



Lloyd's Register Superannuation Fund Association ("the Fund")

July 2025

Background and Implementation Statement

Background

The Department for Work and Pensions ('DWP') is increasing regulation to improve disclosure of financially material risks. This regulatory change recognises Environmental, Social and Governance ('ESG') factors as financially material and pension schemes need to consider how these factors are managed as part of their fiduciary duty. The regulatory changes require that pension schemes detail their policies in their Statement of Investment Principles ('SIP') and demonstrate adherence to these policies in an Implementation Statement.

Implementation Report

This Implementation Statement is produced to provide evidence that the Fund continues to follow and act on the principles outlined in the Statement of Investment Principles (SIP).

The SIP can be found online at the web address [here](#) and changes to the SIP are detailed on the following page.

The Implementation Statement details:

- actions the Fund has taken to manage financially material risks and implement the key policies in its SIP.
- the current policy and approach with regards to ESG and the actions taken with managers on managing ESG risks.
- the extent to which the Fund has followed policies on engagement covering engagement actions with its fund managers and in turn the engagement activity of the fund managers with the companies in the investment mandate.
- voting behaviour covering the reporting year up to 31 March 2025 for and on behalf of the Fund including the most significant votes cast by the Fund or on its behalf.
- the policies in place to ensure the default strategy remains in the best interest of its members.

Summary of key actions undertaken over the Fund reporting year

In October 2024, the Trustee purchased buy-in policy with Standard Life / Phoenix ("Phoenix") to insure all the DB Fund's liabilities. Under the terms of the transaction, the Trustee transferred all assets to Phoenix, retaining only a small surplus of residual assets.

The purpose of these changes was to ensure pension payments for liabilities covered by the insurance policy, while retaining the Fund's remaining assets in a liquid fund to cover ongoing expenses and to receive distributions from the Fund's direct lending mandate as it winds down, redistributing capital.

Through appointment of Phoenix, the Trustee have delegated all decisions about the day-to-day management of the assets to the investment managers via a written agreement. Responsibility for climate-related risk management still remains ultimately with the Trustee however has been delegated to Phoenix.

Following the buy-in, due to the low governance requirements from this investment strategy, the Trustee has not needed to take any other significant actions over the rest of the reporting period.

In Q1 2024, the Trustee initiated a triennial review of the DC investment strategy as is required every three years. As a result, the Trustee decided to change the default investment option (also known as the 'low involvement option'), close the legacy lifestyles and update the self-select investment options available to members. The Trustee, having obtained professional advice, believes the changes to the default investment option will lead to better long-term outcomes for members, whilst investing sustainably and at a lower fee. In addition to this, within the new alternative lifestyles and self-select range, the Trustee is offering more choice to better meet the needs of members who wish to make their own active investment decisions.

In September 2024, the default investment option changed from the LR Flexible Retirement Strategy to Standard Life's off the shelf default lifestyle option, Standard Life Sustainable Multi Asset Universal SLP. Legacy lifestyles were closed, with Standard Life's other off the shelf lifestyles (which have different retirement targets) made available as alternatives. The self-select range was enhanced by adopting Standard Life's Master Trust self-select range, increasing the number of funds available from 13 to 30 and expanding the asset class coverage. This should provide members who wish to make their own investment decisions, more options to align with their investment and retirement needs.

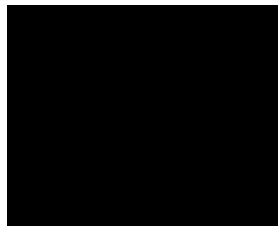
Implementation Statement

This report demonstrates that Lloyd's Register Superannuation Fund Association has adhered to its investment principles and its policies for managing financially material consideration including ESG factors and climate change.

Signed

Position

Date



Managing risks and policy actions DB and DC

Risk / Policy	Definition	Policy	Actions and details on changes to policy
DB and DC			
Interest rates and inflation	DB: The risk of mismatch between the value of the Fund assets and present value of liabilities from changes in interest rates and inflation expectations. DC: The risk of changes in asset values because of interest rate moves and inflation	DB: The buy-in removes interest rate and inflation risk from the DB Section. DC: To appropriately manage the risk of interest rates and inflation on asset values, particularly in the pre- and at-retirement phases of the default and alternative lifestyle strategies.	DB: In October 2024, the Trustee purchased an insurance buy-in policy, which removes the interest rate and inflation risk for the liabilities covered by the policy. DC: By moving to an off-the-shelf default strategy, the Trustee has delegated the management of this risk to the provider, Standard Life, and the underlying fund managers.
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	The remaining assets are to fund any true-up premium in respect to the buy-in policy. The Trustee periodically monitors that the Fund has sufficient assets. Liquidity within the DB section is monitored by the Fund's administrators assessing the level of cash held on a quarterly basis in order to impact cash flow requirements on the policy. Within the DC Section, liquidity risk is managed by typically offering members pooled funds that are readily redeemable in normal circumstances at reasonable prices.	DB: In October 2024 the Trustee purchased an insurance buy-in policy, which removes the liquidity risk from the DB section. DC: There have been no changes to the policy and no liquidity concerns were raised over the reporting period.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away any unrewarded risks, where practicable.	DB: Given the heavily regulated nature of the bulk annuity market, market risk is effectively removed from the DB Section. DC: The Trustee reviews the performance of the DC Section on a quarterly basis and this performance was also factored into the triennial review that led to the latest investment strategy change. Furthermore, the Trustee ensures the default investment option is sufficiently diversified (where necessary) to

			help minimise the risk of individual market factors.
Credit	Default on payments due as part of a financial security contract.	To diversify this risk by investing in a range of credit markets across different geographies and sectors.	DB: Given the heavily regulated nature of the bulk annuity market, credit risk is effectively removed from the DB Section. DC: The Trustee continues to review the performance of the Sections on a quarterly basis. There have been no other changes to this policy over the reporting year.
Diversification	The risk that investments are too concentrated in terms of sector, industry, sub-asset class.	This is measured by observing the relative and absolute volatility of the investment options. Within the DC Section, it is also managed through the selection of broad-based funds that show internal diversification, as well as by offering the membership a fund range which provides for reasonable diversification.	DB: Given the nature of the buy-in, diversification is not a relevant consideration in the DB Section. DC: When selecting a new default investment strategy (and self-select range) for the DC Section, the Trustee considered concentration risk and has selected a well-diversified lifestyle that invests in a combination of multiple asset classes as well as providing a broad range of self-select funds.
Custodian	The risk that the custodian misplaces Fund investments that it is receiving, delivering or safekeeping.	To be measured by assessing the quality of the custodian bank: its ability to settle trades on time and to keep safe custody of assets; and its financial strength (both to stay in business and to pay any claims due to the Fund). The Investment Committee monitors the custodian's activities within the DB Section and discusses the performance of the custodian with the investment managers where appropriate.	DB/DC: There have been no changes to this policy over the reporting year.
Environmental, Social and Governance	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Fund's investments and member outcomes.	To appoint managers who satisfy the following criteria, unless there is a good reason why the manager does not satisfy each criteria: 1. Responsible Investment ('RI') Policy / Framework 2. Implemented via Investment Process 3. A track record of using engagement and any voting rights to manage ESG factors 4. ESG specific reporting	DB/DC: The Trustee have elected to complete a sustainability integration assessment of the Fund's managers biennially. DB: Given the nature of the buy-in policy, it is not possible to actively monitor any ESG criteria in the DB section. DC: The Trustee have selected a new default investment strategy that has greater ESG integration

		5. UN PRI Signatory 6. UK Stewardship Code signatory The Trustees monitor the managers on an ongoing basis.	than the previous default and meets the required criteria.
Currency	The potential for adverse currency movements to have an impact on the Fund's investments.	To largely invest in GBP share classes where possible to eliminate direct currency risk. Within the DC section this is managed by providing the membership with a number of GBP based investment options and communicating those funds which invest overseas.	DB: The buy-in policy effectively removes currency risk from the DB Section. DC: There have been no changes to this policy over the reporting year.
Non-financial	Any factor that is not expected to have a financial impact on the Fund's investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments.	DB/DC: There have been no changes to this policy over the reporting year.
DB only			
Investment	The risk that the Fund's position deteriorates due to the assets underperforming.	Selecting an investment objective that is achievable and is consistent with the Fund's funding basis and the sponsoring company's covenant strength. Investing in a diversified portfolio of assets.	DB: The buy-in effectively removes all investment risk from the DB Section.
Funding	The extent to which there are insufficient Fund assets available to cover ongoing and future liability cash flows.	Funding risk is considered as part of the investment strategy review and the actuarial valuation. The Trustee will agree an appropriate basis in conjunction with the investment strategy to ensure an appropriate journey plan is agreed to manage funding risk over time.	DB: The buy-in effectively removes all funding risk from the DB Section.
Covenant	The risk that the sponsoring company becomes unable to continue providing the required financial support to the Fund.	When developing the Fund's investment and funding objectives, the Trustee takes account of the strength of the covenant ensuring the level of risk the Fund is exposed to is at an appropriate level for the covenant to support. The Trustee has also managed this risk by ensuring that the Fund has recourse to assets held separately in an escrow account. These assets will be paid into the Fund if the	DB: The Fund can now rely on the insurer covenant (although the sponsoring company's covenant is still relevant up until any buyout).

funding level falls below certain triggers at future valuation dates.

DC Only

Default Design	The default strategy is in the best interest of members.	The default is regularly reviewed to check it matches the risk/reward requirements of the Fund members and preserves the value of capital at retirement.	The default changed in Q3 2024, following the triennial investment strategy review in Q1 2024. The Trustee selected and implemented Standard's Life's off the shelf default lifestyle solution, Sustainable Multi Asset Universal SLP, as their new default investment option as they believe it will lead to better long-term outcomes for members.
Alternative lifestyles	Offering members an appropriate selection of alternative lifestyles	With pension freedoms members can choose a number of options at retirement, Funds should look to offer alternative lifestyles to target retirement outcomes. An ESG lifestyle could also be offered.	The Trustee decided to close the existing legacy lifestyles and introduced three new alternative lifestyles alongside the new default lifestyle for members to invest in. These alternatives lifestyles allow members to align their investments to one of the following targets at retirement: drawdown, purchasing an annuity or taking as a cash lump sum.
Self-Select Funds	Offering members an appropriate selection of self select funds.	Members who wish to self select their investments should have a good variety of funds, offering alternative asset classes with rated fund managers. Could also offer an ESG fund to members.	The Trustee replaced the existing self-select funds with a new range reflecting that of Standard Life's Master Trust. This has expanded the range to 30 funds, increasing member choice and better matching their investment and retirement needs.

Changes to the SIP

Over the period to 31 March 2025, the following changes were made to the Fund's SIP, update dated January 2025:

Defined Benefit Section

Investment Manager Arrangements:

- In October 2024, the Trustee purchased a buy-in policy with Standard Life to insure all of the DB Section's liabilities. A small amount of residual DB assets are being retained in cash-like instruments alongside the buy-in policy. There is also a small illiquid holding that will run on until fully distributed.
- The Trustee has appointed an insurer and several investment managers to manage the assets of the Fund as listed in the SIP. The investment managers are regulated under the Financial Services and Markets Act 2000.
 - All decisions about the day-to-day management of the assets have been delegated to the investment managers via a written agreement. The delegation includes decisions about:
 - Selection, retention and realisation of investments including taking into account all financially material considerations in making these decisions;
 - The exercise of rights (including voting rights) attaching to the investments;
 - Undertaking engagement activities with investee companies and other stakeholders, where appropriate.

DB Section Risk Management:

- In October 2024, the Trustee purchased a buy-in policy with Standard Life to insure all of the DB Section's liabilities. This has effectively removed all the investment risk (and longevity risk) from the Fund and has enhanced the security of members' benefits.
- A detailed list of the risks considered is provided in Appendix C of the SIP.

Manager Structure:

- The main asset of the DB Section of the Fund is the buy-in policy held with Standard Life. This is not a tradable asset. A small legacy arrangement in the DB Section that sits outside of the buy-in is in the process of running on and will terminate once all distributions are made.

Investment Strategy

- The Fund's current investment strategy is to hold a buy-in policy with Standard Life which will meet all future liability cashflows from the DB Section of the Fund.

Investment Structure and Mandates

- In addition to the buy-in the Fund holds a small legacy illiquid mandate (the Partners Group Private Market Strategies S.A. - Compartment 2015 (VI) Fund) which is in the process of running on and does not form part of the

strategic allocation. All the investment managers are regulated under the Financial Services and Markets Act 2000.

Defined Contribution Section

- In June 2024, the Trustee agreed to restructure the strategy, using some of the Fund's assets to purchase a buy-in policy with residual illiquid assets held alongside.
- In September 2024, the Trustee updated the investment strategy for the DC Section of the Scheme. These changes involved transferring assets from the previous bespoke default, LR Flexible Lifestyle Strategy, to Standard Life's Sustainable Multi Asset Universal SLP, closing the legacy lifestyles and offering an updated range of alternative lifestyles and self-select funds.
- In January 2025, two of the self-select fund names were updated.

Other Policies

Whilst the buy-in effectively removes all risks from the DB Section, it is important to note that it is not a totally risk-free asset and that small residual risks do remain. These were discussed as part of the buy-in selection exercise. Please see the changes to this policy in the 'Managing risks and actions on policy actions DB and DC' section on pages 4 – 7.

Current ESG policy and approach

ESG as a financially material risk

The SIP describes the Fund's policy with regards to ESG as a financially material risk. The Trustee updated the Fund's ESG policy in the 2022/2023 reporting year, which includes details of monitoring and engaging with the Fund's investment managers regarding the ESG policies.

The Fund's ESG policy can be found on page 5/6 of this document.

The table below outlines the areas which the Fund's investment managers are assessed on when evaluating their ESG policies and engagements. The Trustee intends to review the Fund's ESG policies and engagements periodically to ensure they remain fit for purpose.

Risk Management	1. Integrating ESG factors, including climate change risk, represents an opportunity to increase the effectiveness of the overall risk management of the Fund. 2. ESG factors can be financially material and managing these risks forms part of the fiduciary duty of the Trustee.
Approach / Framework	3. The Trustee should understand how asset managers make ESG decisions and will seek to understand how ESG is integrated by each asset manager. 4. ESG factors are relevant to investment decisions in all asset classes. 5. Managers investing in companies' debt, as well as equity, have a responsibility to engage with management on ESG factors.
Reporting & Monitoring	6. Ongoing monitoring and reporting of how asset managers manage ESG factors is important. 7. ESG factors are dynamic and continually evolving; therefore, the Trustee will receive training as required to develop their knowledge. 8. The role of the Fund's asset managers is prevalent in integrating ESG factors; the Trustee will, alongside the investment advisor, monitor ESG in relation to the asset managers' investment decisions.
Voting & Engagement	9. The Trustee will seek to understand each asset managers' approach to voting and engagement when reviewing the asset managers' approach. 10. Engaging is more effective in seeking to initiate change than disinvesting.
Collaboration	11. Asset managers should sign up and comply with common codes and practices such as the UNPRI & Stewardship code. If they do not sign up, they should have a valid reason why. 12. Asset managers should engage with other stakeholders and market participants to encourage best practice on various issues such as board structure, remuneration, sustainability, risk management and debtholder rights.

ESG summary and actions with the investment managers

The Trustee has adopted a biennial ESG monitoring service for funds and managers. Therefore, the following commentary reflects Isio findings from the Fund's 2024 ESG monitoring. When selecting a new off-the-shelf default investment strategy for the DC Section, ESG was one of the key criteria used by Isio to review and compare options available to the Trustee. Isio continually update their view of ESG integration within provider default strategies and so the following commentary reflects their latest view of the Standard Life Sustainable Multi Asset Universal SLP lifestyle.

Manager and Fund	ESG Summary	Actions identified
DB Section		
Partners Group - PMCS 15	PG consistently shows a firm-wide commitment to ESG, underpinned by robust teams and practices. Their investment approach integrates a thorough screening procedure, adhering to recognised industry guidance like the TCFD and UN Global Impact. Partners Group reports on ESG metrics annually, however the level of reporting falls short compared to their peers.	- Look to engage with a more significant proportion of underlying issuers across the funds and evidence and report on engagement in relation to ESG risks (including climate, social and nature) and how such risks are managed. - Establish regular reporting across the funds of key ESG metrics, including GHG emissions data and temperature alignment, as well as look at ways to improve emissions data coverage.
DC Section		
Standard Life	The Isio ESG rating for Standard Life's Sustainable Multi Asset Universal SLP lifestyle is 'partially in line' with Isio's view of what good looks like. This recognises Standard Life's strong firm-wide ESG policies, ESG integration within their equity allocation and good engagement with the underlying managers, with voting rights delegated to the underlying manager. Within the Scheme year, Standard Life also announced changes to the level of ESG integration within the default, include a more bespoke approach within the equity allocation as well as introducing a sustainability tilt within the corporate bond allocation. Furthermore,	- Standard Life to continue the process of incorporating ESG into other asset classes outside of equity within the default option. - Standard Life to increase reporting on ESG metrics.

they are looking to adopt the FCA's Sustainability Disclosure Requirements in their main default solution, applying the 'Sustainability Improvers' label across the majority of assets.

Engagement

As the Fund invests via fund managers, the managers provided details on their engagement actions including a summary of the engagements by category for the 12-month period to 31 March 2025.

Fund name	Engagement summary	Commentary
DB Section		
Partners Group - PMCS 15	Total engagements: 6 Corporate: 2 Exit: 4 As the Partners Group PMCS 15 fund is in the process of winding down and distributing capital back to investors, engagement data from the manager is limited.	Partners Group have a clear policy regarding engagement with underlying portfolio companies. Engagements are managed by the investment teams with input from the central ESG team when required. Partners Group have implemented ESG ratchets for a number of prospective investments. Partners Group can measure effectiveness of engagements and borrowers are incentivised for cheaper borrowing. An example of significant engagements at manager level include: Confluent Health – As the controlling investor with Board oversight, Partners Group (PG) have guided Confluent Health to embed ESG priorities into its strategic growth. PG's collaboration focuses on three pillars: expanding equitable healthcare access, advancing workforce development, and leveraging digital innovation to elevate patient outcomes. Key achievements include the adoption of standardised patient outcome tracking systems, enabling data-driven evaluations of therapy effectiveness. The portfolio company has significantly expanded its clinic network, bringing specialised rehabilitation services to underserved communities. Strategic university partnerships have also been reinforced to address talent shortages, creating a pipeline of skilled physical therapists through targeted training programs. Through active governance, Confluent Health's growth now balances financial objectives with measurable societal impact, cementing its position as a leader in accessible, high-quality rehabilitation services.
DC Section - Default Funds		
Standard Life abrdn Sustainable Index US Equity Pension Fund*	Total engagements: 108 Number of entities engaged: 83 Environmental: 60 Social: 50 Governance: 67	Abrdn provided a firmwide policy document which sets out their engagement priorities. These are environmental responsibility, employee relations, human rights and international operations and business ethics. <u>Abrdn Engagement Policy</u> Engagement example (Social – Labour Rights): Abrdn engaged with Amazon.com Inc, an American multinational technology company that engages in e-

		commerce, cloud computing, advertising, digital streaming and artificial intelligence.
Standard Life abrdn Sustainable Index UK Equity Pension Fund*	Total engagements: 307 Number of entities engaged: 127 Environmental: 149 Social: 186 Governance: 223	Abrdn engaged with Amazon.com Inc, an American multinational technology company that engages in e-commerce, cloud computing, advertising, digital streaming and artificial intelligence.
Standard Life abrdn Sustainable Index European Equity Pension Fund*	Total engagements: 173 Number of entities engaged: 97 Environmental: 123 Social: 80 Governance: 114	Amazon was evaluated for potential investment but underwent additional scrutiny regarding concerns over its labour practices and alleged anti-union activities, particularly following recent criticism of aggressive anti-union campaigns at multiple warehouse locations. Investment decisions were deferred pending further analysis of these ethical and operational risks. During the engagement process, meetings were held with a US labour law expert, a shareholder group advocating for improved union relations (via a filed resolution), and Amazon. Amazon strongly contested criticisms but failed to adequately address concerns about its alignment with the UN Global Compact and ILO labour standards.
Standard Life abrdn Sustainable Index Japan Equity Pension Fund*	Total engagements: 45 Number of entities engaged: 36 Environmental: 21 Social: 18 Governance: 38	Investment in Amazon was deferred due to unresolved concerns about discrepancies between the company's stated labour practices and employee-reported experiences, alongside insufficient reassurances on addressing these issues. Abrdn will continue monitoring Amazon's progress in aligning its policies with worker welfare commitments to inform future decisions.
Standard Life abrdn Sustainable Index Japan Equity Pension Fund*	Total engagements: 45 Number of entities engaged: 36 Environmental: 21 Social: 18 Governance: 38	Investment in Amazon was deferred due to unresolved concerns about discrepancies between the company's stated labour practices and employee-reported experiences, alongside insufficient reassurances on addressing these issues. Abrdn will continue monitoring Amazon's progress in aligning its policies with worker welfare commitments to inform future decisions.
Standard Life abrdn Sustainable Index Asia Pacific (ex Japan) Equity Pension Fund*	Total engagements: 75 Number of entities engaged: 42 Environmental: 39 Social: 29 Governance: 59	Engagement example (Environmental – Climate Change): Abrdn engaged with Anglo American PLC, a British multinational mining company. The engagement was part of a Net Zero initiative targeting the top 20 highest financed emitters across equity and credit holdings. This marked the second year of engagement, focused on evaluating progress against milestones established during the 2023 meeting.
Standard Life abrdn Sustainable Index Emerging Market Equity Pension Fund* Standard Life abrdn Property Pension Fund	Total engagements: 335 Number of entities engaged: 183 Environmental: 138 Social: 140 Governance: 223	In 2022, engagement with Anglo American revealed the company was already reporting Scope 1 and 2 emissions, with an absolute reduction target of 30% by 2030. Collaborating with Carbon Tracker, it updated its Scope 3 methodology, aiming for a 50% reduction by 2040. While these targets aligned with the Paris Agreement's 1.5°C goal, they lacked formal certification from the Science Based Targets initiative (SBTi). Anglo American acknowledged industry-wide challenges in defining

	Abrdn are currently unable to provide engagement data by fund for property, gilt, corporate bond and cash funds but are considering how such information can be provided going forward.	"green revenues," proposing a focus on "enabling products" to support the low-carbon transition. During discussions with Abrdn, three key objectives were established: 1. GHG Progress Monitoring: Track ongoing reductions across all emission scopes using defined KPIs. 2. Clarifying Green Revenues: Develop transparent definitions and reporting frameworks for revenue linked to sustainable practices. 3. Enhanced Disclosure: Improve transparency around target-setting processes and capital allocation aligned with transition goals. The engagement underscored the need for clearer metrics and accountability to bridge gaps between ambition, methodology, and stakeholder expectations. Following the 2024 meeting with Abrdn, Anglo American's Head of Sustainability provided updates on the company's climate strategy and emissions reduction progress. The company aligns with the steel industry's shift from blast furnaces to electric arc furnaces, driven by stronger policy support in Europe compared to Asia. Anglo American expressed confidence in meeting its Scope 1 and 2 targets, citing renewable energy initiatives like the Envusa Energy project and methane mitigation efforts. However, Scope 3 emissions remain challenging due to limited control over downstream value chain activities. While the company has no plans to define "green capital expenditure," it shared details on investments in green projects. Looking ahead to 2025, progress against Net Zero engagement milestones will be evaluated. If advancements fall short, Abrdn will implement escalation measures—including potential voting action—to ensure accountability
SL iShares Sustainable Global Property Securities Asset Fund	Total engagements: 85 Number of entities engaged: 68 Environmental: 35 Social: 29 Governance: 84	BlackRock provide a firmwide policy document which sets out their engagement priorities. These are board quality and effectiveness, strategy, purpose and financial resilience, incentives aligned with financial value creation, climate and natural capital and company impacts on people.
SL PUTM Bothwell Emerging Market Debt Unconstrained Pension Fund SL PUTM Bothwell Global Bond Pension Fund	Phoenix are currently unable to provide engagement data by fund for EM debt, gilt, corporate bond and cash funds but are considering how such information can be provided going forward.	Phoenix's stewardship approach covers 4 major themes: climate change, human rights, nature and international standards. Stewardship
SL Vanguard Global Corporate Bond Index Pension Fund SL Vanguard Global Short-Term	Vanguard are currently unable to provide engagement data by fund for gilt, corporate bond and cash funds but are considering how such	Vanguard's investment stewardship principles cover 4 distinct topics; board composition and effectiveness, board oversight of strategy and risk, executive pay and shareholder rights.

Corporate Bond Index Pension Fund	information can be provided going forward.	Investment Stewardship reports and policies Vanguard Engagement example (Shareholder rights): Vanguard engaged with MarketAxess Holdings Inc. (MarketAxess), a US listed electronic trading platform. The engagement was following MarketAxess' two proposals addressed shareholders' rights to call special meetings. These include: • Shareholder Proposal: Allow shareholders holding 10% of outstanding common stock (no holding period) to call a special meeting. • Company Proposal: Require shareholders to hold 25% of shares continuously for at least one year to exercise the same right. Prior to the 2024 proposals, MarketAxess' governing documents did not grant shareholders the right to call a special meeting. In its 2024 proxy statement, the company explained that the 25% ownership threshold in its management proposal aligned with the standards adopted by a majority of its S&P 500 peers. MarketAxess also disclosed that it had solicited shareholder feedback on the issue during engagement efforts and concluded, based on this input, that shareholders generally supported establishing the right to call a special meeting at the 25% threshold. After evaluating both proposals, Vanguard made the decision to support the management's 25% ownership threshold (with a one-year holding requirement) as it aligned with shareholders' long-term financial interests. The rationale was that a 25% threshold ensures only shareholders with a significant stake—and thus a vested, sustained interest—could call a special meeting, preventing fragmented or short-term actions. The one-year holding period was deemed reasonable and not overly restrictive. Consequently, the management proposal was endorsed, and the shareholder proposal (10% threshold, no holding period) was opposed.
SL Vanguard UK Investment Grade Bond Index Pension Fund		
SL Vanguard UK Short-Term Investment Grade Bond Index Pension Fund		
SL abrdn Short Dated Sterling Corporate Bond Tracker Pension Fund	Abdn are currently unable to provide engagement data by fund for property, gilt, corporate bond and cash funds but are considering how such information can be provided going forward.	As shown above for Standard Life abrdn Equity Pension Funds.
SL abrdn Short Dated Global Corporate Bond Tracker Pension Fund		
SL abrdn Global Inflation-Linked Bond Tracker Pension Fund		
Standard abrdn Life Money Market Pension Fund		

Note: Engagements might fall under multiple criteria and therefore the total ESG engagements may be greater than the sum of the engagements split by type.

* Aberdeen (abrdn) investments only produce ICSWG engagement data for the calendar year, therefore engagement data for Standard Life funds managed by abrdn are as at 31 December 2024.

Voting (for equity/multi asset funds only)

The Trustee has acknowledged responsibility for the voting policies that are implemented by the Fund's investment managers on their behalf.

There were no voting rights attached to the DB Fund's investment over the 12-month period to 31 March 2025. The majority of the residual assets are credit based, where there are no voting rights attached.

As the Fund invests in pooled funds managed by various fund managers, where applicable each manager has provided details on their voting actions, including a summary of the activity covering the reporting year up to 31 March 2025. The managers were also asked for examples of any significant votes. The Trustee has adopted the managers definition of significant votes.

Fund name	Voting summary	Examples of most significant votes
DC Section		
Standard Life Sustainable Index US Equity Pension Fund	Votable Proposals: 3,070	The Walt Disney Company <i>Date of vote</i> : 20 March 2025 <i>Reasoning for significant vote</i> : Standard Life considered this a significant vote under Category 2 (SV2), which covers shareholder and Environmental & Social (E&S) resolutions. This includes votes on shareholder E&S proposals where engagement occurred with the proponent or company, management-presented E&S proposals, and cases where voting contrary to management recommendations highlighted material governance or sustainability concerns. <i>Approx. holding size</i> : 0.36% <i>Summary of resolution</i> : Report on climate risk in retirement plan options <i>Manager vote</i> : Against <i>Vote against management, was intent communicated ahead of the vote</i> : n/a <i>Voting rationale</i> : Standard Life voted against the report on climate risk as The company's 401(k) plan offers a range of investment options, which provides employees the flexibility to be able to invest retirement savings in a manner that aligns with their preferences. The retirement plan is also managed by a third-party fiduciary rather than the board. <i>Outcome of vote</i> : n/a <i>Next steps</i> : Standard Life assess each company and voting outcomes individually, without predefined next steps. Post-vote, follow-ups may occur to encourage improvements ahead of future meetings, with ongoing monitoring to track progress. If significant concerns arise about a company's approach to key issues, further escalation strategies may be deployed.
	Proposals Voted: 3,002	
	For 'management' votes: 2,336	
	Against 'management' votes: 666	
	Abstain votes: 0	
	Withheld votes: n/a	
	Non-proxy agent votes: n/a	
	Proxy agent votes: n/a	
Standard Life Sustainable Index UK Equity	Votes contrary to proxy adviser: 531	CVS Group Plc. <i>Date of vote</i> : 20 Nov 2024 <i>Reasoning for significant vote</i> : Standard Life considered this a significant vote under Significant Vote Category 5 ('SV5'): Votes
	Use of proxy voter: Yes (ISS's ProxyExchange)	

Pension Fund	For 'management' votes: 2,438 Against 'management' votes: 28 Abstain votes: 9 Withheld votes: n/a Non-proxy agent votes: n/a Proxy agent votes: n/a Votes contrary to proxy adviser: 23 Use of proxy voter: Yes (ISS's ProxyExchange)	contrary to custom policy, which focuses on large active holdings where voting contrary to custom policy followed detailed analysis. • <i>Approx. holding size</i> : 0.19% • <i>Summary of resolution</i> : Advisory vote to ratify named executive officers' compensation • <i>Manager vote</i> : For • <i>Vote against management, was intent communicated ahead of the vote</i> : n/a • <i>Voting rationale</i> : Standard Life voted for the ratification of compensation as the proposed changes, which combine executive salary increases with pension reductions, overall creates a more balanced package. • <i>Outcome of vote</i> : n/a • <i>Next steps</i> : Standard Life assess each company and voting outcomes individually, without predefined next steps. Post-vote, follow-ups may occur to encourage improvements ahead of future meetings, with ongoing monitoring to track progress. If significant concerns arise about a company's approach to key issues, further escalation strategies may be deployed.
Standard Life Sustainable Index European Equity Pension Fund	Votable Proposals: 4,945 Proposals Voted: 4,046 For 'management' votes: 3,523 Against 'management' votes: 509 Abstain votes: 14 Withheld votes: n/a Non-proxy agent votes: n/a Proxy agent votes: n/a Votes contrary to proxy adviser: 277 Use of proxy voter: Yes (ISS's ProxyExchange)	Nordea Bank Abp • <i>Date of vote</i> : 20 March 2025 • <i>Reasoning for significant vote</i> : Standard Life considered this a significant vote under Category 2 (SV2), which covers shareholder and Environmental & Social (E&S) resolutions. This includes votes on shareholder E&S proposals where engagement occurred with the proponent or company, management-presented E&S proposals, and cases where voting contrary to management recommendations highlighted material governance or sustainability concerns. • <i>Approx. holding size</i> : 0.50% • <i>Summary of resolution</i> : Approve business activities in line with the Paris Agreement • <i>Manager vote</i> : Against • <i>Vote against management, was intent communicated ahead of the vote</i> : n/a • <i>Voting rationale</i> : Standard Life voted against the business activities approval as support of the resolution is not warranted considering the steps which the company has already taken. This includes setting out a clear objective to reach Net Zero by 2050, membership of the Net Zero Banking Alliance, Net Zero Asset Owner Alliance and Net Zero Asset Managers Initiative. In relation to the oil and gas sector the company has reduced its portfolio exposures by 75% between 2019 and 2024. • <i>Outcome of vote</i> : n/a • <i>Next steps</i> : Standard Life assess each company and voting outcomes individually, without predefined next steps. Post-vote, follow-ups may occur to encourage improvements ahead of future meetings, with ongoing monitoring to track progress. If significant concerns arise about a company's approach to key issues, further escalation strategies may be deployed.
Standard Life Sustainable Index Japan Equity	Votable Proposals: 1,939 Proposals Voted: 1,939	Mitsubishi UFJ Financial Group, Inc. • <i>Date of vote</i> : 27 June 2024 • <i>Reasoning for significant vote</i> : Standard Life considered this a significant vote under Significant Vote Category 5 ('SV5'): Votes

Pension Fund	For 'management' votes: 1,838	contrary to custom policy, which focuses on large active holdings where voting contrary to custom policy followed detailed analysis. • <i>Approx. holding size</i> : 2.9% • <i>Summary of resolution</i> : Elect Director Mike, Kanetsugu • <i>Manager vote</i> : For • <i>Vote against management, was intent communicated ahead of the vote</i> : n/a • <i>Voting rationale</i> : Standard Life voted for the Director election as they believe management is setting reasonable targets on the reduction of cross-shareholdings. • <i>Outcome of vote</i> : n/a • <i>Next steps</i> : Standard Life assess each company and voting outcomes individually, without predefined next steps. Post-vote, follow-ups may occur to encourage improvements ahead of future meetings, with ongoing monitoring to track progress. If significant concerns arise about a company's approach to key issues, further escalation strategies may be deployed.
	Against 'management' votes: 77	
	Abstain votes: 24	
	Withheld votes: n/a	
	Non-proxy agent votes: n/a	
	Proxy agent votes: n/a	
	Votes contrary to proxy adviser: 57	
Standard Life Sustainable Index Asia Pacific (ex Japan) Equity Pension Fund	Use of proxy voter: Yes (ISS's ProxyExchange)	
	Votable Proposals: 5,627	Public Bank Berhad
	Proposals Voted: 5,601	• <i>Date of vote</i> : 28 November 2024 • <i>Reasoning for significant vote</i> : Standard Life considered this a significant vote under Significant Vote Category 4 ('SV4'): Corporate Transactions, which focuses on selected votes that have a material financial impact on the investment, with particular attention to acquisitions and their implications for shareholder value.
	For 'management' votes: 4,903	• <i>Approx. holding size</i> : 0.43% • <i>Summary of resolution</i> : Approve proposed acquisition and proposed mandatory general offer
	Against 'management' votes: 666	• <i>Manager vote</i> : For • <i>Vote against management, was intent communicated ahead of the vote</i> : n/a
	Abstain votes: 32	• <i>Voting rationale</i> : Standard Life voted for the proposed acquisition as they are supportive of the transaction
	Withheld votes: n/a	• <i>Outcome of vote</i> : n/a • <i>Next steps</i> : Standard Life assess each company and voting outcomes individually, without predefined next steps. Post-vote, follow-ups may occur to encourage improvements ahead of future meetings, with ongoing monitoring to track progress. If significant concerns arise about a company's approach to key issues, further escalation strategies may be deployed.
Standard Life Sustainable Index Emerging Market Equity Pension Fund	Non-proxy agent votes: n/a	
	Proxy agent votes: n/a	
	Votes contrary to proxy adviser: 127	
	Use of proxy voter: Yes (ISS's ProxyExchange)	
	Votable Proposals: 10,603	Banco Bradesco SA
	Proposals Voted: 10,085	• <i>Date of vote</i> : 10 March 2025 • <i>Reasoning for significant vote</i> : Standard Life considered this a significant vote under Category 2 (SV2), which covers shareholder and Environmental & Social (E&S) resolutions. This includes votes on shareholder E&S proposals where engagement occurred with the proponent or company, management-presented E&S proposals, and cases where voting contrary to management recommendations highlighted material governance or sustainability concerns.
	For 'management' votes: 8,392	• <i>Approx. holding size</i> : 0.15%
Standard Life Sustainable Index Emerging Market Equity Pension Fund	Against 'management' votes: 1,168	
	Abstain votes: 525	

Withheld votes: n/a	• <i>Summary of resolution</i> : Elect Ava Cohn as Fiscal Council Member and Marcos Aparecido Galende as Alternate Appointed by Preferred Shareholder
Non-proxy agent votes: n/a	• <i>Manager vote</i> : For
Proxy agent votes: n/a	• <i>Vote against management, was intent communicated ahead of the vote</i> : n/a
Votes contrary to proxy adviser: 183	• <i>Voting rationale</i> : Standard Life voted for the elections as they have engaged with the company previously, and have met with Ava. Standard Life believe she meets in the independence criteria so we are comfortable to support.
Use of proxy voter: Yes (ISS's ProxyExchange)	• <i>Outcome of vote</i> : n/a • <i>Next steps</i> : Standard Life assess each company and voting outcomes individually, without predefined next steps. Post-vote, follow-ups may occur to encourage improvements ahead of future meetings, with ongoing monitoring to track progress. If significant concerns arise about a company's approach to key issues, further escalation strategies may be deployed.

Aberdeen's policy on voting

Abrdn's company votes and engagement align with their stewardship policy. Their process of using proxy votes and information on voting and engagement policies can be found in their annual stewardship report.

Abrdn Stewardship Report

