, in the majority of cases they form just one part of an investment manager's stewardship process. In the votes listed here, the manager in all cases planned to follow up with the company, either through direct or collaborative engagement, as part of their ongoing stewardship activities.

Funds used in blends (where not covered elsewhere)

Fund	L&G Future World Global Equity (hedged & unhedged) and UUPS Sustainable Global Equities (this is the same fund)				
Company	Broadcom				
Item	Election of a director				
Stewardship priority	Climate change				
Rationale	Broadcom is an American multinational designer, developer, manufacturer, and global supplier of a wide range of semiconductor and infrastructure software products. L&G voted against the re-election of one of Broadcom's directors, as the company was not deemed to have made sufficient progress against L&G's climate expectations and red lines. This vote formed part of L&G's "Climate Impact Pledge", which encourages companies to reduce the risks associated with climate change and nature degradation, and to transition to a net-zero economy. Where L&G consider that certain standards are not met, they will vote against the election of key directors including board chairpersons to signal their concerns.				
Date of Vote	21 April 2025	Voting Decision	Against	Outcome	Passed

Fund	BlackRock Global Minimum Volatility Index				
Company	Tyson Foods				
Item	Election of two board directors				
Stewardship priority	Corporate governance				
Rationale	Tyson Foods is an American multinational corporation and is the world's second-largest processor and marketer of chicken, beef, and pork. It is the largest meat company in America. The company faced criticism for excessive executive compensation including “perks” such as private jet use, at a time when the company was also making staffing cuts. The company’s practices on bonuses and overall poor alignment between pay and performance were also flagged as issues. To voice their concerns, BlackRock voted against the election of two directors who sit on Tyson Foods’ Compensation Committee, on the grounds that pay is not properly aligned with performance and/or peers, and the Compensation Committee should be held accountable.				
Date of Vote	5 February 2026	Voting Decision	Against	Outcome	Passed

Fund	L&G Diversified				
Company	Marks & Spencer Group Plc				
Item	Shareholder resolution requesting that the company should “oversee the preparation of a report to provide investors the information needed to assess the company's approach to human capital management”				
Stewardship priority	Labour practices and standards				
Rationale	Shareholders filed a resolution at the 2025 M&S Annual General Meeting, requesting the disclosure of data on workers paid below the Real Living Wage and a cost-benefit analysis of implementing it. L&G voted for the proposal. While they acknowledged that M&S offers all of their own employees a real living wage, knowing the turnover rates at least for full-time workers would help to build a picture of the positive impact paying a real living wage and whether treating their colleagues well impacts retention rates. Although the UK is considered a low risk country in terms of human rights abuses, L&G believe having a thorough understanding of the third party contractors that operate in M&S premises will reduce any potential future risks from human rights issues.				
Date of Vote	1 July 2025	Voting Decision	For	Outcome	Failed

Fund	Schroders Sustainable Future Multi-Asset				
Company	Engie				
Item	Management Proposal on Say on Climate				
Stewardship priority	Climate change				
Rationale	Engie is a French multinational electric utility company. Its activities cover electricity generation and distribution, natural gas, nuclear power, renewable energy, district energy, and the petroleum industry. The company's management put forward to shareholders an update of its climate strategy: "Say on Climate". The update: - Confirmed ENGIE's Net Zero 2045 objective for all its emissions (scope 1, scope 2, scope 3) - Reinforced ENGIE's 2030 targets, with new milestones 2035 and 2040. While Schroders welcomed ENGIE's updated climate strategy, particularly its reinforced commitment to achieving Net Zero emissions across all scopes by 2045, they were unable to support the plan by voting for it, as there was a lack of clarity on decarbonisation pathways, and risks of ongoing and potential investments in new gas infrastructure.				
Date of Vote	24 April 2025	Voting Decision	Against	Outcome	Passed

Fund	BlackRock ESG Screened and Selected Strategic Growth				
Company	CommScope Holding Company				
Item	Election of three directors				
Stewardship priority	Corporate governance				
Rationale	CommScope provides hardware and infrastructure for communication networks. BlackRock voted against the election of three of its directors, all of whom are members of the company's Nominating / Governance Committee. The rationale was that BlackRock considered that these directors had failed to adequately account for diversity on the board. It is in this context, BlackRock are interested in ensuring a company's board has a variety of experiences, perspectives, and skillsets. They see board diversity as a way of avoiding "group think" in the board's exercise of its responsibilities to advise and oversee management. Voting against these directors was a way to signal concerns around diversity.				
Date of Vote	8 May 2025	Voting Decision	Against	Outcome	Passed

Global Equity Funds

Fund	BlackRock (30/70) Currency Hedged Global Equity Index				
Company	Energisa				
Item	Election of director				
Stewardship priority	Climate change				
Rationale	Energisa is a Brazilian utility company and independent power producer. BlackRock chose to vote against the election of one of the company's directors, because Energisa does not meet BlackRock's aspirations of having adequate climate risk disclosures against all 4 pillars of the Taskforce on Climate Related Financial Disclosures framework (governance, strategy, risk management, and metrics and targets). Such information allows investors to better assess risks and impacts of climate change on a company, hence BlackRock's desire to see better disclosures.				
Date of Vote	30 April 2025	Voting Decision	Against	Outcome	Passed

Fund	BlackRock (50/50) Global Equity Index				
Company	Roche				
Items	i. Amend Articles in relation to Participation Rights ii. Approve Remuneration Report iii. Re-election of director and Board Chair				
Stewardship priority	Corporate governance				
Rationale	Roche is a Swiss multinational healthcare company that operates in the pharmaceuticals and diagnostics sectors. BlackRock withheld their vote on three key governance related matters: i. Roche sought to amend its Articles of Incorporation to replace non-voting equity securities (with new participation certificates. On balance, BlackRock felt that shareholders' rights are likely to be diminished in material ways under the new Articles. ii. In relation to the company's proposed Remuneration Report, in BlackRock's assessment Roche's disclosure did not provide sufficient understanding of the company's remuneration policies and the link between performance-based pay and company performance. Based on the disclosures, the performance hurdles do not appear to be challenging. iii. Finally, BlackRock withheld their vote on the re-election of a director (and Board Chair) as the nominee serves as Chair of the board where they had concerns regarding the board structure.				
Date of Vote	10 March 2026	Voting Decision	Did not vote	Outcome	Pass

Fund	UUPS Sustainable Global Equities – see L&G Future World Global Equity Fund vote information earlier in this statement (the two funds are the same).				
Fund	UUPS Sharia Global Equity (managed by HSBC)				
Company	Alphabet				
Item	Report on Meeting 2030 Climate Goals				
Stewardship priority	Climate change				
Rationale	At Alphabet's annual general meeting, shareholders filed a resolution requesting that the company should report on meeting its 2030 climate goals, citing a 50% rise in greenhouse gas emissions from a 2019 baseline driven by AI and data center energy demand. Items requested within the report included: - Details of Alphabet's contingency plans, including scenario analyses, that evaluate factors that could negatively impact the company's emissions reduction progress. - A stress test of Alphabet's strategies for achieving its 2030 goals, assessing factors over which it has direct and indirect control. HSBC voted for the proposal as they believe that such a report would contribute to the better management of climate-related risks, and would be in the interest of shareholders.				
Date of Vote	6 June 2025	Voting Decision	For	Outcome	Failed

Regional Equity Funds

Fund	BlackRock UK Equity Index				
Company	Shell				
Item	Shareholder proposal to request that Shell should disclose whether and how its demand forecast for liquified natural gas (LNG), LNG targets, and new capital expenditure in natural gas assets are consistent with climate commitments.				
Stewardship priority	Climate change				
Rationale	On the agenda at Shell's 2025 annual general meeting was a shareholder proposal requesting that Shell publishes various disclosures around its natural gas business relating to climate commitments, including its target to reach net zero emissions by 2050. While BlackRock supports transparency of information for shareholders on climate related issues, they did not vote in favour of the shareholder proposal because in its analysis, Shell's disclosures are already sufficiently robust, allowing investors to understand how it is managing material climate-related risks and opportunities that might impact its long-term financial performance. The shareholder proposal received around 21% support. BlackRock notes that with regard to shareholder proposals addressing climate and natural capital-related risks and opportunities during the year, a significant percentage were overly prescriptive or focused on business risks that companies already had processes in place to address, making them redundant.				
Date of Vote	20 May 2025	Voting Decision	Against	Outcome	Failed

Fund	BlackRock US Equity Index				
Company	HCA Healthcare				
Item	Report on Healthcare Consequences of Acquisition Strategy				
Stewardship priority	Corporate governance and labour practices and standards				
Rationale	HCA Healthcare is a global company that runs private hospitals, surgeries, emergency rooms, and clinics. A group of shareholders filed a request for the Board of Directors to publish a report describing the healthcare consequences and impacts its hospital acquisitions in the last decade have had on communities, including staffing levels. While BlackRock carefully considered the request, they voted against it. This was not because they did not appreciate the broad aims of the proposal. Rather, it was not clearly defined, too prescriptive, and not in the purview of shareholders. Further, BlackRock considered that corporate policy decisions are best left to the board, absent any demonstrable harm to shareholders by prior board action or inaction. The board can be held accountable for its decisions through the election of directors.				
Date of Vote	24 April 2025	Voting Decision	Against	Outcome	Failed

Fund	BlackRock European Equity Index				
Company	Stellantis				
Item	Approval of remuneration report				
Stewardship priority	Corporate governance				
Rationale	Stellantis is a car maker formed from the merger of the French PSA Group and Italian-American Fiat Chrysler. They make cars including Alfa Romeo, Citroën, and Peugeot. BlackRock voted against the approval of the company's proposed executive remuneration arrangements, as they assessed the proposals to be poorly structured, and that there had been poor use of remuneration committee discretion regarding the grant of a one-off award. Further, the disclosures provided by Stellantis did not provide sufficient understanding of the company's remuneration policies and the link between performance-based pay and company performance.				
Date of Vote	15 April 2025	Voting Decision	Against	Outcome	Passed

Fund	BlackRock Japanese Equity Index				
Company	Takeda Pharmaceutical Co., Ltd ("Takeda")				
Item	Approval of annual bonus and election of director				
Stewardship priority	Corporate governance				
Rationale	Takeda is a Japanese multinational pharmaceutical company. It has faced scrutiny over executive pay, with some stakeholders criticising outsize payouts. BlackRock chose to vote against the proposed annual bonus for the directors of Takeda, due to concerns around compensation-related disclosure and governance. BlackRock also voted against the election of a director responsible for compensation owing to the same concerns.				
Date of Vote	25 June 2025	Voting Decision	Against	Outcome	Passed

Fund	BlackRock Pacific Rim Equity Index				
Company	First Pacific Company Limited ("First Pacific")				
Item	Election of director				
Stewardship priority	Corporate governance				
Rationale	First Pacific is a Hong Kong-based investment holding company with investments across the Asia-Pacific region. BlackRock voted against the election of this director owing to a number of governance concerns around insufficient independence. Several key board-level committees did not have majority independent directors in place (the Audit Committee, Remuneration Committee, and the Nomination Committee). BlackRock consider director independence (from management, major shareholders, or related parties) to be a key tenet of good governance. They expect boards to have a sufficient number of independent directors, free from conflicts or undue influence, to ensure objectivity in decision-making and the board's ability to oversee management.				
Date of Vote	18 June 2025	Voting Decision	Against	Outcome	Passed

Fund	BlackRock Emerging Markets Equity Index				
Company	Eneva				
Item	Election of directors				
Stewardship priority	Climate change and corporate governance				
Rationale	Eneva is a power generation company based in Rio de Janeiro, Brazil. BlackRock voted against the election of one of the company's directors on the grounds that Eneva did not meet BlackRock's aspirations of having adequate climate risk disclosures against all four pillars of the Taskforce on Climate Related Financial Disclosures (TCFD) framework. These pillars are governance, strategy, risk management, and metrics and targets. In addition, BlackRock voted against a member of Eneva's Nominating / Governance Committee for a failure to adequately account for diversity on the board.				
Date of Vote	30 April 2025	Voting Decision	Against	Outcome	Passed

Fund	UUPS Ethical UK Equity (managed by L&G)				
Company	Pennon Group				
Item	Approval of Climate-Related Financial Disclosures				
Stewardship priority	Climate change				
Rationale	Pennon Group is a British water utility company based in Exeter. L&G voted against the approval of Pennon's climate disclosures, as they expect companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. L&G's expectations apply across Pennon Group's range of companies and not just as a single entity, and they wanted a breakdown of capital expenditure is directed to support the transition plan. L&G also noted that on the Science Based Targets Initiative website, Pennon's net zero commitment had been removed. As a consequence, L&G voted against the approval of the company's Climate-Related Financial Disclosures.				
Date of Vote	24 July 2025	Voting Decision	Against	Outcome	Passed

Fund	UUPS Global Emerging Market Equity (managed by Schroders)				
Company	Mercado Libre				
Item	Election of a director and advisory vote on executive compensation				
Stewardship priority	Corporate governance				
Rationale	Mercado Libre is the largest e-commerce and digital financial services platform in Latin America, and is often called the "Amazon of Latin America". The investment manager voted against the election of one of the board directors, owing to concerns around lack of diversity on the board. In addition, they voted against the company's proposals for executive compensation. Specifically, the manager was of the view that the majority of the proposed long-term incentive pay awards were not performance-based and hence the reward structures for senior executives were inappropriate.				
Date of Vote	17 June 2025	Voting Decision	Against	Outcome	Passed