

BASF UK Group Pension Scheme

Implementation Statement 2025

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Executive Summary

The Trustee is required to produce an annual Statement to set out how, and the extent to which, the Trustee has followed its SIP during the year. This includes voting and engagement policies, as well as details of any review of the SIP during the year, subsequent changes made with the reasons for the changes, and the date of the last SIP review.

The Statement is also required to include a description of the voting behaviour during the year by, and on behalf of, the Trustee (including the most significant votes cast by the Trustee or on their behalf) and state any use of the services of a proxy voter during that year.

This Statement should be read in conjunction with the SIP which can be accessed on the [Pension Website](#).

This Statement sets out how the Trustee has followed its SIP during 2025, including voting and engagement policies, and review of the SIP during the year.

There were no overall changes to the DC investment strategy (in terms of asset allocation) during the period covered by this Statement, though there were changes to the underlying equity funds within the Scheme's risk profiled funds, as described later in this Statement.

The Trustee continue to assess the performance of the Scheme's investments and appointed asset managers, and it has also reviewed the strategic objectives for its investment advisers in line with regulatory requirements.

The Trustee has set their stewardship priorities as follows:

- 1) Climate change
- 2) Diversity, equity, and inclusion
- 3) Business ethics & transparency

The Trustee has communicated to the managers and monitored their voting and engagement policies according to these priorities.

Glossary

IHPT means the BASF In-House Pension Team

SAA means the Trustee's Strategic Asset Allocation

SIP means the Trustee's Statement of Investment Principles

SLA means any Service Level Agreements agreed by the Trustee

Statement means this Implementation Statement

TOR means the Terms of Reference agreed between the Trustee and any sub-committees

Trustee means Ross Trustees Services Limited as the Trustee of the BASF UK Pension Scheme

Review of the SIP

The Trustee reviews each SIP at least triennially, or sooner in the event of a change to the investment strategy. The latest review date is detailed below, and details of any changes are provided later in this Statement:

SIP	Last Updated
DC Sections	January 2026
DB Sections	December 2025

DB Section: SIP policy assessments during the year

Progress against the long-term journey plan is reviewed as part of the quarterly performance monitoring and trigger monitoring reports. The Trustee is also able to view the progress on an ongoing basis using an online tracker provided by the Investment Consultant. As at the date of this Statement, the Group and BPP Sections were fully funded on a Gilts+0.25% per annum basis.

Investment strategy

The Trustee monitors the asset allocation quarterly and compares this to the strategic asset allocation. As the Group and BPP Sections are fully de-risked, the Trustee removed the de-risking triggers for these sections.

Implementation of the investment arrangements

No changes to the investment managers were completed in 2025. The Trustee monitors the performance of the Scheme's investment managers on a quarterly basis, using the quarterly performance monitoring report. The Trustee kept using a traffic light system to monitor the asset managers. The most recent quarterly report shows that there are no urgent concerns over the funds used. The Trustee invites the investment managers to present at Trustee meetings, at least once every two years.

Realisation of investments

The Trustee reviews the current and future cashflow requirements on a quarterly basis. Additionally, on a weekly basis, the Trustee receives the cash balances from the Scheme Administrator, to ensure there are enough funds to finance expected expenses. The Trustee policy is to have access to sufficient liquid assets to meet any outflows while maintaining a portfolio which is appropriately diversified across a range of factors, including suitable exposure to both liquid and illiquid assets.

The investment managers have discretion over the timing of realisation of investments. The Trustee receives income from their Buy & Maintain and Private Credit portfolios, which is retained as cash and used for paying benefits. Following the established investment cashflow forecast, the Trustee decide, with support from its Investment Adviser, what disinvestments shall be done to meet the cashflow requirements. In 2025, funds were taken from the LDI portfolio due to the liquid nature of the mandate and the fact that capital can be released without affecting the level of hedging exposure provided.

Risk policy

Risks are monitored on an ongoing basis with the support from the Investment Adviser. The Trustee maintains a risk register, which is reviewed regularly in view of new risks and changes and presented at each meeting.

The strength of the employer's covenant is assessed bi-annually and in response to certain events, such as the divestitures and other structural changes. The Trustee's policy for risks, is to understand them and to address them, if necessary, based on advice from the Investment Adviser or information provided to the Trustee by the investment managers. These include credit risk, equity risk, currency risk and counterparty risk.

The investment and non-investment risks set out in Appendix 2 of the SIP give rise generally to funding risk. The Trustee formally reviews the Scheme's funding position following preparation of the Scheme Actuary's annual report, to allow for changes in market conditions. On a triennial basis, the Trustee reviews the funding position following preparation of the triennial actuarial valuation, which allows for membership and other experience. The Trustee also informally monitors the funding position more regularly, at Trustee meetings and the Trustee can also monitor this daily.

DC Section: SIP policy assessments during the year

The SIP confirms the Trustee's policy to take professional advice from a suitably qualified DC Investment Adviser. The advice received and arrangements implemented are, in the Trustee's opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended).

The Trustee did not make any changes to the overall investment strategy (in terms of SAA) during the period covered by this Statement.

However, there was a change to the underlying equity funds that are used within the Scheme's three risk-profiled funds. The change was to replace the BlackRock Global Developed Fundamental Weighted Index Fund allocation with the BlackRock MSCI World Fund in the Moderate, Adventurous, and Cautious Funds (allocations of 14%, 25%, and 9% respectively). The reason for the change was that BlackRock closed the former fund at short notice in July 2025, requiring a replacement to be identified. The Trustee took advice from its Investment Adviser and selected the BlackRock MSCI World Fund as the replacement option on the grounds that this switch allowed the Scheme to retain broad global equity exposure in a low-cost manner.

The SIP was updated subsequent to the Scheme year end, in January 2026, following two changes that were implemented during that month. While these changes fall outside of the period covered by this Statement, they are noted here for completeness:

1. Switching the assets invested during the growth phase of the default investment strategy from the Moderate Fund to the Adventurous Fund.
2. Adding a new FreePlan (self-select) fund to the range, the Sukuk (Shariah Bond) Fund.

The Trustee took advice from its suitably qualified DC Investment Adviser when reviewing the SIP.

Investments held and investment balance

The SIP documents the types of investment used within the Scheme and the asset allocation of each investment fund (including the lifestyle arrangements for LifePlan strategies). The default investment option is reviewed at least triennially, and further details are provided in the Chair's Statement.

Risk and return

The Trustee considers risk from multiple perspectives as set out in the SIP.

Where the SIP relates to expected/target returns, the Trustee reviews the absolute performance, relative performance against a suitable benchmark, and against each fund's stated target performance (over the relevant time-period).

The Trustee reviewed the measurement of key investment risks on a quarterly basis during the year as part of regular investment reporting. These quarterly reports were provided by the DC Investment Adviser. DC risks on the risk register were a standing item at meetings during the year.

Financial and non-financial considerations

The SIP covers these matters. The risks identified in the SIP are considered by the Trustee to be financially material considerations.

As stated in the SIP, members' views will be considered in relation to financial and non-financial matters. In the context of non-financial considerations, an Ethical Fund is available for members to invest in which invests according to defined ethical guidelines, including non-financially material matters. An Islamic Global Equity Fund is also available for members, which invests according to Shariah principles (Islamic law as revealed in the Qur'an). Subsequent to the Scheme year end, a Shariah Bond Fund was also added to the range, which invests in Sukuk instruments. There were no updates to this policy during the year, but the risks identified and how they are measured, and managed formed part of the investment monitoring conducted during the year, as noted above.

Realisation of investments

The SIP notes *'The investment manager has responsibility for buying and selling the underlying assets. All pooled funds used are daily dealt'*. No changes to the liquidity of the funds used by the Scheme were experienced during the year.

The Trustee developed a new policy on investment in illiquid assets within the default investment strategy during the year and added this policy to the SIP in October 2024. In summary, the Scheme's default investment option does not include any direct allocation to illiquid investments. The Scheme has indirect exposure to illiquid assets within the default option through its investment in multi-asset diversified growth funds, where the investment managers have the discretion to include modest allocations to less liquid assets in their strategy. At the total default strategy level, this is not expected to be more than 2% at any point of the lifestyle investment strategy and relates primarily to physical property investments within one of the underlying funds.

Exercise of rights (including voting rights)

Further details on voting rights and engagement activities are set out in the voting section of this Statement.

Investment strategy & decisions with Trustee policies

There were no changes to policy during the year.

Asset manager decision making

There were no changes to policy during the year.

Asset manager performance evaluation

In line with the policies documented in the SIP, the Trustee has reviewed both short term and longer-term investment performance through quarterly investment reports.

The Trustee reviews annually the extent to which the Scheme provides value for members. This results of this assessment, which covers investment performance, costs and charges, and broader elements of member value, are disclosed in the Chair's Statement.

Portfolio monitoring

This relates to how the Trustee monitors portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range. The SIP refers to this topic, and there were no policy changes during the year. All costs and charges associated with investment management, including transaction costs, are disclosed in the Chair's Statement.

The Trustee will continue to monitor transaction costs on an annual basis but has not set portfolio turnover targets; the Trustee instead assess performance net of the impact of the costs of such activities.

Asset manager arrangement duration

There were no changes to policy during the year.

Risk policy

Risks are monitored on an ongoing basis with the support from the Investment Adviser. The Trustee maintains a risk register, which is reviewed regularly in view of new risks and changes and presented as part of the documents for each Trustee meeting.

The Trustee's policy for some risks, given their nature, is to understand them and to address them if it becomes necessary, based on advice from the Investment Advisers or information provided to the Trustee by the Scheme's investment managers. These include credit risk, equity risk, currency risk and counterparty risk.

On a triennial basis, the Trustee reviews the investment strategy of the DC Section, which allows for the membership profile. The Trustee also monitors investment risks on a quarterly basis through reports prepared by the investment adviser.

Investment Governance

DB Sections

The Trustee assesses the performance of investments and asset managers on an ongoing basis as part of the quarterly monitoring reports it receives. The Trustee has agreed formal objectives for its Investment Adviser and reviews performance against these objectives on a quarterly basis.

DC Section

During the year, the full Trustee Board considered DC matters and attended DC-related Trustee meetings.

The Trustee is supported by an independent DC Investment Adviser, who also covers wider DC matters and governance, and attends DC meetings. The Trustee's legal adviser also provides support and attends relevant meetings when required. Day-to-day support to the Trustee is provided by the IHPT.

The Trustee meets with investment managers and investment platform provider when necessary. In years where there are no fund performance issues and the Trustee has other strategic and governance priorities investment manager meetings would not be considered essential. This is to ensure that governance activity is focused on the right areas to drive good outcomes for members, rather than having a fixed schedule approach.

Investment benchmarks and targets have been put in place for each investment manager, and performance is monitored on a quarterly basis against these measures. SLAs have also been established with the investment platform provider relating to operational performance. The SLAs cover investment transaction contract notes, queries, and maintenance of a microsite hosting fund information.

Non-Financial Matters

DB Sections

The Trustee policy is to delegate the consideration of financially material considerations including Environmental, Social and Governance ("ESG") considerations, voting and engagement to its investment managers and to consider these issues when making decisions regarding the selection or retention of investment managers. It seeks to appoint managers that have appropriate skills and processes to do this, and from time-to-time, reviews how its managers are taking account of these issues in practice.

The Trustee has, in its opinion, followed the Scheme's voting and engagement policies during the year, and it has continued to take advice on the selection and ongoing review of the investment managers from the investment adviser, who 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.

DC Sections

As stated in the SIP, members' views will be considered in relation to financial and non-financial matters. In the context of non-financial considerations, an Ethical Fund is available which invests according to defined ethical guidelines, including non-financially material considerations. An Islamic Global Equity Fund and Sukuk (Shariah Bond) are also available, which invest according to Shariah principles (Islamic law as revealed in the Qur'an).

DB Sections: Strategic Asset Allocation

There were no changes to the strategic asset allocation of any section in 2025.

Section	Underlying Funds	New Allocation	Prior Allocation
Group Section	Insight LDI portfolio	50.87	50.01
	Insight Buy & Maintain Credit	19.10	18.73
	Royal London Buy & Maintain Credit	25.05	23.90
	Barings Private Credit funds	4.21	6.31
	Cash balance	0.77	1.05
BPP Section	Insight LDI portfolio	48.05	43.35
	Insight Buy & Maintain Credit	21.96	22.12
	Royal London Buy & Maintain Credit	22.98	22.02
	Barings Private Credit funds	3.02	4.48
	ICG Private Credit funds	3.21	5.65
	Cash balance	0.78	2.28

DC Section: Strategic Asset Allocation

There were no changes to the overall strategic asset allocation of the LifePlan strategies during the year.

However, as noted earlier, there was a change to the underlying equity funds that are used within the Scheme's three risk-profiled funds. The change was to replace the BlackRock Global Developed Fundamental Weighted Index Fund with the BlackRock MSCI World Fund in the Moderate, Adventurous, and Cautious Funds, with allocations of 14%, 25%, and 9% respectively. The reason for the change was that BlackRock closed the former fund at short notice in July 2025, requiring a replacement to be identified. The Trustee took advice from its Investment Adviser and selected the BlackRock MSCI World Fund as the replacement option on the grounds that this switch allowed the Scheme to retain broad global equity exposure in a low-cost manner.

Manager Selection, Review, & Monitoring

DB Sections

The Trustee maintained its regular monitoring of the investment managers, by reviewing quarterly investment performance reports and by having review meetings with the asset managers. Additionally, the Investment Adviser monitors the investment managers on an ongoing basis and informs the Trustee promptly about any significant updates or events that may affect the managers' ability to achieve their investment objectives. This includes any significant change to the investment process or key staff for any of the funds the Scheme invests in, or any material change in the level of diversification.

DC Section

The Trustee maintained its regular monitoring of the investment managers, primarily by reviewing quarterly investment performance reports provided by the DC Investment Adviser.

These reports include:

- Details of how each fund and underlying investment manager is delivering against their specific benchmark and targets over both short term and long-term periods.
- The experience that members in the default investment strategy have experienced, in both the growth phase and the de-risking phase of the strategy. This is assessed against inflation measures to ensure that the strategy delivers real returns above inflation.
- Investment risk metrics for the default investment strategy, including volatility and "maximum drawdown" statistics. This allows the Trustee to measure and monitor risks.
- Peer group analysis for key actively managed funds, comparing the performance of managers to alternatives available in the market.
- The investment research ratings including ESG related considerations. The research ratings denote the DC Investment Adviser's research views on the funds, including the prospects for the manager achieving the investment objectives and the extent to which ESG considerations are integrated in the manager's process, portfolio, and in their voting and engagement activities.

DB Sections: Voting and Engagement

In 2023, the Trustee, following guidance from the DWP, have set their stewardship priorities as being:

- 1) Climate change
- 2) Diversity, equity, and inclusion
- 3) Business ethics & transparency

The priorities were communicated to the investment managers, and the Trustee will regularly monitor, at least once per year, on their voting and engagement policies to ensure these priorities are considered.

Votes / Engagement in relation to assets other than listed equity

The following comments were provided by the Scheme's asset managers who don't hold listed equities, but invest in assets that had voting / engagement opportunities during the period:

Barings – Private Credit

Barings' investment professionals seek to understand the potential risks to and opportunities for an investment (including those related to ESG); to do so they may meet with government officials and corporate management teams, visit operational facilities, and analyse industry competitors. Once invested, they continue to monitor each investment to ensure that their thesis, including that on ESG matters, remains intact and that an investment's risk and return profile remains attractive relative to other opportunities available in the market. In 2025, Barings recorded 170 engagements with 157 issuers. An example of engagement was with a professional services firm that provides a broad range of accounting and business advisory services to fast-growing small and medium-sized enterprises (SMEs). The company has expanded significantly through a combination of organic growth and multiple strategic acquisitions, resulting in a sizeable workforce and a large, diversified client base. Support was provided to a private equity sponsor in connection with the acquisition of the business in early 2025. Both sponsor and management prioritised the establishment of an ESG-aligned loan, with ESG KPIs agreed and incorporated into the legal documentation in early 2026. The margin ratchet mechanism provides for pricing reductions linked to KPI performance, with a higher weighting applied to emissions reduction and additional adjustments based on the achievement of the remaining targets, subject to an overall cap per measurement period.

ICG – Private Credit (BPP only)

ICG has not changed its approach to Voting & Engagement compared with 2025. For strategies like SDP, which is the one invested by BASF, ICG has recorded 19 engagements covering 18 borrowers. An example of engagement as Imdev. The investment team maintains regular contact with ImDev's management and sponsors on Sustainability matters through board meetings. The company has identified Sustainability topics as a key pillar in its structuring and has appointed a Sustainability Manager and partnered with an external CSR advisor to define its Sustainability strategy. Initiatives include digitising operations to reduce paper use, alongside social initiatives such as market-aligned compensation and a profit-sharing scheme. As the business is acquisition-driven, the group also seeks to ensure newly acquired entities adhere to its Sustainability standards.

Insight – Buy & Maintain Credit, ABS and LDI funds

Insight considers ESG issues within their research process and has developed their own rating methodology using data from multiple third-party data providers. If Insight identifies material ESG risks, they engage to better understand the issues. On government bonds, Insight engages directly with the Debt Management Office, and via industry wide groups, such as Sustainable Investment and Finance Association and the Institutional Investors Group on Climate Change. On ABS, Insight engages with originators, other asset managers and regulators to improve and standardise data. For the B&M credit portfolio, one example of engagement was in Q4 2025, with Wells Fargo. Previous engagements highlighted concerns about the issuer withdrawing from key sustainability industry frameworks. This engagement aimed to understand the issuer's evolving sustainability strategy following the removal of its environmental and social risk framework and rollback of climate-related targets. The issuer provided limited clarity on its ESG priorities, indicating a shift toward business-growth and community activities rather than structured sustainability objectives. Additionally, Wells Fargo no longer maintains a net-zero target for its lending book and has removed climate-related reports and policies from public disclosure, significantly reducing transparency. The engagement confirmed significant

backtracking in the issuer's environmental and social risk management, withdrawal of key policies and sector exclusions, and reduced transparency following the removal of climate-related reports and targets. Given these developments, Insight believes Wells Fargo is not appropriate for portfolios with ESG characteristics.

Royal London Asset Management (RLAM) - Buy & Maintain Credit

RLAM's approach to engagement considers the strategic, environmental, social and governance risk management of investee companies. Engagement carried out jointly with investment specialists and RI teams is especially effective for fixed income assets where ESG external data typically lacks. In 2025, RLAM engaged with 38 entities invested for the BPP section and 40 entities invested for the Group section. An example of engagement was with Volkswagen AG, a global automotive manufacturer, with objective to review its climate strategy and commitments under the Net Zero Stewardship Programme. As outcome, Volkswagen's climate alignment improved following a 5% emissions reduction, though the company has not set up yet a target for Scope 3 Category 1 emissions (indirect emissions from purchased goods and services). Battery electric vehicle sales are expected to reach 11% in 2025, supported by affordable models and strategic partnerships in China. The company is preparing to meet the new EU's 2035 requirement for a 90% reduction in fleetwide emissions by transitioning towards electric and other low-emission vehicle production. Volkswagen also disclosed workforce training initiatives under its just transition approach. We will continue engagement to encourage stronger Scope 3 targets and progress on the transition to zero-emissions vehicles.

Voting and Engagement (DC Sections)

The Trustee maintains a training programme that includes matters relating to ESG and stewardship and has undertaken beliefs surveys to support maintenance of the voting and engagement policy. Trustee beliefs are reviewed periodically.

The Trustee has complied with the SIP on voting and engagement. The Scheme continued to invest solely in pooled funds, where voting and engagement activities are delegated to investment managers, with monitoring by the Trustee

Voting Activity during the Scheme Year

All Trustee holdings in listed equities are within pooled funds and therefore the Trustee is not able to direct how votes are exercised. However, the Trustee monitors voting activity through consideration of voting statistics and significant votes annually as part of producing this Statement. The Trustee itself has not used proxy voting services over the year, and in line with the SIP policy the Trustee has delegated investment voting rights to the investment managers. Most voting activity will arise in respect of public equities. In this Statement, we have included voting data on the Scheme's funds that hold equities.

The Scheme makes daily dealt and priced pooled funds available to members. These funds are “blended” in that the Scheme provides a single fund, but the underlying investments are spread across a range of funds.

Fund	Underlying Funds	Strategic Allocation %
Adventurous	BlackRock MSCI World ¹	25.00
	BlackRock Global Minimum Volatility Index	25.00
	Allspring Emerging Market Equity	23.00
	L&G Future World Global Equity Index	27.00
Moderate	BlackRock MSCI World ¹	14.15
	BlackRock Global Minimum Volatility Index	14.15
	Allspring Emerging Market Equity	6.50
	Baillie Gifford Defensive Growth ²	16.67
	Mercer Diversified Growth	16.67
	L&G Diversified	16.66
	L&G Future World Global Equity Index	15.20
Cautious	BlackRock MSCI World ¹	9.20
	BlackRock Global Minimum Volatility Index	9.20
	Allspring Emerging Market Equity	4.10
	Baillie Gifford Defensive Growth ²	10.84
	Mercer Diversified Growth	10.83
	L&G Diversified	10.83
	L&G AAA-AA-A Corporate Bonds (All Stocks)	23.30
	Aquila Connect Up to 5 Year Index Linked Gilts	11.70
	L&G Future World Global Equity Index	10.00
Pre-Retirement Annuity	L&G Future World Annuity Aware	100.00
Cash	BlackRock Liquidity Environmentally Aware Fund (LEAF)	100.00
Ethical	L&G Ethical Global Equity	100.00
HSBC Islamic	HSBC Islamic Global Equity Index	100.00
Shariah Bond ³	HSBC Sukuk	100.00

¹ Replaced the BlackRock Global Developed Fundamental Weighted Index Fund in July 2025.

² Formerly known as the Baillie Gifford Sustainable Multi Asset Fund.

³ Made available from January 2026.

Description of Voting Process

As shown in the previous table, the Scheme invests in underlying funds managed by various investment managers. Funds that invest in equities are managed by:

- Allspring Global Investments (“Allspring”)
- Baillie Gifford & Co (“Baillie Gifford”)
- BlackRock Inc. (“BlackRock”)
- HSBC Global Asset Management (“HSBC”)
- Legal & General Investment Management (“L&G”)
- Mercer Global Investments Management Limited (“Mercer”)

The voting policies of the managers have been received and considered by the Trustee and the Trustee deems these policies to be consistent with its investment beliefs.

Summary of voting behaviour over the year

The Trustee has been provided with the voting disclosures relating to the funds listed in the previous table, for the 12 months to 31 December 2025. These are summarised in the table that follows, taking the funds that invest in public equities.

Data to 31/12/2025	Allspring Emerging Mkt Equity	Baillie Gifford Defensive Growth	BlackRock MSCI World	BlackRock Global Minimum Volatility Index	HSBC Islamic Global Equity Index	L&G Diversified	L&G Ethical Global Equity	L&G Future World	Mercer Diversified Growth
Value of Scheme assets (£ 000s)	26,565	19,107	37,031	37,031	18,681	19,094	15,488	39,930	19,104
No. of underlying equity holdings	118	131	1,298	342	100	6,166	1,128	3,236	N/A**
No. of meetings eligible to vote	147	66	1,385	368	108	9,539	1,207	5,881	7,272
No. of resolutions eligible to vote	1,435	847	20,201	5,409	1,627	100,740	16,886	59,848	88,395
% of resolutions voted	100%	98%	91%	97%	97%	100%	100%	100%	95%
% of resolutions voted with management	89%	96%	97%	97%	84%	76%	82%	79%	82%
% of resolutions voted against management	6%	3%	3%	3%	16%	23%	18%	20%	17%
% of resolutions abstained	5%	1%	0%	0%	0%	1%	0%	1%	1%
% of resolutions voted against recommendation of the proxy adviser	1%	N/A*	0%	0%	1%	15%	14%	9%	N/A**

Source: Investment Managers. Totals may not sum due to rounding.

* Baillie Gifford vote in line with their in-house policy, not with proxy voting provider policies.

** This fund does not invest in equities directly, instead it invests in underlying funds (18 funds as at 31 December 2025). There is no proxy adviser at the total fund level.

Most significant votes over the year

The Trustee has set their stewardship priorities as follows:

- 1) Climate change
- 2) Business ethics and transparency
- 3) Diversity, equity, and inclusion

In the following tables voting issues that arose within each fund (that hold equities with voting rights), that is considered significant, as it relates to Trustee priorities.

Fund	Allspring Emerging Market Equity	Company	Reliance Industries Ltd (“Reliance”)		
Item	Election of a director				
Stewardship priorities	Climate change and business ethics and transparency				
Rationale	Reliance is an Indian multinational conglomerate, and its businesses include energy, petrochemicals, natural gas, retail, entertainment, telecommunications, mass media, and textiles.				
	Allspring voted against the election of certain directors of the company’s board on several occasions during the year, for two main reasons: 1. The company is a significant greenhouse gas emitter, but in Allspring’s view has not disclosed sufficient information for shareholders to assess how the board oversees and manages climate-related risks and opportunities. 2. There were concerns around the level of independence within the board of directors (Allspring typically vote for an independent board that has a majority of outside directors who are not affiliated with the top executives and have minimal or no business dealings with the company to avoid potential conflicts of interest).				
Date of Vote	29 July and 29 August 2025	Voting Decision	Against	Outcome	Passed

Fund	Baillie Gifford Defensive Growth	Company	Enel		
Item	Vote on executive remuneration policy				
Stewardship priority	Business ethics and transparency				
Rationale	Enel is an Italian multinational manufacturer and distributor of electricity and gas.				
	Baillie Gifford opposed the company’s proposed remuneration policy as it proposed a change in the “safety metric” used in remuneration calculations, which Baillie Gifford did not find appropriate. The context was that the company had experienced a significant figure related to fatalities (for example, an explosion and fire at the Enel Green Power hydroelectric plant at Lake Suviana in Italy in April 2024 caused multiple fatalities) and therefore Baillie Gifford did not see it appropriate for the company to change the safety metric used in calculating executive level variable compensation.				
	Baillie Gifford will feedback to the company as part of ongoing engagement.				
Date of Vote	22 May 2025	Voting Decision	Against	Outcome	Pass

Fund	BlackRock MSCI World	Company	Equinor ASA (“Equinor”)		
Item	Various shareholder proposals requesting climate change related actions (see details under rationale)				
Stewardship priority	Climate change				
Rationale	Equinor is a Norwegian energy company, and faced several climate and natural capital related shareholder proposals in its May 2025 Annual General Meeting.				
	BlackRock note that with regard to shareholder proposals addressing climate and natural capital-related risks and opportunities, a significant percentage during the year were overly prescriptive or focused on business risks that companies already had processes in place to address, making them redundant.				
	In the case of Equinor, two proposals requested that the company shut down its wind power business. BlackRock voted against these two proposals because, in their view, they lacked economic merit and would have been overly prescriptive to management’s decision making.				
	Another requested that Equinor disclose whether its energy production strategy is consistent with the expectations of the Norwegian State as a significant shareholder, concerning certain efforts to reduce greenhouse gas emissions. In response, the company stated that it does not see any mis-alignments as it relates to this matter between itself and the perspectives of its major shareholders. Again, in BlackRock’s assessment, the proposal would be overly prescriptive to management’s decision making. The proposals failed to gather significant support, ranging from 0.1% to c. 4% voting in favour.				
Date of Vote	14 May 2025	Voting Decision	Against	Outcome	Failed

Fund	BlackRock Global Minimum Volatility Index	Company	Takeda Pharmaceutical		
Items	Approve annual bonus of certain Board Directors, and election of the Compensation Committee Chair				
Stewardship priority	Business ethics and transparency				
Rationale	At the June 2025 AGM of Takeda Pharmaceutical, a Japanese pharmaceutical company, BlackRock did not support the election of the Compensation Committee Chair and the approval of the annual bonus to certain board directors.				
	In BlackRock's assessment, there was a misalignment between pay and performance, alongside insufficient disclosure on the effectiveness of the remuneration policies in incentivising long-term financial value creation. The director election and annual bonus received, respectively, c.89% and c.68% support from shareholders, and BlackRock will continue to engage on executive remuneration arrangements as part of their ongoing stewardship activities.				
Date of Vote	25 June 2025	Voting Decision	Against	Outcome	Passed

Fund	HSBC Islamic Global Equity Index	Company	Tesla		
Item	Report on the Use of Child Labor in Connection with Electric Vehicles				
Stewardship priority	Business ethics and transparency				
Rationale	A shareholder proposal requested that Tesla should report to shareholders (at reasonable cost and omitting proprietary information) on the extent to which its business plans with respect to electric vehicles and their charging stations involve, rely on, or depend on child labour. The proposal highlighted that every electric vehicle that Tesla produces requires a lithium-ion battery containing cobalt, and the majority of cobalt mined globally is produced in the Democratic Republic of Congo, where cobalt mining is often done by children in unsafe conditions.				
	HSBC voted for this proposal, as they believe it would contribute to the better management of human rights issues and be in the interest of shareholders. While the proposal did not attain a majority vote, HSBC note that they will continue to vote on similar proposals in future. Votes still help to send an important signal to Tesla's management.				
Date of Vote	6 November 2025	Voting Decision	For	Outcome	Failed

Fund	L&G Diversified	Company	National Australia Bank Limited
Item	Shareholder resolutions to Approve Disclosure of Financed Deforestation and Approve Strategy to Eliminate Financed Deforestation		
Stewardship priority	Climate change		
Rationale	L&G voted in favour of two shareholder resolutions relating to deforestation. The first was to request that National Australia Bank publish details of the deforestation it finances. L&G voted for the proposal, as they expect companies to be taking sufficient action on climate and nature. Enhanced disclosure on financed deforestation exposure would improve transparency on material environmental and credit risks given the bank's meaningful exposure to agri-business lending. Additional, decision-useful disclosure aligned with credible frameworks such as the Accountability Framework Initiative (AFI) that recognises both legal and illegal deforestation risks, and quantifies exposure where practicable, would be beneficial to shareholders, in L&G's view. The second vote was to request that the company discloses its strategy to eliminate financed deforestation. L&G voted for this request, on the grounds that such disclosures would provide shareholders with visibility on governance, targets, client expectations, controls, and escalation pathways for this financially material risk.		
Date of Vote	12 December 2025	Voting Decision	For Outcome Failed

Fund	L&G Ethical Global Equity	Company	Deere & Company ("Deere")
Item	Shareholder resolution requesting a Civil Rights Audit		
Stewardship priority	Diversity, equity, and inclusion		
Rationale	Deere & Company is a US firm that manufactures agricultural, construction, and forestry machinery. A shareholder resolution requested a Civil Rights Audit, aimed at evaluating potential bias in company policies following pressure relating to diversity, equity, and inclusion issues. L&G voted in favour on the basis that such an audit would be a transparent way for Deere to demonstrate that the company's code of conduct is operating as it should, and that there are no inequalities based on gender or ethnicity, which may cause potential legal and / or financial risks to the company. While the proposal failed to pass (this is typical for shareholder resolutions which are not supported by management), it had c29% support, which showed shareholder interest in external oversight.		
Date of Vote	26 February 2025	Voting Decision	For Outcome Failed

Fund	L&G Future World	Company	PepsiCo
Item	Shareholder resolution requesting a Third-Party Racial Equity Audit		
Stewardship priority	Diversity, equity, and inclusion		
Rationale	A group of shareholders called for PepsiCo's board to oversee a third-party audit to assess and produce recommendations for improving the racial impacts of its policies, practices, products, and services. The proposal noted that PepsiCo has not employed a third-party auditor to assess and further develop its racial equity strategy, claiming that the requested audit is unnecessary in part because of its work with Management Leadership for Tomorrow's Racial Equity Certification Program. While it was noted that this is valuable work, the shareholders who put forward the request felt that it was not a substitute for an independent racial equity audit. L&G voted in favour of the proposal, as they consider diversity and inclusion to be a material risk. The vote gained close to 18% support, sending an important message to the company's management.		
Date of Vote	7 May 2025	Voting Decision	For Outcome Failed

Fund	Mercer Diversified Growth	Company	Apple		
Item	Shareholder proposal regarding abolishing inclusion and diversity program and policies				
Stewardship priority	Diversity, equity, and inclusion				
Rationale	A conservative group, the National Center for Public Policy Research (NCPPR), called on Apple to abolish its Diversity, Equity, and Inclusion (DEI) policies, saying they expose firms to "litigation, reputational and financial risks".				
	This came at a time when other large US technology firms, including Meta (the parent company of Facebook) and Amazon have scaled back their DEI programmes amid an “anti-ESG” backlash. US President Donald Trump has been highly critical of DEI policies.				
	The investment manager voted against the shareholder proposal (i.e. the manager wanted Apple to continue to implement DEI policies) because they believe that Apple has strong compliance measures and effective oversight of legal and regulatory risks. Additionally, the company maintains clear non-discrimination policies and aligns its oversight with market standards and there are no known controversies regarding employee discrimination linked to Apple's DEI efforts.				
	Apple shareholders overwhelmingly rejected the proposal to dismantle the company's DEI programmes.				
Date of Vote	25 February 2025	Voting Decision	Against	Outcome	Failed

Source: Investment Managers.