

Implementation Statement (“IS”)

Aon Retirement Plan (“the Plan”) (Defined Contribution (DC) Sections)

Plan Year: 1 April 2024 to 31 March 2025

The purpose of the Implementation Statement is for us, the Trustee of the Aon Retirement Plan, to explain what we have done during the Plan Year to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. A summary of any review and changes made to the SIP over the Plan Year;
2. How our policies in the SIP have been followed during the Plan Year; and
3. How we have exercised our voting rights, including the use of any proxy voting advisory services.

The Plan’s current DC SIP can be found on the Plan’s website, according to your membership category:

If you joined the Plan prior to the launch of the Aon OnePlan on 1 October 2024:

<https://www.legacy.aonretirementplan.co.uk/pdf/ar3-arp-dc-statement-of-investment-principles-20250725-int.pdf>

If you are a member of the Aon OnePlan:

<https://www.aon-oneplan.aonretirementplan.co.uk/pdf/aop-arp-dc-statement-of-investment-principles-20250725-int.pdf>

Aon Investments Limited acts as both investment adviser and investment manager, with a clear distinction between the roles performed for the Trustee. Throughout this statement, we refer to Aon Investments Limited as “investment adviser” when acting in its advisory capacity, and as “AIL” when acting as investment manager

Our conclusion

Based on the activity we have undertaken during the Plan Year, we believe that the policies set out in the SIP have been implemented effectively.

As the fiduciary investment manager¹, AIL has collated the required (and relevant) information on voting behaviour and engagement activity from the underlying asset managers. The details are summarised in this statement.

We conclude that the activities completed by our managers align with our stewardship priorities, and that our voting policy has been implemented effectively in practice.

What does this mean for members?

The Trustee is responsible for ensuring that the assets of the Plan are invested appropriately on behalf of members and in line with the policies and objectives set out in the SIP.

This statement is important for members as it demonstrates the actions taken by the Trustee to comply with the SIP policies and objectives over the Plan Year.

The Voting, Engagement, and Stewardship section outlines the activity undertaken in these areas, on the Trustee’s behalf, by AIL. Engaging with the underlying companies in this way aims to improve retirement outcomes for members.

¹ We use the term ‘fiduciary investment manager’ to indicate that AIL has the discretion to implement changes to the underlying investments, in accordance with the broad policies agreed by the Trustee.

Review and changes to the SIP during the Plan Year

The Trustee has a policy to review the Statement of Investment Principles at least every three years, or without delay after any significant change in investment policy or member demographics. The SIP was reviewed and updated over the Plan Year, effective from December 2024.

The primary update was to reflect the launch of a new DC benefit category of the Plan, referred to as the Aon OnePlan. The Aon OnePlan was launched for Aon employees on 1 October 2024. In addition to the funds available to all members of the Plan, members of the Aon OnePlan are able to invest in the Aon Managed Core Retirement Pathway Funds (targeting drawdown, cash or annuity) alongside some additional self-select funds. The SIP was updated to reflect this.

Additionally, the asset allocation charts were amended to reflect changes to the strategic asset allocation of the Retirement Pathway Funds and minor changes were made, where necessary, to fund investment objectives, underlying benchmarks, and charges.

Evidence on how the Trustee has met its SIP objectives and policies

The Trustee outlines its key objectives and policies in the SIP. The Trustee has considered the broad themes these objectives and policies fit into with an explanation of how these objectives have been met and policies adhered to over the course of the Plan Year.

Investment Objectives

The Trustee's principal investment objectives are to consider **Investment Return**, **Investment Risk** and **Member Choice** in light of the needs of its members.

The Trustee's implementation of its investment objectives is considered in detail in the following section.

Further details about the investment choices available to members can be found within the Chair's Statement and SIP.

Policies relating to Investment Strategy

(i) Investment Options

The Plan's Default Option is the Aon Managed Retirement Pathway Fund series targeting drawdown. Members will be invested in this strategy unless they make an alternative investment selection.

This Default Option was selected by the Trustee following consideration of the Plan membership and their needs, and after taking advice from the investment adviser. The Default Option has the objective of delivering returns in excess of inflation over the lifetime of a member's investment. Investment risk is managed by automatically adjusting investment strategy as a member progresses towards retirement.

There are two additional arrangements within the Plan that are also treated as 'defaults' from a regulatory perspective. This is as a result of members' contributions or transfers-in being invested into the funds without the members having selected these funds. Such default arrangements mean that the Trustee has to comply with the same additional governance and reporting requirements as are needed for the Default Option itself. The additional regulatory defaults are:

- Aon Managed Liquidity Fund; and
- Aon Managed Retirement Pathway Funds to Cash

(ii) Asset Allocation Strategy

In addition to the Default Option targeting drawdown, members also have access to the Aon Managed Retirement Pathway fund series targeting annuity purchase and cash.

Members of the Aon OnePlan are also able to select the Aon Managed Core Retirement Pathway Fund series targeting drawdown, annuity purchase or cash.

In implementing the asset allocation strategy, the Trustee delegates the selection of the platform provider and day to day management of the funds to AIL. During the Plan Year the Trustee discussed with AIL its proposed changes to underlying investments within the Aon Managed Retirement Pathway Funds, to ensure the changes were consistent with the aims and objectives of the Funds and in members' best interests.

The principal changes implemented during the Plan Year were as follows:

- In June 2024, AIL made a number of changes to the strategic asset allocation of the Default Option to deliver better expected outcomes for members, taking into account changing market conditions. Government bonds were introduced into the strategy earlier, from 15 years before retirement instead of 7.5 years. The allocation to short-dated inflation linked government bonds was increased at and in-retirement, and the corporate bond portfolio was adjusted to wholly invest in actively managed bond funds.
- Over the Plan Year, AIL continued to reduce the allocation to multi-factor equities within the Default Option (and other Aon Managed Retirement Pathway Funds targeting annuity and cash) with a corresponding increase in exposure to Climate Transition equities. This change was implemented over a twelve-month period and was completed by 28 February 2025.

These changes are expected to reduce risk for members closer to retirement while keeping on track to deliver the long-term return objectives for members.

At the time of writing this report, AIL has announced further changes to introduce a 10% allocation to long dated gilts within the growth phase of both the Aon Managed Core Retirement Pathway Funds and Aon Managed Retirement Pathway Funds. This will be funded by a reduction in growth assets / real assets, taken proportionately across the underlying holdings. This change was implemented in two tranches at the end of July and August 2025 within both the Aon Managed Core Retirement Pathway Funds and Aon Managed Retirement Pathway Funds including the variants targeting cash or annuity.

(iii) Self-Select Options

All members are also able to select from a range of fund options covering equities, multi-asset, property, fixed income and cash. Members of the Aon OnePlan have several additional self-select options, reflecting the characteristics of this category of members (specifically, the range of self-select funds available in their prior pension arrangement).

The self-select range for each category of members is detailed in the SIP.

(iv) Illiquid investments

The Trustee holds an allocation to direct UK real estate, as well as listed real estate and infrastructure equity within the Default Option. These holdings are daily priced and generally realisable daily (i.e. members are able to access and trade in and out of these funds freely).

The Trustee undertook training over the Plan Year to understand how UK DC schemes, including the Plan, might be better equipped to access truly illiquid investments in the near future, given AIL's signing of the Mansion House Compact (and commitment of a 10% allocation to private assets by 2030). The Trustee remains comfortable delegating day-to-day decision-making on investment matters, including the inclusion of illiquid investments within the Default Option, to AIL.

Policies relating to Governance

The Trustee has established a decision-making structure, details of which are set out in the SIP.

The Trustee recognises that decisions should be taken only by persons or organisations with the skills, information and resources necessary to take them effectively. The Trustee also recognises that where it takes investment decisions, it must have sufficient expertise and appropriate training to be able to evaluate critically any advice it takes.

The Trustee is responsible for the appointment and monitoring of the fiduciary investment manager. In addition, the Trustee is responsible for the choice of investment options made available to members of the Plan, including the Default Option into which assets are invested in the absence of any instructions from the member. Before making this choice, the Trustee obtained and considered written advice on the investment options appropriate for the Plan from the appointed investment adviser (Aon Investments Limited, authorised and regulated by the Financial Conduct Authority to give such advice under the Financial Services and Markets Act 2000).

The Trustee is also responsible for the preparation of the SIP. The Trustee has consulted with Aon UK Limited (the Principal Employer) prior to writing the SIP and has considered its recommendations, taking the Principal Employer's comments into account when it believes it is appropriate to do so. During the Plan Year, when the SIP was reviewed, the Trustee obtained and considered written advice provided by the investment adviser before reviewing the SIP.

AIL, on behalf of the Trustee, collated all member borne cost and charges data for the Plan Year and these are published in the Annual Chair's Statement, which is available to the Plan's members. The Chair's Statement contains illustrations of the cumulative effects of these costs and charges at retirement.

Policies relating to Risk Management

The Trustee recognises a key risk is that members will have insufficient income in retirement or an income that does not meet their expectations. The Trustee considered this risk when setting the investment options and strategy for the Plan. The main areas of risk identified by the Trustee are set out in the SIP.

Investment monitoring takes place quarterly with monitoring reports provided to the Trustee by AIL. These include performance reporting on all funds relative to their respective benchmarks or targets, and performance commentary which highlights key factors affecting the performance of the funds over the quarter. AIL incorporates performance and volatility benchmarking of the Default Option at different stages to retirement within these reports. These reports also contain any updates on changes to the funds made by AIL over the quarter, and AIL's manager rating for Environmental, Social and Governance ('ESG') issues. Any issues with the managers' investment strategy, including the ESG assessment, are flagged.

Prior to appointing any underlying fund manager, AIL carries out due diligence on behalf of the Trustee to ensure risks to members relating to fraud, acts of negligence and provider failure are minimised.

During the Plan Year, the Trustee discussed the risks of market fluctuations and inflation, in particular, with AIL. The Aon Managed Retirement Pathway Fund series outperformed against the inflation linked objectives over the longer 'since inception' and five-year periods for members in the growth (15+ years from retirement) and pre-retirement phase (<15 years from retirement). For members at retirement, returns were broadly in line with inflation linked objectives.

Over the three-year period, the Default Option failed to meet its long-term inflation-linked return objectives. Considering the elevated inflationary conditions during this period, the Trustee acknowledged the challenges in achieving these objectives. However, the Trustee was encouraged by the robust performance of equity markets, which enabled members to exceed these targets over the longer-term reporting periods.

Changes within the Funds designed to address the underperformance relative to benchmarks are described in the section below.

Policies relating to Arrangements with Asset Managers

The Trustee considers AIL to be its primary investment manager. On an ongoing basis the investment adviser assesses the appropriateness of the decisions taken by AIL regarding the Plan's membership. No significant issues were raised by our advisers in relation to AIL over the Plan Year.

AIL considers the suitability of the Plan's underlying fund managers on an ongoing basis, on behalf of the Trustee. AIL will only appoint underlying fund managers who are 'Buy' rated and achieve a minimum standard or rating for ESG from Aon's investment manager research team. This team meets the underlying fund managers on a regular basis to assess any changes in the investment staff, investment process, risk management and other material factors to ascertain whether the overall 'Buy' rating assigned to the fund remains appropriate and the manager remains suitable to manage the assets.

The Trustee assesses the performance of AIL as its fiduciary manager on a net of all costs basis and recognises that this provides an incentive for AIL to control costs. It also believes that explicit, regular monitoring of the level and the trends of costs incurred will enhance those incentives.

The Trustee is comfortable that fees paid to both AIL and the underlying investment managers remain reasonable.

The Trustee reviews that took place throughout the year indicated that the performance of the Default Option fell short of its benchmark (rather than the inflation linked strategic objectives, as discussed above) across the majority of reporting periods. This underperformance was more evident for members who are further from retirement, which was predominantly driven by a greater allocation to Multi Factor Equities. The Trustee understands that the diversification away from a sole reliance on market capitalisation-weighted equities has the potential to enhance returns on a risk-adjusted basis. The Trustee believes that this strategy will better position members' assets for long-term growth while managing risk appropriately but it will continue to monitor the arrangement and will undertake its detailed triennial review of the arrangement during the second half of 2025.

Following concerns raised over the Multi Factor Equity exposure, AIL decided to reduce the allocation to multi-factor equities in the Aon Managed Global Equity Fund with a corresponding increase in exposure to Climate Transition equities within the same Fund. This change was implemented over a twelve-month period and was completed by 28

February 2025. The Trustee is comfortable that this change will reduce the tracking error of the strategy relative to the benchmark, whilst continuing to maintain an appropriate level of diversification.

In addition, at the request of the Trustee, AIL now includes peer group performance comparisons with other off-the-shelf default strategies into its quarterly monitoring reports. The Trustee remains comfortable that performance has been appropriate given the wider market background and remains among the strongest based on the peer group comparison towards the end of the Plan Year.

Policies relating to Responsible Investment and Stewardship

The Trustee receives regular training on latest developments in Responsible Investment, ESG, and climate change risks.

Aon's ESG ratings are designed to assess whether investment managers integrate responsible investment, and more specifically ESG considerations, into their investment decision making process and ongoing stewardship. The ESG ratings for the underlying funds are based on a variety of qualitative factors and are updated to reflect any changes or broader responsible investment developments. These ESG ratings are reported in the quarterly monitoring reports. Aon's investment manager research team meets with each of the underlying investment managers on a six-monthly basis to carry out a session focused on ESG. These ESG focused sessions cover both how each manager incorporates ESG considerations into their investment process and their stewardship activity. Importantly, awareness regarding integration of potential ESG risks in the investment strategy is also considered as part of monitoring and assigning the overall rating to the fund.

The Trustee, through AIL's ongoing management of the funds, also considered the Responsible Investment policies and integration of these policies in the investment processes for all current and prospective managers over the Plan Year.

AIL has also collected the voting and engagement records of each of its investment managers on behalf of the Trustee. These are reported in detail later in this Statement.

To date, no managers have been found to be falling significantly short of the standards expected by the Trustee in this area. On review of underlying investment managers' stewardship policies and voting statistics as part of the production of this statement, the Trustee is of the opinion that this policy has been adhered to.

The following section considers the voting, engagement and stewardship activities of the Plan's investment managers.

Voting, engagement, and stewardship

How the Trustee's expectations regarding voting and engagement have been implemented

The DC Sections of the Plan are invested entirely in pooled funds, and so the implementation of voting and engagement is delegated to AIL and the underlying managers. The Trustee retains responsibility for the voting and engagement actions carried out by AIL on its behalf. AIL invests the Plan's assets in a range of funds including the Default Option and wider range of self-select funds. AIL selects the underlying asset managers to achieve the objective of each Fund on behalf of the Trustee.

We reviewed the stewardship activity carried out over the Plan Year by the material investment managers and, in our view, all were able to disclose adequate evidence of voting and / or engagement activity. More information on the stewardship activity carried out by AIL and the underlying investment managers can be found in the following sections.

Over the Plan Year, the Trustee monitored the performance of the Plan's investments on a quarterly basis and received updates on important issues from our investment manager. In particular, we received quarterly ESG ratings from AIL for the funds the Plan is invested in (where available).

Each year, we review the voting and engagement policies of the Plan's investment managers to ensure they align with our own policies for the Plan and help us to achieve them.

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which ESG issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

AIL's engagement activity

Engagement is when an investor communicates with current (or potential) investee companies or investment managers (as owners of companies) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

Over the year, AIL held several engagement meetings with many of the underlying investment managers in its strategies. AIL discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the underlying investment managers. AIL provided feedback to the underlying investment managers after these meetings with the aim of improving the standards of ESG integration across its portfolios.

To support these engagements, AIL maintains a set of stewardship priorities which align with their responsible investing beliefs. These priorities focus on investment stewardship, climate change transition and nature loss, combatting modern slavery and Artificial Intelligence. A summary of these priorities is provided in Appendix 1.

Over the year, AIL engaged with the industry through white papers, working groups, webinars and network events, as well as responding to numerous consultations.

In 2021, AIL committed to achieve net zero emissions by 2050, with a 50% reduction by 2030 for its fully delegated clients' portfolios and defined contribution default strategies (relative to baseline year of 2019). During 2024, AIL published its first report for the Taskforce on Climate Related Financial Disclosures. This showed that AIL has achieved a meaningful reduction in carbon footprint across its default strategies over the period from 2019 to 2023.

AIL has developed an Impact research platform, focused on integrating ESG risk factors into the manager research process. The Impact research platform aims to help evolve AIL's view of "impact" to encompass both ethics/values-driven investing and ESG integration.

Furthermore, AIL is developing internal capabilities to integrate ESG data from multiple vendors and platforms through a "Quantamental" dashboard that provides in-depth ESG analytics for over 8,000 liquid strategies. AIL intends to expand this analysis in future to include advanced metrics for implied temperature rise, Sustainable Financial Disclosure Regulation's (SFDR's) Principal Adverse Indicators (PAIs) and Diversity Equity and Inclusion factors.

Underlying managers' voting activity – equity, real asset and multi-asset funds

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. We believe that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests.

Understanding and monitoring the stewardship that investment managers practice in relation to the Plan's investments is an important factor in deciding whether a manager remains the right choice for the Plan.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Plan's equity-owning investment managers to responsibly exercise their voting rights.

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues.

Source: UN PRI

Aon Retirement Plan fund range - voting disclosures

The Plan's Default Option is the Aon Managed Retirement Pathway Fund series, which targets drawdown at retirement. There are also annuity and cash variants of this fund series available as self-select options.

The Aon Managed Core Retirement Pathway Fund series is also available for members to self-select, with drawdown, annuity and cash variants also offered to members.

For both the 'Managed' and 'Core' fund series, the annuity and cash variants have an identical investment strategy to the drawdown variant until 5 years before retirement. In the final 5 years, the investments of the annuity and cash variants are bonds and/or cash (and therefore voting disclosures are not relevant).

The voting disclosures given in this section therefore apply equally to the drawdown, annuity and cash variants of the relevant Retirement Pathway Fund series.

Over the Plan Year, the material equity, real asset and multi-asset investments held by the Plan within the Aon Managed Retirement Pathway Fund series and wider self-select fund range (including the Aon Managed Core Retirement Pathway Funds) were:

Aon Managed Retirement Pathway Funds (Default Option, annuity and cash variants)

[Aon Managed Fund](#)

[Underlying managers \(equity-owning only\)](#)

Aon Managed Global Impact Fund	Baillie Gifford, Mirova, Nordea
Aon Managed Initial Growth Phase Fund	Equities: BlackRock, LGIM, UBS Listed real assets: BlackRock, LGIM
Aon Managed Diversified Asset Fund	BlackRock, LGIM

Source: AIL

Aon Managed Core Retirement Pathway Funds (Only available to members of the Aon OnePlan – drawdown, annuity and cash variants)

[Aon Managed Fund](#)

[Underlying managers \(equity-owning only\)](#)

Aon Managed Core Initial Growth Phase Fund	BlackRock, LGIM, UBS
Aon Managed Core Diversified Asset Fund	BlackRock, LGIM, UBS

Source: AIL

Self-select fund range available to all members of the Plan

Fund name	Underlying managers (equity-owning only)
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Aon Managed Global Equity Fund	LGIM, UBS
Aon Managed Active Global Equity Fund	Baillie Gifford, BNY Mellon, BlackRock, Harris
Aon Managed Global Impact Fund	Baillie Gifford, Mirova, Nordea
Aon Managed Initial Growth Phase Fund	Equities: LGIM, UBS Listed real assets: BlackRock, LGIM
Aon Managed Property and Infrastructure	BlackRock, LGIM (listed real assets)
Aon Managed Diversified Asset Fund	LGIM, UBS
BlackRock UK Equity Index Fund	BlackRock
HSBC Islamic Equity Index Fund	HSBC
LGIM FTSE4Good Developed Equity Index Fund	LGIM

Source: AIL

Additional self-select funds only available to members of the Aon OnePlan¹

Fund name	Underlying managers (equity-owning only)
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BlackRock World (ex UK) Equity Index Fund	BlackRock
BlackRock Emerging Market Equity Index Fund	BlackRock

Source: AIL

¹The funds listed in this table are available to members of the Aon OnePlan in addition to all funds listed in the table on the preceding page.

Voting statistics: Aon Managed Retirement Pathway Funds

(Default Option, annuity and cash variants)

The table below shows the voting statistics for each of the material funds held within the Aon Managed Retirement Pathway Fund series for the 12 months to 31 March 2025.

Also shown is a combined view for a member 30 years from retirement and at retirement.

Aon Managed Funds	% Proposals Voted	% votes cast against management	% votes abstained
Aon Managed Initial Growth Phase Fund ^{1,2}	94.5%	12.4%	0.6%
Aon Managed Global Impact Fund	96.7%	21.3%	0.9%
Aon Managed Diversified Asset Fund ¹	95.8%	14.6%	0.7%
Aon Managed Retirement Pathway Funds			
<i>Member 30 years from retirement¹</i>	94.7%	13.3%	0.6%
<i>Member at retirement¹</i>	95.2%	13.9%	0.6%

Source: AIL, Underlying investment managers: BlackRock, LGIM, UBS, Baillie Gifford, Mirova, Nordea.

¹Figures shown only reflect the proportion of the portfolio with equity-voting rights.

²Invests 90% in the Aon Managed Global Equity Fund and 10% in property and infrastructure.

Voting statistics: Aon Managed Core Retirement Pathway Funds

(Only available to members of the Aon OnePlan – drawdown, annuity and cash variants)

The table below shows the voting statistics for each of the material funds held within the Aon Managed Retirement Pathway Fund series for the 12 months to 31 March 2025.

Also shown is a combined view for a member 30 years from retirement and at retirement.

Aon Managed Funds	% Proposals Voted	% votes cast against management	% votes abstained
Aon Managed Core Initial Growth Phase Fund	95.2%	9.2%	0.2%
Aon Managed Core Diversified Asset Fund ¹	95.2%	9.2%	0.2%
Aon Managed Core Retirement Pathway Funds			
<i>Member 30 years from retirement¹</i>	95.2%	9.2%	0.2%
<i>Member at retirement¹</i>	95.2%	9.2%	0.2%

Source: AIL Underlying investment managers: BlackRock, LGIM, UBS.

¹Please note figures shown only reflect the proportion of the portfolio with equity-voting rights.

Voting statistics: self-select funds

The table below shows the voting statistics for each of the material funds offered within the full self-select fund range available for the year to 31 March 2025.

Fund name	% Proposals Voted	% votes cast against management	% votes abstained
Aon Managed Global Equity Fund	94.9%	12.9%	0.6%
Aon Managed Active Global Equity Fund	98.7%	4.0%	0.2%
Aon Managed Global Impact Fund	96.7%	21.3%	0.9%
Aon Managed Initial Growth Phase Fund ¹	94.5%	12.4%	0.6%
Aon Managed Property and Infrastructure Fund ¹	91.5%	7.4%	0.2%
Aon Managed Diversified Asset Fund ¹	95.8%	14.6%	0.7%
BlackRock UK Equity Index Fund	99.4%	2.4%	0.1%
BlackRock World ex-UK Equity Index Fund ²	94.0%	5.0%	0.3%
BlackRock Emerging Market Index Fund ²	97.3%	4.7%	6.4%
HSBC Islamic Global Equity Index Fund	100.0%	14.2%	0.8%
LGIM FTSE4Good Developed Equity Index Fund	99.6%	17.5%	0.3%

Source: AIL, underlying investment managers (BlackRock, LGIM, UBS, Nordea, Mirova, Baillie Gifford, BNY Mellon, Harris, HSBC).

¹Figures shown only reflect the proportion of the portfolio with equity-voting rights.

²These funds are only available to members of the Aon OnePlan.

Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations. The table below describes how the Plan's underlying investment managers use proxy voting advisers.

Manager	Description of use of proxy voting
Baillie Gifford	Whilst Baillie Gifford is cognisant of proxy advisers' voting recommendations (Institutional Shareholder Services (ISS) and Glass Lewis), it does not delegate or outsource any of its stewardship activities or follow or rely upon ISS's recommendations when deciding how to vote on its clients' shares. All client voting decisions are made in-house. Baillie Gifford votes in line with its in-house policy and not with the proxy voting providers' policies. Baillie Gifford also has specialist proxy advisors in the Chinese and Indian markets to provide it with more nuanced market specific information.
BlackRock	BlackRock uses ISS's electronic platform to execute its vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, BlackRock works with proxy research firms who apply its proxy voting guidelines to filter out routine or non-contentious proposals and refer to BlackRock any meetings where additional research and possibly engagement might be required to inform its voting decision.
BNY Mellon	BNY Mellon receives third party research from ISS for information purposes. However, the recommendations from any intermediary have no bearing on how BNY Mellon votes.
Harris	Harris utilises the services of ISS's proxy voting services. ISS implements a bespoke proxy voting policy for Harris and ISS's services are otherwise used for information only. Harris states that it will follow its own Proxy Voting Policy, except where the analyst covering a stock recommends voting otherwise. In these cases, the final decision rests with Harris' Proxy Voting Committee.
HSBC	To enable efficient proxy voting operations, HSBC work with their proxy service provider (ISS), which provides research, a voting platform and disclosure services. Their Global Voting Guidelines, together with own research, inform more granular voting policy instructions, which form the basis for custom voting recommendations for each shareholder meeting.
LGIM	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM, who does not outsource any part of the strategic decisions. To ensure LGIM's proxy provider votes in accordance with LGIM's position on ESG, LGIM has put in place a custom voting policy with specific voting instructions.
Mirova	Mirova uses ISS as a voting platform for related services such as ballot collecting, vote processing and record keeping. Mirova subscribes to the ISS research, however its recommendation is not prescriptive or determinative to Mirova's voting decisions. All voting decisions are made by Mirova in accordance with its Voting Policy.
Nordea	Nordea uses two external proxy advisors - ISS and Glass Lewis. ISS is used for proxy voting, execution as well as research, while Glass Lewis is mainly used for research. They evaluate Nordea's proxy advisors regularly on operational integrity, quality of research and the implementation of the custom voting policy.
UBS	UBS Asset Management retains the services of ISS for the physical exercise of voting rights and for supporting voting research. UBS retain full discretion when determining how to vote at shareholder meetings.

Source: AIL. Underlying managers

Significant voting activity

To illustrate the voting activity being carried out on our behalf, we asked AIL to provide a selection of what they and the underlying investment managers consider to be the most significant votes in relation to the Plan's funds. A sample of these significant votes can be found in Appendix 2 for the main funds used within the Default Option.



Engagement is when an investor communicates with current (or potential) investee companies or investment managers (as owners of companies) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

Engagement Activity - Aon Managed Retirement Pathway Funds

Below we provide examples of some of the engagement activity carried out by the underlying investment managers for the Default Option and the most material self-select funds. The managers have provided information for the most recent calendar year available (1 January 2024 – 31 December 2024). Some of the information provided is at a firm level i.e. is not necessarily specific to the underlying fund invested in by the Aon Managed Retirement Pathway Funds.

All managers engaged across all key themes. We would expect this to be the case, as all underlying managers meet AIL's required standards for consideration of ESG factors / risks. The key themes engaged are shown in the below table:

Themes engaged on at a firm level						
Environment - Climate Risk Management	Environment - Biodiversity	Governance - Remuneration	Governance - Board Effectiveness	Governance - Corporate Strategy	Social - Human Capital	Social - Risks & Opportunities

Source Aon Investment Limited, Underlying managers (BlackRock, LGIM, UBS, Baillie Gifford, Mirova, Nordea, BNY Mellon, Harris, HSBC).

Engagement Activity – Wider fund range

We also provide examples of specific engagement activity carried out by the most material underlying investment managers below.

BlackRock engagement with Shell

BlackRock has had extensive, multi-year engagements with **Shell** where they have discussed, among other topics, board composition, corporate strategy and the board's oversight of, and management's approach to climate-related risks and opportunities. At Shell's May 2024 AGM, BlackRock highlighted two key votes.

The first was a management proposal to approve Shell's Energy Transition Strategy. BlackRock supported this proposal, as in its view Shell has provided, and continues to provide, a clear assessment of its plans to manage material climate-related risks and opportunities and continues to demonstrate progress against its Energy Transition Strategy. Additionally, BlackRock notes that Shell has made several adjustments to its climate-related targets due to developments in energy markets and the strategic shift in its power business. For example, Shell retired its 2035 net carbon intensity (NCI) target of 45% because of uncertainty regarding the pace of the global low-carbon transition.

The second was a shareholder proposal which advised Shell to align its medium-term emissions reduction targets covering the Greenhouse Gas (GHG) emissions of the use of its energy products (scope 3) with the goal of the Paris Climate Agreement. BlackRock did not support this shareholder proposal because, in their view, the proposal is overly prescriptive. BlackRock believes it is the role of company leadership to set and implement the company's strategy. In their assessment, support of this proposal would contradict the energy transition strategy 2024 that has been put forward by the board and management team.

UBS engagement with BHP Group

Over 2024, **UBS** engaged with **BHP Group**. They met three times in 2024, primarily focusing on the release of their new Climate Transition Action Plan (CTAP). BHP Group are a leading producer of iron ore, copper and metallurgical coal. The company is a significant carbon emitter but a key enabler of the energy transition. In 2024, UBS met with the CFO, participated in their group investor engagement sessions and had bilateral discussions with BHP Group in the lead up to and after the release of the new CTAP. The focus was on Scope 3 emissions, physical risk and scenario analysis use for transition planning. UBS requested further disclosure on its Scope 3 emissions, given 97% of their total emissions are

Scope 3. UBS also requested an update on Paris alignment scenarios the company uses to set strategies. Due to the speed of the transition expected to influence the demand for key minerals, and be a key driver of the sector's performance, UBS believed this is important to report on.

In their new CTAP, BHP enhanced their Scope 3 strategy disclosures, including their view on steelmaking technologies and pipeline of abatement projects. BHP have also provided an initial framing of their assessment process on physical risk and further assessments are underway. UBS will continue to engage in 2025, focusing on the lack of clarity on outlook for metallurgical coal and the scale of expected use of offsets in BHP's net zero target.

LGIM engagement with Walmart Inc.

Over 2024, **LGIM** engaged with **Walmart Inc**, an American multinational retail corporation that operates a chain of hypermarkets, discount department stores and grocery stores.

LGIM contacted Walmart in relation to establishing a company compensation policy of paying a living wage and have been engaging with them on the topic for several years. In 2023, LGIM launched their income inequality engagement campaign, targeting 15 of the largest global food retailers, which Walmart is a part of. LGIM voted for this policy, where they have been encouraging Walmart to establish a compensation policy that ensures employees earn a living wage, to reduce potential negative financial impacts that stem from low worker morale, poor health or high staff turnover.

Over 2024 LGIM held a series of engagement meetings with Walmart. While the company has improved on some areas, in terms of training opportunities, the company does not have a policy in place yet and still pays employees under the living wage. LGIM continue to engage with Walmart and publicly advocate their position on this issue.

Engagement Activity - Non-equities

While equity managers may have more direct influence on the companies they invest in, managers investing in asset classes such as fixed income and alternatives are also increasingly influential in their ability to encourage positive change.

The Aon Managed Retirement Pathway Funds, Aon Managed Core Retirement Pathway Funds and several of the wider self-select fund options include investment in non-equity assets. This might include fixed income, cash, direct property and alternatives such as gold, depending on the fund. Below we describe examples of engagement.

Fixed Income

The Aon Managed Retirement Pathway Funds, Aon Managed Core Retirement Pathway Funds and several of the wider self-select fund options invested in fixed income and cash over the year. The above engagement activities carried out by LGIM, BlackRock and UBS are also applicable for the multi asset and fixed income funds.

Direct Property

The Aon Managed Retirement Pathway Funds, the Aon Managed Initial Growth Phase Fund and the Aon Managed Property and Infrastructure Fund invested in direct property over the year.

The Trustee appreciates that engagement activities within the direct property fund may be limited in comparison to other asset classes, such as equity and fixed income. Nonetheless, the Trustee expects ESG engagement to be integrated in its managers' investment approaches.

The direct property manager, Threadneedle, is a signatory of the UN PRI and has adopted ESG policies across its investments. Threadneedle's UK direct property funds are managed in line with their UK Real Estate ESG Policy Statement. Threadneedle takes an approach to real estate whereby it strives to understand the risks posed within the asset class and focus on mitigating these during the lifecycle of the projects. This can be done through property management, refurbishment, building improvements and strategic asset management.

Key topics of engagement during the year include the energy efficiency of assets, low carbon development opportunities, tenant engagement and Net Zero initiatives. During the 12 months to 31 March 2025, Threadneedle completed a range of projects designed to improve the energy efficiency of the underlying assets.

Commodities

The Aon Managed Retirement Pathway Funds and Aon Managed Diversified Asset Fund invested in commodities over the year. The BlackRock Gold Fund provides exposure to gold via an exchange traded fund (ETF). The main ESG consideration relates to how the gold is sourced. The London Bullion Market Association has established standards on the

trade of gold and silver; these specify the requirements that refiners, and their gold, must meet to be accepted for trading. The refiners that source the gold that backs the BlackRock fund align to those standards.

Data limitations

At the time of writing, LGIM and BlackRock did provide fund level engagement information but not in line with the best practice industry standard Investment Consultants Sustainability Working Group (“ICSWG”) reporting guide.

Appendix 1 – AIL Stewardship priorities

AIL has set stewardship priorities that align with its beliefs in relation to responsible investment.

These stewardship priorities focus on climate change and nature loss, modern slavery and artificial intelligence, as well as ensuring strong governance. These priorities have been identified as financially material risks that have the potential to impact the value of members' investments.

To support these priorities, AIL has an Engagement Programme through which it identifies and analyses key areas for focus, and engages with the underlying managers accordingly. In turn, AIL also has a set of expectations for its underlying investment managers.

A summary of these priorities is set out below:

Investment Stewardship

It is important to be clear on our principles and expectations of good investment stewardship across asset classes. AIL does this through its ongoing engagements with the underlying investment managers and is looking for strong alignment between an investment manager's responsible investment policies and its engagement activity and voting decisions. AIL believes that transparency of engagement and voting activity is key and actively engages with its investment managers to promote transparency. AIL also engages with its underlying investment managers to promote the Principles for Responsible Investment, adherence to the UK Stewardship Code as well as following industry best practice.

Climate transition and nature loss

Climate change and the progress towards net zero is a key area of focus for the Trustee and AIL, recognising the impact of climate-related risks on the value of members savings over the long term. AIL looks for alignment between an investment manager's climate risk policy (or stated ambitions) and its responsible investment approach including engagement activities and voting decisions around climate. AIL engages with its underlying investment managers to monitor progress in the underlying investee companies towards setting targets and ensuring meaningful action as a result.

AIL also believes that biodiversity risk, including nature loss, is intrinsically linked to climate-change and hence the value of members savings over the long term. AIL collaborated with the Cambridge Institute of Sustainability Leadership to create a framework for assessing nature-related risks including a due diligence questionnaire to measure progress on goals. AIL engages with its underlying investment managers to understand the risks in this area and ensure appropriate action is taken as a result.

Combatting modern slavery

AIL is a signatory of the 'Find It, Fix It, Prevent It' initiative which aims to combat modern slavery through engagement with investee companies, participation in shaping public policy and in developing better modern slavery data. Through this initiative AIL aims to raise awareness of the role investors can play in addressing modern slavery in supply chains. AIL engages with its investment managers to understand where any potential exposure exists and ensure appropriate action is taken as a result.

Artificial Intelligence (AI)

AI is a nascent industry, and its real world applications are yet to be fully explored. AIL has made AI an important topic for its engagement programme and endeavours to be at the forefront of this fast-developing area. AIL believes in the responsible use of AI. To effect this AIL will promote transparency and explainability and appropriate guards against bias. Where AI is adopted, AIL will endeavour to engage with its investment managers to ensure this is done in a way that incorporates responsible design, and that the energy intensive nature of AI balances appropriately with Net Zero commitments.

Appendix 2 – Significant Voting Examples

In the table below are some significant vote examples provided by the underlying investment managers appointed by AIL and used within the Default Option.

We consider a significant vote to be one which the manager deems to be significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below.

LGIM	Company name	ConocoPhillips
	Date of vote	May 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.4%
	Summary of the resolution	Resolution 5: Revisit Pay Incentives for GHG Emission Reductions
	How the manager voted	Against management
	Did the manager communicate its intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.
	Rationale for the voting decision	Shareholder Resolution - Climate change: A vote against is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.
	Outcome of the vote	Fail
	Implications of the outcome	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
	On which criteria have the vote is considered significant?	Pre-declaration and High-Profile Meeting: This shareholder resolution is considered significant due to misleading proposals (shareholder resolutions brought with the aim of undermining positive environmental, social and governance behaviours) are a relatively recent phenomenon. Such proposals often appear to be supportive of, for example, the energy transition but, when considered in depth, are actually designed to promote anti-climate change views.
BlackRock	Company name	Phillips 66
	Date of vote	May 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	Not provided
	Summary of the resolution	Report on impacts of a significant reduction in virgin plastic demand
	How the manager voted	Voted against resolution
	Did the manager communicate its intent to the company ahead of the vote?	BlackRock endeavours to communicate to companies when it intends to vote against management, either before or just after casting votes in advance of the shareholder meeting. BlackRock publishes its voting guidelines to help clients and companies understand its thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which BlackRock assesses a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting.
	Rationale for the voting decision	BlackRock applies its guidelines pragmatically, taking into account a company's unique circumstances where relevant. BlackRock's

		voting decisions reflect its analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and our active investment colleagues.
	Outcome of the vote	The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures
	Implications of the outcome	Fail
	On which criteria have the vote is considered significant?	BlackRock's approach to corporate governance and stewardship is explained in its Global Principles. BlackRock's Global Principles describe its philosophy on stewardship, including how it monitors and engages with companies. These high-level principles are the framework for BlackRock's more detailed, market-specific voting guidelines.
UBS	Company name	Shell Plc
	Date of vote	May 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	Not disclosed
	Summary of the resolution	Align medium-term emissions reduction targets covering the GHG emissions of the use of its energy products (scope 3) with the goal of the Paris Climate Agreement.
	How the manager voted	Against management
	Did the manager communicate its intent to the company ahead of the vote?	No
	Rationale for the voting decision	Shell has made incremental progress in this area since the previous year (when UBS supported the proposal), including introducing an absolute Scope 3 emissions target for their oil products. While the new target is not perfect, it is a sign of momentum in a positive direction, specifically in the area the proponent is focused on in this request.
	Outcome of the vote	In UBS's view it would be necessary for Shell to divest a higher level of assets than is currently in investor interests in order to achieve an expanded Scope 3 target.
	Implications of the outcome	With a say on climate vote on the ballot, UBS feels the best way to voice its concerns on the overall transition plan in our vote is on this resolution. This allows UBS to evaluate the entire plan and recognise where Shell may fall short of expectations, rather than in one specific component of the plan, which this proposal focuses on.
	On which criteria have the vote is considered significant?	Fail
Nordea	Company name	ANSYS, Inc.
	Date of vote	June 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	1.9%
	Summary of the resolution	Provide right to call a special meeting.
	How the manager voted	Against management. For the shareholder proposal.
	Did the manager communicate its intent to the company ahead of the vote?	No
	Rationale for the voting decision	Nordea thinks that each company should grant holders of a specific proportion of the outstanding shares of a company, no greater than

		ten per cent (10%), the right to convene a meeting of shareholders for the purpose of transacting the legitimate business of the company. In Nordea's view, this shareholder proposal requesting the company to take the necessary steps to afford shareholders the right to call a special meeting, would improve shareholder rights.
	Outcome of the vote	Pass
	Implications of the outcome	The protection of shareholder rights is an essential requirement for minority shareholders in a listed company. Nordea will continue to vote for such proposals in other relevant companies.
	On which criteria have the vote is considered significant?	Significant votes are those that are severely against Nordea's principles, and where Nordea feels it needs to enact change in the company.
Mirova	Company name	Unilever Plc
	Date of vote	May 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	Not provided
	Summary of the resolution	Say on climate
	How the manager voted	Supported management
	Did the manager communicate its intent to the company ahead of the vote?	Yes
	Rationale for the voting decision	The sector dedicated ESG analyst thoroughly reviewed the proposed transition plan. While there is room for improvement noted, on balance, Mirova was satisfied with the current proposal.
	Outcome of the vote	Pass
	Implications of the outcome	While concerns remain regarding governance of sustainability, Mirova will leverage engagement to push the company to further improve the climate transition target setting and provide meaningful progress reports.
	On which criteria have the vote is considered significant?	Relevant to engagement strategy regarding governance of sustainability.
Baillie Gifford	Company name	Markel Group Inc.
	Date of vote	May 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.9%
	Summary of the resolution	Shareholder resolution - Climate
	How the manager voted	Supported management
	Did the manager communicate its intent to the company ahead of the vote?	No
	Rationale for the voting decision	Baillie Gifford supported the shareholder proposal regarding disclosure of GHG emissions from the company's underwriting, insuring, and investment activities, considering the potential materiality of climate risk to the company's core activities. Baillie Gifford believes there is scope for improvement of carbon reporting and that this data will enable the company and its shareholders to better understand the company's climate risks.
	Outcome of the vote	Fail

HSBC	Implications of the outcome	Baillie Gifford will continue the engagement with the Company on this issue.
	On which criteria have the vote is considered significant?	This resolution is significant because it was submitted by shareholders and received greater than 20% support.
	Company name	Apple Inc.
	Date of vote	February 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	8.4%
	Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation
	How the manager voted	Against management
	Did the manager communicate its intent to the company ahead of the vote?	No
	Rationale for the voting decision	HSBC believes that the vesting period is not sufficiently long.
	Outcome of the vote	Pass
Harris	Implications of the outcome	HSBC will likely vote against a similar proposal should it see insufficient improvements.
	On which criteria have the vote is considered significant?	The company has a significant weight in the portfolio and HSBC voted against management.
	Company name	Glencore plc
	Date of vote	May 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	2.1%
	Summary of the resolution	Approve 2024-2026 Climate Action Transition Plan
	How the manager voted	Supported management
	Did the manager communicate its intent to the company ahead of the vote?	Not applicable
	Rationale for the voting decision	After engaging with the company and NGOs, Harris decided to support the 2024-2026 Climate Action Transition Plan and will continue to monitor the situation.
	Outcome of the vote	Pass
	Implications of the outcome	Harris will continue to monitor the situation, and to conduct and escalate engagement as needed.
	On which criteria have the vote is considered significant?	Significant exposure to climate risk

Source: AIL, Underlying Managers (LGIM, BlackRock, UBS, Baillie Gifford, Mirova, Nordea, HSBC, Harris).