

PACCAR UK Pension Plan Implementation Statement for the year ended 31 August 2025

Purpose

This Implementation Statement provides information on how, and the extent to which, the Trustees of the PACCAR UK Pension Plan (“the Plan”) have followed their policy in relation to Environmental, Social and Governance (“ESG”) and the exercising of rights (including voting rights) attached to the Plan’s investments, and engagement activities during the year ended 31 August 2025 (“the reporting year”). In addition, the statement provides a summary of the voting behaviour, and the most significant votes cast during the reporting year (other than in respect of the AVC assets).

Background

In March 2019, the Trustees received training on ESG issues from their Investment Adviser, XPS Investment Limited (“XPSIL”). Following that session, the Trustees consulted with the Principal Employer and agreement was reached on a suitable policy that the Plan would adhere to. The Plan’s Statement of Investment Principles (“SIP”) was updated following the training and further updated in June 2024 to reflect the Trustees’ updated responsible investment policy regarding engagement. This statement reflects the Trustees’ views and policies that were in place as at the year end.

The Trustees’ Responsible Investment policy

The Trustees have considered their approach to environmental, social and corporate governance (“ESG”) factors for the long-term time horizon of the Plan and believe there can be financially material risks relating to them. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Plan’s investment managers. The Trustees require the Plan’s investment managers to take ESG and climate change risks into consideration within their decision-making, in relation to the selection, retention or realisation of investments, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

To ensure sufficient oversight of the engagement and voting practices of their investment managers, the Trustees may periodically meet with their investment managers to discuss the engagement which has taken place. The Trustees will also expect their investment adviser to engage with the investment managers from time to time as needed and report back to the Trustees on the stewardship credentials of their investment managers. The Trustees will then discuss the findings with the investment adviser, in the context of their own preferences, where relevant. This will include considering whether the investment manager is a signatory to the UK Stewardship Code. The Trustees recognise the Code as an indication of a investment manager’s compliance with best practice stewardship standards.

As the Plan invests primarily in pooled funds, the Trustees acknowledge that they cannot directly influence the policies and practices of the companies in which the pooled funds invest. They have therefore delegated responsibility for the exercise of rights (including voting rights) attached to the Plan’s investments to the investment managers. The Trustees encourage the investment managers to engage with investee companies and vote whenever it is practical to do so on financially material matters such as strategy, capital structure, conflicts of interest policies, risks, and ESG issues as part of their decision making. In relation to ESG, the Trustees have established the following factors which it considers to be key priority for stewardship activity undertaken on their behalf.

- Climate change
- Pollution, waste
- Health and safety
- Diversity and inclusion
- Human and labour rights

- Conduct/culture/ethics

The Trustees expect the investment managers to take into consideration the areas specified and provide relevant reporting to the Trustees. The Trustees review the stewardship activity undertaken by their investment managers to ensure that the policies and priorities outlined above are being met and may explore these issues with their investment managers as part of the ongoing monitoring of the ESG integration and stewardship activities of its investment managers. There are various ways to engage with investee companies, including discussions with senior management and Board members and voting on key resolutions when shares are held by the Plan.

If the Trustees become aware of an investment manager engaging with the underlying issuers of debt or equity in ways that they deem inadequate or that the results of such engagement are mis-aligned with the Trustees' expectation, then the Trustees may consider terminating the relationship with that investment manager.

When considering the selection, retention or realisation of investments, the Trustees have a fiduciary responsibility to act in the best interests of the beneficiaries of the Plan, although they have neither sought, nor taken into account, the beneficiaries' views on matters including (but not limited to) ethical issues and social and environmental impact. The Trustees will review this policy if any beneficiary views are raised in future.

Manager selection exercises

The Trustees seek advice from XPSIL when considering making changes to the investment strategy, which extends to the possible selection of new investment managers or funds. One of the areas for consideration by the Trustees, although not the principal driver for change, is the extent to which the investment manager integrates ESG and climate change into their solution.

During the reporting year, there have been no such investment manager selection exercises for the Plan's assets.

Ongoing governance

The Trustees, with the assistance of XPSIL, monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustees' requirements as set out in this statement.

Over the reporting year, the Trustees received assurance from their investment managers that managers were effectively undertaking stewardship activities on their behalf.

The Trustees decided to receive a report from XPSIL on the extent to which ESG considerations are incorporated into the investment processes of the investment manager organisations appointed to the Plan. The report will be undertaken during the Plan's next accounting year.

During the year, the Trustees requested specific examples of engagement outcomes in respect of underlying companies from their investment managers, and these are detailed later in this statement.

Beyond the governance work currently undertaken, the Trustees believe that their approach to, and policy on, ESG matters will evolve over time based on developments within the industry and, at least partly, on a review of data relating to the voting and engagement activity conducted annually.

Adherence to the Statements of Investment Principles

During the reporting year the Trustees are satisfied that they followed their policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree.

Voting activity

The main asset class where the investment managers will have voting rights is equities. The Plan had specific allocations to two equity funds (held with BlackRock) during the reporting year. Therefore, a summary of the voting behaviour and most

significant votes cast by the relevant investment manager during the reporting year is shown below. These commentaries were provided by the investment manager.

As the Plan invests in pooled funds, the Trustees acknowledge that it cannot directly influence the policies and practices of the companies in which the pooled funds invest. The Trustees have therefore delegated responsibility for the exercise of rights (including voting rights) attached to the Plan’s investments to the investment managers.

This voting information has been provided by the investment managers. The Trustees consider votes to be significant on the basis they are linked to key ESG issues including but not limited to: climate change; other climate issues such as natural capital; executive remuneration; governance; independence; modern slavery or other factors such as the size of the holding.

Where the investment manager has provided a selection of significant votes, the Trustees have reviewed the rationale for significant votes provided by the investment managers and are comfortable with the rationale provided, and that it is consistent with their policy. The Trustees, with the help of XPSIL, have considered the information the investment managers have been able to provide on significant voting, and have deemed the below information as most relevant.

Disclaimer: Neither XPSIL nor the Trustees have vetted these votes. These summaries have been provided by the investment manager.

Manager Voting

Please note that the voting information for all funds below covers the 12-month period to 30 June 2025 given BlackRock provide this on a quarterly basis.

Voting Information
BlackRock Aquila Life UK Equity Index Fund
The manager voted on 95% of resolutions of which they were eligible out of 6,195 eligible votes. Of the resolutions on which the manager voted: 95% voted with management, 4% voted against management, 2% abstained from voting. On 5 proposals, the manager voted contrary to the recommendation of their proxy adviser.
Investment Manager Client Consultation Policy on Voting
BlackRock Investment Stewardship’s benchmark policies are the foundation for the team’s stewardship activities. The policies – which are comprised of published BlackRock Investment Stewardship Global Principles, regional voting guidelines, and engagement priorities – take a financial materiality-based approach and are focused solely on advancing clients’ financial interests. The policies provide clients, companies, and other external stakeholders, visibility and clarity into the core elements of corporate governance that guide BlackRock Investment Stewardship’s program globally and within each regional market every year.
BlackRock Investment Stewardship’s benchmark policies are reviewed annually by BlackRock Investment Stewardship and the BlackRock Investment Stewardship oversight and advisory committees, which are comprised of BlackRock senior executives with relevant experience. The policies are updated as necessary to reflect changes in market standards, evolving governance practices, and insights gained from engagements with companies and clients.
BlackRock Investment Stewardship’s benchmark policies, and the vote decisions made consistent with those policies, reflect the team’s reasonable and independent judgment of what is in the long-term financial interests of clients. BlackRock Investment Stewardship does not act collectively with other shareholders or organizations in voting shares nor follows any proxy research firm’s voting recommendations.
The BlackRock Investment Stewardship Global Principles, regional voting guidelines, and engagement priorities are all available here: https://www.blackrock.com/corporate/insights/investment-stewardship/blackrock-investment-stewardship

Investment Manager Process to determine how to Vote

As shareholders of public companies, BlackRock's clients have the right to vote on matters proposed by a company's management or its shareholders. Most of their clients authorise BlackRock to exercise this right on their behalf. For those clients, and as a fiduciary, BlackRock is legally required to make proxy voting determinations in a manner that is consistent with their investment objectives. BlackRock Investment Stewardship does this by casting votes in favour of proposals that, in the team's assessment, will enhance long-term shareholder value.

BlackRock Investment Stewardship's benchmark policies, and the vote decisions made consistent with those policies, reflect the team's reasonable and independent judgment of what is in the long-term financial interests of clients. BlackRock Investment Stewardship's vote decisions are informed by the team's in-depth analysis of company disclosures, third-party research, comparisons against a company's industry peers, and engagement with boards and management teams.

BlackRock Investment Stewardship does not act collectively with other shareholders or organisations in voting shares nor follows any proxy research firm's voting recommendations. In addition, BlackRock Investment Stewardship does not disclose its vote intentions in advance of shareholder meetings as the team do not see it as its role to influence other investors' proxy voting decisions. BlackRock Investment Stewardship's role is to convey to a company its view on how its board and management are fulfilling their responsibilities to their clients as minority shareholders.

The vast majority of the team's voting decisions are straightforward applications of the BlackRock Investment Stewardship benchmark policies and are determined by the relevant voting analyst, in consultation with team members or the regional BlackRock Investment Stewardship head, as necessary. That said, BlackRock Investment Stewardship's benchmark policies are not prescriptive and take into consideration the context in which companies are operating their businesses.

BlackRock Investment Stewardship analysts may, in the exercise of their professional judgment, conclude that the benchmark policies do not cover the specific matter upon which a proxy vote is required or that an exception to the guidelines would be in the long-term financial interests of BlackRock's clients.

Generally, BlackRock Investment Stewardship supports the vote recommendations of the board of directors and management. When BlackRock Investment Stewardship determines it is in BlackRock's clients' financial interests to convey concern to companies through voting, the team may do so in two forms: it might not support the election of directors or other management proposals, or it might not support management's voting recommendation on a shareholder proposal.

In certain markets, proxy voting involves logistical issues which can affect BlackRock's ability to vote, as well as the desirability of voting. In these cases, BlackRock votes on a "best efforts" basis. In addition, BlackRock Investment Stewardship may determine that it is generally in the long-term financial interests of BlackRock's clients not to vote proxies (or not to vote the full allocation) if the costs (including but not limited to opportunity costs associated with share-blocking constraints) associated with exercising a vote are expected to outweigh the benefit the affected clients would derive by voting on the proposal.

BlackRock Investment Stewardship's voting record on behalf of clients is available on its website:
<https://www.blackrock.com/corporate/insights/investment-stewardship/blackrock-investment-stewardship>

How does this manager determine what constitutes a 'Significant' Vote?

BlackRock Investment Stewardship publishes “vote bulletins” and “case studies” on key votes at shareholder meetings to provide insight into certain vote decisions the team expects will be of particular interest to clients. The vote bulletins are published on the “Vote Bulletin library” section of the BlackRock Investment Stewardship website. The case studies can be found in BlackRock Investment Stewardship’s flagship publications, namely the Investment Stewardship Annual Report and the Global Voting Spotlight, as well as pieces published on the “BIS Insights Hub” website. These bulletins and case studies are intended to explain vote decisions relating to proposals addressing a range of corporate governance issues, including sustainability-related matters that may be material to a company’s business model, that are on the agenda for a shareholder general meeting. Other factors BlackRock Investment Stewardship may consider in deciding to publish a vote bulletin and/or a case study include the profile of the issue in question and the level of client interest they expect in the vote decision. The vote bulletins and case studies include relevant company-specific background, sector or local market context, and engagement history when applicable. Vote bulletins and case studies may also include observations on emerging corporate governance issues and market-level stewardship developments.

BlackRock Investment Stewardship does not disclose its vote intentions in advance of shareholder meetings as the team do not see it as its role to influence other investors’ proxy voting decisions. BlackRock Investment Stewardship’s role is to convey to a company its view on how its board and management are fulfilling their responsibilities to their clients as minority shareholders.

BlackRock Investment Stewardship’s published regional voting guidelines provide clients, companies, and others guidance on their position on common voting matters.

Does the manager utilise a Proxy Voting System? If so, please detail

Proxy research firms provide research and recommendations on proxy votes as well as voting infrastructure. BlackRock Investment Stewardship leverages Institutional Shareholder Services (ISS) as an external proxy services vendor. ISS’ electronic voting platform allows BlackRock Investment Stewardship to monitor voting activity, execute proxy vote instructions, record keep, and generate client and regulatory voting reports. BlackRock Investment Stewardship also uses Glass Lewis’ services to support research and analysis. In addition to the global research provided by Institutional Shareholder Services (ISS) and Glass Lewis, BlackRock Investment Stewardship subscribes to market-specific research providers including Institutional Voting Information Service in the UK, Ownership Matters in Australia, Stakeholder Empowerment Services in India, and ZD Proxy in China.

Although proxy research firms provide important data and analysis, BlackRock Investment Stewardship does not follow any proxy research firm’s voting recommendations.

BlackRock Investment Stewardship has operational specialists on the team who are fully focused on ensuring votes cast on behalf of clients are successfully instructed, using its vendor’s electronic voting platform. The controls BlackRock Investment Stewardship has in place ensure that the team identifies upcoming meetings, cast votes ahead of the voting deadline for each meeting, reconcile holdings with ballots received, and identify any uninstructed ballots.

Top 5 Significant Votes during the Period

Company	Date of Vote	Size of fund holdings	Voting Subject	How did the Investment Manager vote	Result
SIG Plc	01/05/2025	BIS does not typically	Re-elect Alan Lovell as Director	Against	Pass

		provide this information.			
Rationale: Vote against nominating/governance committee member for failure to adequately account for diversity on the board.					
Barrick Gold Corporation	06/05/2025	BIS does not typically provide this information.	Elect Director John L. Thornton	Withhold	Pass
Rationale: Board has failed to demonstrate ability to effectively represent shareholders' best interests.					
Targa Resources Corporation	20/05/2025	BIS does not typically provide this information.	Elect Director Rene R. Joyce	Against	Pass
Rationale: Greater climate-related disclosure would enable investors to better assess financially material climate-related risks and opportunities.					
Shell Plc	20/05/2025	BIS does not typically provide this information.	Request Company Disclose Whether and How Its: Demand Forecast; Production & Sales For LNG; Are Consistent with Climate Commitments	Against	Fail
Rationale: The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosure.					
Southern Copper Corporation	23/05/2025	BIS does not typically provide this information.	Elect Director Carlos Ruiz Sacristán	Withhold	Pass
Rationale: Vote against director due to board composition being an outlier compared to market norms/standards. More perspectives in the boardroom may lead to better risk management and identification of business opportunities. The Chairman of the board is not independent, and a lead independent director has not been identified.					

Voting Information
BlackRock Aquila Life World (ex UK) Equity Index Fund
The manager voted on 93% of resolutions of which they were eligible out of 25,770 eligible votes. Of the resolutions on which the manager voted: 94% voted with management, 5% voted against management, 0% abstained from voting. On 108 proposals, the manager voted contrary to the recommendation of their proxy adviser.
Investment Manager Client Consultation Policy on Voting
Please refer to the corresponding section under BlackRock Aquila Life UK Equity Index

Investment Manager Process to determine how to Vote

Please refer to the corresponding section under BlackRock Aquila Life UK Equity Index

How does this manager determine what constitutes a 'Significant' Vote?

Please refer to the corresponding section under BlackRock Aquila Life UK Equity Index

Does the manager utilise a Proxy Voting System? If so, please detail

Please refer to the corresponding section under BlackRock Aquila Life UK Equity Index

Top 5 Significant Votes during the Period

Company	Date of Vote	Size of fund holdings	Voting Subject	How did the Investment Manager vote	Result
Air Products & Chemicals, Inc.	23/01/2025	BIS does not typically provide this information.	Elect Dissident Nominee Director Andrew Evans	For	Pass
Rationale: BlackRock consider this to be in the best interests of shareholders.					
Air Products & Chemicals, Inc.	23/01/2025	BIS does not typically provide this information.	Elect Management Nominee Director Charles "Casey" Cogut	Withhold	Fail
Rationale: BlackRock believe the election of this director is not in shareholders' best interests.					
Atmos Energy Corporation	05/02/2025	BIS does not typically provide this information.	Elect Director Frank Yoho	Against	Pass
Rationale: Greater climate-related disclosure, including ISSB aligned reporting and relevant metrics and targets, would enable investors to better assess climate-related investment risks and opportunities.					
Atmos Energy Corporation	05/02/2025	BIS does not typically provide this information.	Elect Director Kelly H. Compton	Against	Pass
Rationale: Greater climate-related disclosure, including ISSB aligned reporting and relevant metrics and targets, would enable investors to better assess climate-related investment risks and opportunities.					
Tyson Foods, Inc.	06/02/2025	BIS does not typically provide this information.	Elect Director David J. Bronczek	Against	Pass
Rationale: Vote against director for insufficient progress with respect to sustainability-related reporting.					

BlackRock voting data notes applicable to all votes stated

Where you voted against management, did you communicate your intent to the company ahead of the vote?

BlackRock endeavour to communicate to companies when they intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. BlackRock publish their voting guidelines to help clients and companies understand their thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which BlackRock assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. BlackRock apply their guidelines pragmatically, taking into account a company's unique circumstances where relevant. BlackRock voting decisions reflect their analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and their active investment colleagues. BlackRock market-specific voting guidelines are available on their website at <https://www.blackrock.com/corporate/about-us/investment-stewardship#principles-and-guidelines>.

Implications of the outcome i.e. were there any lessons learned and what likely future steps will you take in response to the outcome?

Generally, BlackRock Investment Stewardship supports the vote recommendations of the board of directors and management. When they determine it is in their clients' financial interests to convey concern to companies through voting, they may do so in two forms: they might not support the election of directors or other management proposals, or they might not support management's voting recommendation on a shareholder proposal. In some cases, companies may request an engagement after a shareholder meeting to provide additional clarity.

They value the opportunity to listen to company leadership, which enhances their understanding of their business models, ensuring that their proxy voting decisions are based on a comprehensive view on company practices and priorities.

In these conversations, they do not direct companies on how they should manage their business. That responsibility lies with management, with input from the board.

On which criteria have you assessed these votes to be "most significant"?

Vote Bulletin; BIS periodically publishes Vote Bulletins on key votes at shareholder meetings to provide insight into details on certain vote decisions they expect will be of particular interest to clients. BIS vote bulletins can be found here: <https://www.blackrock.com/corporate/about-us/investment-stewardship#vote-bulletins>.

Engagement information

In order to monitor engagement undertaken by the investment managers, in particular against the Plan specific stewardship priorities, the below engagement examples have been provided.

The Plan holds index-linked gilt funds with BlackRock. Given the nature of these funds, engagement information has not been provided.

Engagement data provided by BlackRock over the 12-month period to 31 December 2024

Please note, BlackRock have not provided engagement data over the accounting period, or at least over the 12-month period to 30 June 2025 in line with the data provided for the previous year's statement. The data provided below has been taken from their annual report covering the 12-month period to 31 December 2024.

The section below provides examples of where BlackRock have engaged with the underlying companies, of which the funds invest in.

Name of entity you engaged	Shell plc
Topic of Engagement	Environment: Climate change
Rationale for engagement	Shareholder proposal requesting that the company makes changes to its climate-related strategy.
Engagement activity carried out	At Shell's request, BlackRock engaged with members of the company's board and management team in April 2024 to better understand the company's approach to managing climate-related risks and opportunities, including its approach to setting and updating its climate-related targets, amongst other topics that are material to long-term financial value creation.
Outcomes and next steps	<p>BlackRock supported Shell's management proposal because the company provided a clear assessment of its plans to manage material climate-related risks and opportunities, while also demonstrating progress against its stated Energy Transition Strategy.</p> <p>BlackRock did not support the shareholder proposal because they considered it overly prescriptive. It is the role of company leadership to set and implement the company's strategy. In their assessment, support of this proposal would have contradicted the Energy Transition Strategy 2024 that had been put forward by the board and management team.</p> <p>The management proposal was approved with ~78% support from shareholders; the shareholder proposal did not pass and received ~19% support.</p>

Name of entity you engaged	Workday, Inc.
Topic of Engagement	Governance: Executive compensation
Rationale for engagement	Election of directors and approval of the company's executive compensation practices.
Engagement activity carried out	BlackRock engaged with representatives of Workday's management team in June 2024 in order to better understand the company's approach to executive compensation, particularly how the long-term equity awards for the CEO and other NEOs were aligned with the corporate strategy and long-term financial value creation.

Outcomes and next steps	<p>BlackRock did not support the Say on Pay proposal and the election of a member of the compensation committee due to ongoing concerns about the size and structure of the company's pay practices. BlackRock previously did not support executive compensation items at Workday's June 2022 and June 2023 AGMs.</p> <p>At the June 2024 AGM, the Say on Pay proposal and director election received ~26% and ~62% support from unaffiliated shareholders, respectively. Following the June 2024 AGM, at the company's request, BlackRock engaged again with Workday in December 2024 to discuss its approach to executive compensation.</p>
--------------------------------	---

Name of entity you engaged	CJ CheilJedng Corp.
Topic of Engagement	Governance: Board independence
Rationale for engagement	As outlined in the BlackRock proxy voting guidelines for Southeast Asia, South Korea, and Taiwan securities, BlackRock looks to boards to have a sufficient number of independent directors, free from conflicts of interest or undue influence, to ensure objectivity in the decision-making of the board and its ability to oversee management.
Engagement activity carried out	BlackRock did not support the election of the independent non-executive director (INED) and the incumbent executive director due to concerns about board independence. Specifically, BlackRock assessed the new INED nominee's independence and found potential conflicts, given their advisory role at a law firm that provides legal services to the company and its affiliated entities.
Outcomes and next steps	The two directors received approximately 96% and 83% of shareholder support. As of December 2024, CJ CheilJedang's major shareholders – Holdco CJ Corp and additional shareholders – held approximately 45% of issued shares.

Engagement data provided by L&G over the 12-month period to 31 December 2024

Please note, L&G provide engagement data on an annual basis. As such the below reflects the 12-month period to 31 December 2024. The below engagement examples apply to the L&G Active Corporate Bond Over 10 Years Fund.

The section below provides examples of where L&G have engaged with the underlying companies, of which the fund invests in.

Name of entity you engaged	Tesco Plc
Topic of Engagement	Social: Income inequality
Rationale for engagement	L&G advocates that all companies should ensure that they are paying their employees a living wage and that this should also be extended to all firms with whom they do business across their Tier 1 and ideally Tier 2, supply chains.
Engagement activity carried out	In 2023, L&G launched their own campaign on income inequality, focusing on 15 of the largest food retailers globally, asking them to pay a living wage to their own employees and supply chain workers. Tesco is one of these companies. Although they are paying their own

	<p>employees a living wage, there is much to do in terms of contractors and supply chain workers. L&G met with their supply chain procurement team in 2024 to discuss the challenges they face in paying a living wage to supply chain workers.</p> <p>In addition to engaging with Tesco on the topic of the living wage, L&G's conversations have also covered other topics, including deforestation and remuneration. Levels of individual typically engaged with include the head of ESG investor engagement (investor relations), company secretary, and the new chairman.</p>
Outcomes and next steps	L&G will continue to engage with Tesco and to measure their progress against L&G's expectations. Under their living wage campaign, a vote against the Chairman would be applied if L&G's minimum requirements are not met by the time of their AGM in 2025.

Name of entity you engaged	United Utilities Group Plc
Topic of Engagement	Environment: UK Water
Rationale for engagement	The objective of L&G's engagement with UK water organisations in 2024 included contributing to creating and maintaining a regulatory framework for UK water that supports investment to improve outcomes, in respect of pollution incidents and water resources, among other things. They also want to maintain pressure on the privatised water companies to prioritise addressing these issues.
Engagement activity carried out	<p>Through 2024, L&G engaged with UK officials Defra and Ofwat to share their views on bond market perceptions of the regulatory framework. This included proactive bilateral calls with Defra civil servants and investor relations at Ofwat, and a group meeting with Defra ministers. Their engagement escalated following the announcement of a very tough draft regulatory settlement from Ofwat in July.</p> <p>Additionally, L&G engaged directly with management at companies where they identified potential issues. For example, they requested calls with Welsh Water's CEO and UU's treasurer to discuss specific issues relating to leakage calculations and pollution incidents.</p>
Outcomes and next steps	Ofwat announced in December 2024 an updated regulatory settlement that L&G think will be much more conducive to enabling investment in the UK water sector to improve outcomes for UK consumers. L&G expect to continue their engagement in the UK water sector, including via the Cunliffe review of the regulatory framework beyond 2030, which is expected to report later this year.

Name of entity you engaged	Wells Fargo & Co
Topic of Engagement	Governance: Business ethics, L&G Future World Protection List
Rationale for engagement	Wells Fargo was added to L&G's Future World Protection List in 2019 because the company had been considered in violation of Principle 10 (Business Ethics) of the UN Global Compact ('UNGC') for at least three continuous years. L&G's Future World Protection List is compiled using data from a reputable third-party data provider. The initial objective of the engagement was to help

	<p>the company take necessary steps to avoid being in violation of the UNGC, and to explain their minimum expectations. L&G have continued to engage with the company, as outlined below.</p>
<p>Engagement activity carried out</p>	<p>In April 2019, L&G outlined to Wells Fargo the risk of being included on L&G’s Future World Protection List (FWPL) and why [at the time], they had been identified as a violator of the UNGC by their ESG data provider for two years running, with the possibility for FWPL exclusion at three years. L&G shared some key feedback from the ESG data provider on what they would need to do to remove this classification. They continue to engage with the company to explain their expectations and where they have ongoing concerns; under the ‘Human Capital’ element of their ESG score, business ethics is a component, and is still flagged as one area (among others) where Wells Fargo falls below their minimum standards.</p> <p>L&G continue to vote at their AGMs in accordance with their relevant policies and principles. In 2024 AGM, L&G supported shareholder proposals on lobbying transparency, labour and employee rights, and human rights. Other votes against management reflected areas of remuneration and auditor tenure, where the company does not meet L&G’s minimum expectations.</p> <p>Their engagement with the company in 2024 focused on board-related matters, board-level responsibility for climate and sustainability, remuneration, and issues relating to their voting at the company's 2024 AGM.</p> <p>Levels of individual typically engaged with include General Counsel & Company Secretary and Investor Relations, but also other heads of departments in relation to matters discussed around the company's policies on D&I, sustainability and executive compensation.</p>
<p>Outcomes and next steps</p>	<p>L&G continue to have regular governance conversations with Wells Fargo, including conversations regarding their racial equity audit report which has been published. L&G also continues to discuss the various shareholder proposals that they have previously supported.</p> <p>L&G’s Future World Protection List is updated every six months and in their November update, as their third-party data provider had amended Wells Fargo's status to mean that they are no longer classified as being in violation of the UNGC Principles, following improvements made to address previous issues and strengthen internal controls.</p> <p>The company was therefore removed from their Future World Protection List, meaning that it will have been reinstated in applicable funds.</p>

Signed: _____, on behalf of the Trustees

Date: _____