Endsleigh Insurance Services Limited Pension and Assurance Scheme

Annual report and financial statements

Year ended 31 December 2024

Pension Schemes Registry reference no: 10085913

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Introduction

The annual report and financial statements for the Endsleigh Insurance Services Limited Pension and Assurance Scheme (the "Scheme") describes how the Trustee has managed the Scheme and any changes which have happened in the reporting period. The reporting period is for the year ended 31 December 2024.

It includes:

- Audited accounts, auditor's report and statement about contributions
- Details of the Trustee directors and the Trustee's advisers and asset managers
- An update on Scheme funding, including the actuary's certification of the adequacy of the schedule of contributions
- An investment report, including how the investments have performed
- Implementation statement

If you have any comments or queries, please contact Mike Jones (the Scheme Secretary) by email at zpenteam@uk.zurich.com or by writing to the address shown below.

Endsleigh Insurance Services Limited Pension and Assurance Scheme
UK Pensions and Benefits
PO Box 377
Darlington
DL3 6XY

Principal Employer, Trustee directors and advisers

Principal Employer
EFS Financial Services Limited
Unity Place
1 Carfax Close
Swindon
SN1 1AP

Trustee directors
Company Nominated
P Agg
Z Fewell
G P Wenzerul

Independent
BESTrustees Limited (represented by C Gilchrist up to 31 May 2024, and C Redmond from 1 June 2024)

Member Nominated
P Bishop (re-appointed 28 November 2024)
G Okai (resigned 3 May 2024)
S Oliver (appointed 28 November 2024)

Trustee Company
Endsleigh Pension Trustee Limited

Trustee company secretary
Zurich Corporate Secretary (UK) Limited

Secretary to the Trustee
M Jones

Scheme Actuary
S Morran FIA
Barnett Waddingham LLP

Auditors
Ernst & Young LLP

Covenant advisers
PricewaterhouseCoopers LLP

Fund managers
Legal & General Assurance (Pensions Management) Limited
Insight Investment Management (Global) Limited

Annuity provider
Legal & General Group plc

Administrator
Zurich UK Pensions and Benefits (the "ZPen team")

Investment adviser
Barnett Waddingham LLP

Bankers
National Westminster Bank plc

Legal advisers
TLT LLP

Eversheds Sutherland (International) LLP (only for legal advice in connection with Guaranteed Minimum Pension (GMP) equalisation)

GMP equalisation adviser

Aon Solutions UK Limited

Address for general information and individual benefit enquiries

Endsleigh Insurance Services Limited Pension and Assurance Scheme
UK Pensions and Benefits
PO Box 377
Darlington
DL3 6XY
Email: zpenteam@uk.zurich.com

Trustee's report

How the Scheme is structured

A brief history of the Scheme

The Scheme was originally established in the 1970s to provide pension benefits for Endsleigh employees.

The original trust deed was dated 30 December 1970. That deed was amended on a number of occasions (mainly to take account of changes in legislation) and consolidated into a new deed with an effective date of 30 March 2006.

In 2001, the Scheme was closed to new members and Endsleigh introduced a Stakeholder Scheme. Endsleigh ceased contributions to the Stakeholder Scheme on 31 May 2011 and on 1 June 2011 introduced a defined contribution section within the trust. This section was called ECashBuilder and the final salary section was re-branded EPensionBuilder.

EPensionBuilder provides what are known as 'final salary' benefits; that is, the final emerging pension is calculated by reference to service and pensionable salary. With effect from 31 December 2015 EPensionBuilder was closed to future accrual (that is to say final salary benefits are based upon qualifying service up to that date), with all active members joining ECashBuilder for future benefits from 1 January 2016.

ECashBuilder provided 'defined contribution' benefits, where the final benefits depended on how much had been paid in, what the investment returns had been and the way in which the member decided to take their benefits.

In March 2018, Zurich Insurance Group ("Zurich Group") sold the Endsleigh group of companies to A-Plan Holdings and the Scheme was closed to active members. From 1 April 2018, Endsleigh has provided retirement and life assurance benefits to its employees through a new arrangement.

On the sale of the Endsleigh group of companies, Endsleigh Pension Trustee Limited ("the Trustee") and EFS Financial Services Limited ("EFS") were retained by the Zurich Group. The Scheme rules were amended to permit EFS to replace Endsleigh Insurance Services Limited as the Principal Employer and all the departing employers' obligations to the Scheme were apportioned to EFS. This means that the Zurich Group took over responsibility for the Scheme, rather than transferring it to A-Plan Holdings.

In September 2021, the benefits in ECashBuilder were transferred to the Aegon Master Trust.

How the Scheme is managed

Trustee directors

The Scheme is set up under trust, which ensures legal separation of the Scheme's assets from those of the Zurich Group. The Principal Employer is EFS.

The Trustee is responsible for managing the Scheme. The Trustee has a legal duty to run the Scheme in accordance with the governing Trust Deed and Rules for the benefit of the beneficiaries. In this report we refer to the directors of the Trustee as Trustee directors.

At least one third of the Trustee directors must be nominated by the members. The remaining Trustee directors are nominated by the Principal Employer. One of the Trustee directors is a professional independent trustee company (BESTrustees Limited). The Trustee can operate with vacancies, which does happen from time to time when people leave.

Terms of office

Provided they remain eligible, member nominated Trustee directors ("MNDs") are appointed for a three-year term (unless they choose to resign before this). At the end of the three years, they can choose to stand for selection again.

Trustee directors nominated by the Principal Employer do not have fixed terms of office and continue as Trustee directors until they resign, or the Principal Employer removes them.

Any Trustee director will stop being a Trustee director immediately if they are prohibited by law from acting as a trustee or a director.

Selecting member nominated Trustee directors

Deferred and pensioner members are eligible to stand as MNDs. MNDs are selected through a process which includes Scheme members, such as a selection panel or ballot.
Selected nominees will have the necessary skills and aptitude to be Trustee directors.

Changes to the Trustee directors

G Okai resigned from the Trustee board on 3 May 2024. Following a successful nomination and election process, S Oliver was appointed as an MND to the Trustee board on 28 November 2024. P Bishop was also re-appointed as an MND for a further 3-year term of office with effect from 28 November 2024.

The Trustee company

The Trustee company has 1 share, held by Zurich Holdings Ltd.

Overview of the Scheme year

Trustee meetings

The Trustee directors normally meet as a full board at least three times a year. The Trustee directors will usually act by consensus, although they do each have one vote, should the need arise. The Chair does not have a casting vote. This year there were three regular Trustee meetings and one additional meeting. Meeting attendance is recorded in the table below.

Trustee director	Number of meetings attended
BESTrustees Limited	**4/4**
P Agg	**4/4**
P Bishop	**3/4**
Z Fewell	**4/4**
G Okai (resigned 3 May 2024)	**0/1**
S Oliver (appointed 28 November 2024)	**1/1**
G Wenzerul	**4/4**

Preparation and audit of financial statements

The Trustee confirms that the financial statements have been prepared and audited in accordance with regulations made under sections 41(1) and (6) of the Pensions Act 1995.

Employer related investment

There were no employer related investments (as defined by the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005) in Zurich Group companies at any time during the year.

The EPensionBuilder arrangement includes indirect investments in the Zurich Group through pooled investment vehicles accounting for less than 0.1% of the Scheme's assets.

Transfers out of the Scheme

Members who are not yet receiving their pension can usually transfer the value of their benefits to another pension arrangement. During the Scheme year all cash equivalent transfer values were calculated and verified in the manner prescribed by regulations made under section 97 of the Pension Schemes Act 1993. No allowance is made in these calculations for any discretionary benefits. There were no transfers where the cash equivalent paid was less than the amount provided for by section 94(1) of the Pension Schemes Act 1993.

Scheme events

General Code

The Pensions Regulator's general code of practice came into force on 28 March 2024. The code, which replaces ten previous codes of practice, sets out The Pensions Regulator's expectations for a scheme with regard to governance. The Trustee is reviewing its governance arrangements in the light of the new code and in preparation for the first Own Risk Assessment which involves an assessment of the effectiveness of governance arrangements and is due in 2026.

Pensions Dashboards

The Pensions Dashboards Programme is a government-backed initiative, designed to provide individuals with a comprehensive and easily accessible view of all their pension savings in one place. The UK Pensions & Benefits team is working with the Trustee and its advisers to connect to the Pensions Dashboards system by the Scheme's staging date of 30 November 2025.

Virgin Media Ltd v NTL Pension Trustees II – High Court decision

The Virgin Media Ltd v NTL Pension Trustees II decision, handed down by the High Court on 16 June 2023 considered the implications of section 37 of the Pension Schemes Act 1993. Section 37 of the Pension Schemes Act 1993 only allowed the rules of contracted-out schemes in respect to benefits, to be altered where certain requirements were met. The Court of Appeal heard the case in June 2024 and concluded that an appeal brought by Virgin Media should be dismissed, upholding the original decision of the High Court.

On 5 June 2025 it was announced that the UK Government will introduce legislation to enable affected pension schemes to have the ability to retrospectively obtain written confirmation from the actuary where historic benefit changes met the required standards.

The Trustee has conducted a high-level review of historic rules changes and will consider whether any retrospective certification is required when the relevant legislation is in place. The Trustee has no reason to believe that the required standards were not met in respect of any historic deeds of amendment.

Market Volatility

In April, President Trump's "Liberation Day" tariffs sent shockwaves through global markets, leading to a major sell-off in stocks and US bonds. China hit back with its own tariffs, sparking a trade war. Despite this period of heightened market volatility, the Scheme's funding level remains robust.

The Trustee remains vigilant and well-prepared to respond to any potential events that may arise. Through robust risk management practices, continuous monitoring, and strategic planning, the Trustee is committed to ensuring the stability and resilience of the pension scheme in the face of market fluctuations.

Pension Increases – EPensionBuilder

Pensions in payment

The Trust Deed and Rules make provision for pensions in payment to be increased annually on the anniversary of retirement. The following table sets out how pensions in payment are increased for different periods of service.

None of the increases were discretionary. There is more information about how pension increases are calculated in the members' guide. For pensioners with pensionable service before 6 April 1997, and who were over Guaranteed Minimum Pension (GMP) payment age before 6 April 2016, the state rather than the Scheme may increase part of their pension. However, for members achieving GMP payment age on or after 6 April 2016 the state no longer provides these increases.

Category	Pensionable service	Rate in 2024
Pensions payable for leavers before 6 April 1997	All pensionable service	3.0%
Pensions payable for leavers on or after 6 April 1997	Pensionable service up to 31 December 2003	5.0%
	Pensionable service between 1 January 2004 and 5 April 2006	5.0%
	Pensionable service from 6 April 2006	2.5%

Deferred pensions[1]

The Trust Deed and Rules also make provision for deferred pensions to be increased annually, between members leaving and taking their benefits. The following table shows the rates of increase applicable.

Pensionable service	Rate
Pensionable service up to 31 December 2003	Fixed 5%
Pensionable service from 1 January 2004	RPI subject to a maximum of 5%
Guaranteed minimum pension (GMP)	In accordance with statutory increases

Scheme running costs

A budget for Scheme expenses is agreed on an annual basis and actual spend against budget is monitored throughout the year.

Membership details

The change in membership of the Scheme during the year is given below.

	Total	Members with Deferred Benefits EPB[3]	Employed Deferred[2] EPB	Pensioners EPB
Balance at start of year	**1,592**	1,297	9	286
Transferred out to other schemes	**(2)**	(2)	-	-
Deaths	**(5)**	(3)	-	(2)
Retirements	**-**	(30)	-	30
Employed deferred leavers	**-**	1	(1)	-
Dependant Pensions	**3**			3
Balance at end of year	**1,588**	1,263	8	317
Pensions secured by annuity policies with Legal & General	**28**			28
Year end balance including annuitants	**1,616**	1,263	8	345

[1] Members have deferred benefits if they have left active membership of the Scheme but have not yet claimed their benefits
[2] Employed deferred category is members with EPensionBuilder benefits who have been continuously employed by Endsleigh since January 2016
[3] EPensionBuilder

Compliance Statement

Tax status of the Scheme
The Scheme is a registered scheme and as such is exempt from most UK income and capital gains taxes. The Trustee knows of no reason why this registration should be withdrawn.

Scheme investments
The fund managers appointed on behalf of the Trustee to manage funds under section 34 of the Pensions Act 1995 are appropriately authorised under the Financial Services and Markets Act 2000 to manage investments or are specifically exempted from the requirements of the Act. The fund managers appointed have the appropriate knowledge and experience necessary to manage the particular investment delegated to them.

Statement of Trustee's responsibilities
The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (FRS 102) are the responsibility of the Trustee. Pension scheme regulations require, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging the above responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up.

The Trustee is also responsible for making available certain other information about the Scheme in the form of an annual report.

The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Trustee is responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary, revising a schedule of contributions showing the rates of contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for adopting risk-based processes to monitor whether contributions are made to the Scheme by the employer in accordance with the schedule of contributions. Where breaches of the schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

Scheme funding

Report on Actuarial Liabilities – EPensionBuilder
As required by Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102), the financial statements do not include liabilities in respect of promised retirement benefits.

Under section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its Technical Provisions. Technical Provisions are the present value of benefits to which members are entitled. This is assessed at least every three years using assumptions agreed between the Trustee and the Principal Employer and set out in the Statement of Funding Principles, a copy of which is available to Scheme members on request.

Funding position
The most recent full completed actuarial valuation of EPensionBuilder was carried out as at 31 December 2023 and approved on 27 May 2025. The actuarial valuation as at 31 December 2023 was not completed within the statutory timeframe due to extended negotiations between the Trustee and the Employer regarding additional covenant support. Although agreement in principle was reached ahead of the deadline, there was insufficient time to obtain all necessary board approvals by 31 March 2025.
The valuation indicated that EPensionBuilder had a deficit of £11.0m, equivalent to a funding level of 93%.

Annual Actuarial Report
A full Scheme valuation is conducted every three years. In the intervening years the Trustee obtains an annual funding update.

A summary of the funding position as at the 31 December 2023 triennial valuation, and the 31 December 2024 annual update is shown below.

Funding results	Triennial valuation 31 December 2023 £ million	Annual Update 31 December 2024 £ million
Assets	150.2	144.3
Liabilities Technical provisions	161.2	142.7
(Deficit)/Surplus	**(11.0)**	**1.6**
Funding level	93%	101%

Method
The actuarial method used in the calculation of the Technical Provisions is the Projected Unit Method.

The key assumptions used in the calculation of the Technical Provisions as at the 31 December 2023 valuation were as follows:

Key Financial Assumptions/Data as at 31 December 2023	
Discount rate	Market implied gilt yield curve plus 0.80% p.a. until 31 December 2038, linearly reducing the margin over gilts until it reaches 0.50% p.a. by 31 December 2044
Price inflation – RPI	Bank of England gilt-implied inflation curve supplemented with Merrill Lynch yield data at short terms
Price inflation – CPI	RPI inflation less 0.80% p.a. until 2030 and in line with RPI inflation thereafter
Pension increases: – RPI with a minimum of 3% and a maximum of 5% – RPI with a maximum of 5% – RPI with a maximum of 2.5%	Based on the inflation curve with relevant caps applied each year
Mortality Table	101% of S4PMA_L for males, 98% of S4PFA for females

GMP equalisation
An approximate allowance for the cost of equalising benefits for the effect of unequal GMPs of £645,000 was made when calculating the Technical Provisions.

This estimate was calculated on the actuarial value method which compared the estimated value of benefits calculated on a male GMP basis with those calculated on a female GMP basis. If the value was higher than the opposite sex value, the difference contributed to an additional liability in EPensionBuilder.

Recovery Plan
The Trustee agreed a recovery plan in March 2022 with the Principal Employer to fund the deficit.

Contributions of £11.38m were payable annually by 30 June each year (starting from 30 June 2022 until 30 June 2026, with a final contribution of £14.87m due on 30 June 2027). However, a new valuation was completed as at 31 December 2023, and a revised schedule of contributions was approved on 27 May 2025. The contribution paid in June 2024 of £11.38m sufficiently cleared the deficit revealed by the valuation (£11.03m). Therefore, no additional contributions are due.

Actuarial certificate

A copy of the Actuary's full report on the valuation as at 31 December 2023 is available on request from the Scheme Secretary (see Principal Employer, Trustee directors and advisers section).

By law, the statement from the Scheme Actuary below and the Certification of the Schedule of Contributions (see Certification of the Schedule of Contributions section) must be included in this annual report. The wording complies with guidelines issued by the Institute and Faculty of Actuaries.

The next full valuation for EPensionBuilder will be as at 31 December 2026.

Endsleigh Insurance Services Limited Pension and Assurance Scheme

Certification of the calculation of Technical Provisions

Calculation of Technical Provisions

I certify that, in my opinion, the calculation of the Scheme's Technical Provisions as at 31 December 2023 is made in accordance with regulations under section 222 of the Pensions Act 2004. The calculation uses a method and assumptions determined by the Trustee of the Scheme and set out in the Statement of Funding Principles dated 27 May 2025.

Signature:	Susanna Morran	Date:	27 May 2025
Name:	Susanna Morran	Qualification:	Fellow of the Institute and Faculty of Actuaries
Address:	St James's House St James's Square Cheltenham Gloucestershire GL50 3PR	Employer:	Barnett Waddingham LLP

Investment report

Investment management

The Trustee is responsible for setting the investment strategy for the Scheme, which is described in more detail below. The Trustee sets the investment strategy after taking advice from the Scheme's investment adviser.

Statement of Investment Principles (SIP)
In accordance with section 35 of the Pensions Act 1995 the Trustee, after consultation with EFS, fund managers and advisers, has drawn up a SIP to set out governing decisions about investments for the purposes of the Scheme, which it reviews on a regular basis. The statement describes the Trustee's investment objectives and how investments are chosen, what kinds of investments it holds, the balance between different types of investment, its approach to risk and how it monitors the investment performance.

The latest SIP dated 28 September 2023 is available on www.zpen.info. There were no departures from the SIP in the Scheme year.

Financially material considerations
The Trustee considers environmental, social and governance ("ESG") factors at various steps in its investment process. The Trustee recognises that the choice of benchmark dictates the assets held by the fund managers and that the fund managers have minimal freedom to take account of factors that may be deemed to be financially material. The Trustee accepts that the role of the passive fund manager is to deliver returns in line with the benchmark and believes the choice of benchmarks will deliver appropriate risk adjusted returns. The Trustee reviews the index benchmarks employed for the Scheme on a periodic basis.

The Trustee has not imposed any restrictions or exclusions to the investment arrangements based on factors it believes not to be financially material. The Trustee therefore expects that the fund managers will ultimately act in the best interests of the Scheme's assets to maximise returns for a given level of risk.

Non-financial matters
Given the inherent uncertainty, the Trustee has not made explicit allowance for the risks of climate change in setting the strategic benchmark.

The Trustee does not have a formal policy of soliciting member or beneficiary views on non-financial matters in its investment decision making but will periodically review its position.

Engagement
The fund managers' house policies are expected to broadly meet with the Trustee's views, if expectations are not met the Trustee will engage with the fund managers.

The Trustee believes it is appropriate for its fund managers to engage with key stakeholders which may include corporate management of issuers of debt or equity, regulators and governance bodies, relating to its investments for the Scheme in order to improve corporate behaviours (including the management of actual or potential conflicts of interest), improve performance and strategy and mitigate financial risks (including ESG factors).

The Trustee will review engagement activity undertaken by its fund managers as part of its broader monitoring activity periodically. The Trustee believes that such engagement incentivises the fund managers to preserve and enhance long term shareholder value of its investments.

The Trustee separately considers any conflicts of interest arising in the management of the Scheme and its investments and has ensured that each fund manager has an appropriate conflicts of interest policy in place. Fund managers are required to disclose any potential or actual conflict of interest in writing to the Trustee.

Incentives
The fund managers are paid for their services based on the value or exposure of the assets they manage for the Trustee.

Turnover
In the normal course of events the fund managers will sell investments from time to time to be replaced by others. The Trustee monitors the turnover and the transaction costs that are generated to ensure it is not excessive.

The fund managers are aware that the expenses involved in transactions can affect performance and that excessive transactions may give rise to an income tax liability if it were to be regarded as trading by HM Revenue & Customs.

There are no specific targets set by the Trustee on transaction costs, the Trustee will monitor that the level of transaction costs is relative to the fund managers' strategy and adhere to the Scheme's investment strategy.

The Trustee is satisfied that the fund managers are remunerated in such a way that they are incentivised to act in accordance with the Trustee's policies and in the best interest of the Scheme and its beneficiaries.

Management of investments

The Trustee has delegated management of investments to professional fund managers which are listed in the Principal Employer, Trustee directors and advisers section. These managers, who are regulated by the Financial Conduct Authority in the United Kingdom, manage the investments within the restrictions set out in investment management agreements which are designed to ensure that the objectives and policies set out in the SIP are followed.

Custodial arrangements

The Trustee has invested in a unit linked policy with Legal & General Assurance (Pensions Management) Limited (PMC) and a pooled fund arrangement with Insight Investment Management (Global) Limited (Insight) and has not, therefore, appointed separate custodians. PMC and Insight appoint custodians for the safe custody of assets held within the policy. The two custodians PMC has appointed are HSBC and Citibank, whilst Insight has appointed Northern Trust.

Voting rights

As the Scheme's assets are invested in pooled funds, the day-to-day decisions, including the exercise of voting rights have been delegated to the fund managers.

Responsible investment

As a part of investors' fiduciary duty, whenever possible, the Trustee will prefer to incorporate ESG factors into the investment approach. More detail on the Trustee's approach to responsible investment ("RI") is available in the SIP.
As EPensionBuilder invests in pooled funds, the Trustee cannot directly influence the RI policies and practices of companies in which the pooled funds invest. However, the Trustee recognises that the fund managers take into account ESG factors through the use of their shareholder influence.

Investments

The investment objective for EPensionBuilder is to invest in assets of appropriate quality and liquidity which will generate income and capital growth to meet the cost of current and future benefits which EPensionBuilder provides.

The Trustee regularly reviews the performance of the fund managers, who invest in a diverse portfolio to optimise returns, without exposure to excessive risk.

The strategic asset allocation ("SAA"), updated in November 2022, is shown below. The target SAA was reached in Q2 2024.

	SAA
Equities	25%
- Global Equity 30:70	*25%*
Corporate Bonds	25%
- Active Corporate All Stocks	*17.5%*
- Active Corporate Bond Over 10 years	*7.5%*
LDI	50%
- LDI Enhanced Longer Nominal Fund	*30%*
- LDI Enhanced Longer Real Fund	*15%*
- ILF GBP Liquidity Fund	*5%*

The Trustee monitors the asset allocation on a quarterly basis to ensure assets are invested within the agreed SAA ranges. As of 31 December 2024, the assets were appropriately aligned with the applicable SAA at that date. The allocation between LDI funds and cash is managed dynamically, rather than through fixed rebalancing to the SAA. Units in the LDI funds are only bought or sold to maintain the hedge ratio, not as part of routine rebalancing. As such, the current positioning is consistent with the Trustee's intended investment strategy.

In September 2024, as market movements had significantly improved the Scheme's estimated funding position, the Trustee approved new target hedging ratios. The new hedging targets set for the Scheme were 100% for interest rates and inflation respectively. Implementation of the changes was completed in September 2024.

EPensionBuilder investment performance

The EPensionBuilder investments are divided into two different types of assets: growth and matching assets. The equities are the growth assets, these increase the expected investment return for EPensionBuilder. The matching assets are designed to reduce the risk exposures of EPensionBuilder. The matching assets are held to match and move with the liabilities and give protection to the overall funding position.

The investments in equities and corporate bonds are managed by PMC and are managed against a relevant index; this means that the fund manager ensures that the spread of investments in the fund reflects the relevant market index movements.

The Insight LDI Enhanced Selection Funds are designed to track the liability cash flows of a typical pension scheme, rather than EPensionBuilder specifically. Their performance is measured against a swaps comparator and a gilt comparator, due to the fact that the fund manager has discretion over mainly investing in gilts or swaps.

Due to the significant increase in gilt yields over the past 2 years, the LDI fund performance has been volatile. Liabilities of the Scheme are estimated to have fallen significantly as a result of the yield increases, therefore the impact of the LDI fund performance is offset by the fall in liabilities.

The performance of the funds against the benchmark is shown below.

Annualised gross return over	1 year %	3 years %	5 years %
EPensionBuilder	**-7.0**	**-22.4**	**10.1**
Benchmark	*-6.8*	*-22.0*	-10.0
Growth			
Global Equity 30:70	**17.1**	**N/A***	**N/A***
Benchmark	*16.3*	N/A	N/A
AAA-AA-A Bonds All Stocks Index*	**6.4**	**-5.0**	**-1.8**
Benchmark	6.2	-5.0	-1.8
AAA-AA-A Bonds-Over 15 Year Index*	**5.7**	**-14.5**	**-6.4**
Benchmark	6.6	-14.6	-6.5
Active Corp Bond - All Stocks	**2.6**	**N/A***	**N/A***
Benchmark	*1.7*	N/A	N/A
Active Corp Bond - Over 10 Yr	**-2.4**	**N/A***	**N/A***
Benchmark	*-3.7*	N/A	N/A
Matching assets			
LDI Enhanced Longer Nominal Fund	**-31.2**	**-62.8**	**-44.6**
Benchmark (Gilts)	*-30.9*	*-65.9*	-46.8
Benchmark (Swaps)	-28.5	-60.0	-43.2
LDI Enhanced Longer Real Fund	***-30.1***	***-64.8***	**-42.0**
Benchmark (Gilts)	-30.2	-65.6	-42.3
Benchmark (Swaps)	*-28.5*	*-63.0*	-41.1
ILF GBP Liquidity Fund	***5.3***	***3.9***	***2.4***
Benchmark	*5.2*	*3.8*	*2.3*

* The investments in these funds were made during the Scheme year ended 31 December 2023, and therefore performance over 3 & 5 years is not available.

** Fund performance is up to 08/05/2024 when the funds were fully disinvested.

Source: Legal and General Assurance (Pensions Management) Limited, Insight Investment Management (Global) Ltd

The Trustee approves the above report.

Signed on behalf of the Trustee by:

Director: Catherine Redmond

Name: Catherine Redmond, representing BESTrustees Limited as Chair of Endsleigh Pension Trustee Limited, as Trustee of the Endsleigh Insurance Services Limited Pension and Assurance Scheme

Date: 22 July 2025

Independent auditor's report to the Trustee of the Endsleigh Insurance Services Limited Pension and Assurance Scheme

Opinion

We have audited the financial statements of the Endsleigh Insurance Services Limited Pension and Assurance Scheme for the year ended 31 December 2024 which comprise the Fund Account, the Statement of Net Assets available for benefits and the related notes 1 to 23, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

• give a true and fair view of the financial transactions of the Scheme during the year ended 31 December 2024, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;

• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

• contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Scheme's ability to continue as a going concern for a period of twelve months from when the Scheme's financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Scheme's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements, our auditor's report thereon and our auditor's statement about contributions. The Trustee is responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustee

As explained more fully in the Trustee's responsibilities statement set out on page 8, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements the Trustee is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to wind up the Scheme or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with the Trustee.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Scheme and determined that the most significant related to pensions legislation and the financial reporting framework. These are the Pensions Act 1995 and 2004 (and regulations made thereunder), FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice (Financial Reports of Pension Schemes). We considered the extent to which a material misstatement of the financial statements might arise as a result of non-compliance.

- We understood how the Scheme is complying with these legal and regulatory frameworks by making enquiries of the Trustee. We corroborated our enquiries through our review of the Trustee's meeting minutes.

- We assessed the susceptibility of the Scheme's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements and documenting the controls that the Scheme has established to address risks identified, or that otherwise seek to prevent, deter or detect fraud. In our assessment, we considered the risk of management override of controls. Our audit procedures included verifying cash balances and investment balances to independent confirmations, testing manual journals on a sample basis and also those journals where there is an increased risk of override, and an assessment of segregation of duties. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

- Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiries of the Trustee for its awareness of any non-compliance of laws or regulations, inspecting correspondence with the Pensions Regulator and review of Trustee's minutes.

- The Scheme is required to comply with UK pensions regulations. As such, we have considered the experience and expertise of the engagement team including the use of specialists where appropriate, to ensure that the team had an appropriate understanding of the relevant pensions regulations to assess the control environment and consider compliance of the Scheme with these regulations as part of our audit procedures.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Scheme's Trustee, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Ernst & Young LLP

Statutory Auditor

Glasgow

Date: 23 July 2025

Financial statements

Fund account for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Contributions and benefits			
Employer contributions	4	**11,380**	11,380
Transfers in	5	**190**	13
		11,570	11,393
Benefits paid or payable	6	**(3,312)**	(2,961)
Payments to and on accounts of leavers	7	**(256)**	(292)
Administrative expenses	8	**(21)**	(43)
		(3,589)	(3,296)
Net additions from dealings with members		**7,981**	8,097
Returns on investments			
Investment income	9	**3,384**	5,272
Change in market value of investments	10	**(17,786)**	3,451
Investment management expenses	11	**(110)**	(52)
Net returns on investments		**(14,512)**	8,671
Net (decrease) / increase in the fund		**(6,531)**	16,768
Net assets of the Scheme			
Opening net assets		**154,171**	137,403
Closing net assets		**147,640**	154,171

Statement of net assets available for benefits as at 31 December 2024

	Note	2024 £'000	2023 £'000
Investment assets			
Pooled investment vehicles	13	**143,941**	148,415
Insurance policies	10	**3,302**	4,008
Total net investments		**147,243**	152,423
Current assets	18	**528**	1,881
Current liabilities	19	**(131)**	(133)
Total net assets available for benefits		**147,640**	154,171

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which takes into account such obligations for EPensionBuilder, is dealt with in the report on actuarial liabilities in the Scheme funding section of this report, and these financial statements should be read in conjunction with this report.

The accompanying notes form part of these financial statements.

The financial statements were approved by the Trustee on 22 July 2025 and were signed on its behalf by:

Director *Catherine Redmond*

Name: Catherine Redmond, representing BESTrustees Limited as Chair of Endsleigh Pension Trustee Limited, as Trustee of the Endsleigh Insurance Services Limited Pension and Assurance Scheme

Notes to the financial statements

1 General information

Endsleigh Insurance Services Limited Pension and Assurance Scheme ('the Scheme') is established as a trust under English Law. The address for enquiries is ZPen Team, PO Box 377, Darlington, DL3 6XY. The registered address for the Trustee is Unity Place, 1 Carfax Close, Swindon, SN1 1AP.
The Scheme is a defined benefit ("DB") pension scheme which was closed to new members in 2001 and to future accrual with effect from January 2016.

The Scheme is a registered pension scheme under Chapter 2, Part 4 of the Finance Act 2004. This means that contributions by the employer and members are normally eligible for tax relief and income and capital gains earned by the Scheme receive preferential tax treatment.

2 Basis of preparation

The individual financial statements of the Scheme have been prepared in accordance with Section 41(1) and (6) of the Pensions Act 1995 (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, the Financial Reporting Standard (FRS) 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council ("FRS 102") and the guidance set out in the Statement of Recommended Practice "Financial Reports of Pension Schemes" (revised June 2018) ("the SORP").

The financial statements have been prepared on the going concern basis. In assessing the appropriateness of the going concern basis of accounting, the Trustee considered a period of 12 months from the date that the financial statements are approved.

3 Summary of significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Currency

The Scheme's functional currency and presentational currency is pounds sterling (GBP).

b) Contributions

Employers' deficit funding contributions are accounted for on the due dates set out in the schedule of contributions, or on receipt if earlier, with the agreement of the Principal Employer and the Trustee. Additional contributions are accounted for in accordance with the agreement under which they are being paid.

c) Transfers to and from other schemes

Transfer values represent the capital sums either received in respect of members from previous pension schemes or payable to other registered pension schemes for members who have left the Scheme. They are accounted for on an accruals basis on the date the trustees / provider of the receiving plan accepts the liability. In the case of individual transfers this is normally when the payment of the transfer value is made.

d) Benefits

Where members can choose whether to take their EPensionBuilder benefits as a full pension or as a lump sum with reduced pension, retirement benefits are accounted for on an accruals basis on the later of the date of retirement and the date the option is exercised. Pensions in payment, including pensions funded by annuity contracts, are accounted for in the period to which they relate.

Other benefits are accounted for on an accruals basis on the date of retirement, death or leaving the Scheme as appropriate.

e) Investment income and change in market value

Investment income from pooled investment vehicles is accounted for when declared by the fund manager.

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments and unrealised changes in market value. In the case of pooled investment vehicles which are accumulation funds, the change in market value also includes income, net of withholding tax, which is reinvested in the fund.

f) Investments

LGIM daily dealing funds, which are not traded on an active market, are valued at the dealing price, while all other pooled investment vehicles, also not traded on an active market, are stated at the closing bid price at the Scheme year end date, as advised by the fund managers. Annuities have been valued by the Scheme Actuary at the amount of the related obligation, determined using the 31 December 2020 Scheme funding valuation assumptions, updated for market conditions at the reporting date.

4 Contributions

	2024 £'000	2023 £'000
Employer contributions		
Deficit funding	**11,380**	11,380
	11,380	11,380

The Employer agreed to make annual contributions to improve the Scheme's funding position, as outlined in the schedule of contributions. Following the valuation as at 31 December 2020, annual contributions of £11.38 million were due each year on 30 June, from 2022 to 2026, with a final contribution of £14.87 million due on 30 June 2027.

However, a new valuation was completed as at 31 December 2023, and a revised schedule of contributions was approved on 27 May 2025. As a result, the contribution of £11.38 million paid in June 2024 was sufficient to clear the funding deficit identified in the latest valuation. Consequently, no further deficit funding contributions are required.

5 Transfers in

	2024 £'000	2023 £'000
Transfer in	**190**	13
	190	13

Transfers in are in respect of benefits built up in Endsleigh's pension arrangements from April 2018 (following the sale of the Endsleigh Group of companies to A-Plan) for members with EPensionBuilder benefits. This concession was agreed as part of the closure of the Scheme in March 2018.

6 Benefits paid or payable

	2024 £'000	2023 £'000
Pensions	**(2,613)**	(2,425)
Commutations and lump sum retirement benefits	**(659)**	(536)
Death benefits	**(40)**	-
	(3,312)	(2,961)

Pensions include £234k (2023: £242k) paid directly by the annuity provider to the pensioners.

7 Payments to and on accounts of leavers

	2024 £'000	2023 £'000
Payments to and on accounts of leavers	**(256)**	(292)
	(256)	(292)

8 Administrative expenses

	2024 £'000	2023 £'000
Legal fees	**(20)**	(42)
Bank charges	**(1)**	(1)
	(21)	(43)

The legal fees balance is a contribution towards the legal costs associated with the consolidation of the Trust deed and rules.

9 Investment income

	2024 £'000	2023 £'000
Income from pooled investment vehicles	**3,150**	5,030
Annuity income	**234**	242
	3,384	5,272

Income from pooled investment vehicles represents capital returned to the Scheme in the form of special dividends, as a result of re-leveraging events from the LDI funds.

10 Reconciliation of investments

£000s	Opening Value 2023	Purchases at cost	Sale proceeds	Change in market value	Closing Value 2024
Pooled investment vehicles	148,415	41,153	(28,547)	(17,080)	143,941
Insurance policies	4,008			(706)	3,302
Total net investments	**152,423**	**41,153**	**(28,547)**	**(17,786)**	**147,243**

11 Investment management expenses

	2024 £'000	2023 £'000
Management fees	**(110)**	(52)
	(110)	(52)

12 Investment transaction costs

There were no direct transaction costs during the year. In addition, indirect costs were incurred through the bid-offer spread on pooled investment vehicles.

13 Pooled Investment Vehicles

A summary of pooled investment vehicles by type of arrangement is as follows:

	2024 £'000	2023 £'000
Unit Linked insurance contracts	**77,340**	73,717
Open ended investment companies	**66,601**	74,698
Total net investments	**143,941**	148,415

The Scheme's investments in pooled investment vehicles at the year end compromised:

	2024 £'000	2023 £'000
LDI	**50,458**	63,901
Bonds	**38,908**	38,352
Equities	**38,432**	35,365
Cash	**16,143**	10,797
Total	**143,941**	148,415

14 Insurance policies-annuities

The Trustee holds insurance policies relating to 28 individual members valued at £3,302,000 (2023: £4,008,000) with Legal & General ("Insurer"), which provide annuity income to cover pensions for certain members. These insurance policies have been valued and included in the financial statements under the requirements of the Statement of Recommended Practice (SORP) 2018. The policies are valued annually by the Scheme Actuary using the funding basis assumptions from the most recent triennial valuation shown in the Scheme funding section of this report.

An agreement was signed on 9 April 2024 between Legal & General Assurance Society Limited and the Trustee to; expressly acknowledge the existence of the annuity policies, confirm the Trustee is, and always has been the grantee of the policies and confirm the terms and conditions of the policies.

15 Fair Value of Investments

The fair value of investments has been determined using the following hierarchy:

A fair value measurement is categorised in its entirety on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

- Level 1: The unadjusted quoted price in an active market for identical assets at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The Scheme's investments have been included at fair value within these categories as follows:

Category £'000	1	2	3	2024 Total
Pooled investment vehicles	-	143,941	-	143,941
Insurance policies	-	-	3,302	3,302
	-	**143,941**	**3,302**	**147,243**

Category £'000	1	2	3	2023 Total
Pooled investment vehicles	-	148,415	-	148,415
Insurance policies	-	-	4,008	4,008
	-	**148,415**	**4,008**	**152,423**

16 Investment risks

FRS 102 requires the disclosure of information in relation to certain investment risks.

- **Credit risk**: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- **Market risk**: this comprises currency risk, interest risk and other price risk.

- **Currency risk**: this is the risk that the fair value or future value of cash flows will fluctuate because of changes in foreign exchange rates.
- **Interest rate risk**: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- **Other price risk**: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting a similar financial instrument traded in the market.

Investment strategy
The Trustee determines its investment strategy after taking advice from a professional investment adviser. The Scheme has exposure to these risks because of the investments it makes in following the investment strategy described in the Trustee report.

Credit risk
The Trustee invests in pooled investment vehicles and is therefore directly and indirectly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles (2024: £143.9m, 2023: £148.4m). EPensionBuilder is indirectly exposed to credit risk arising on the financial instruments held by the pooled investment vehicles. The pooled vehicles do not have a credit rating.

The Trustee's bond holdings in pooled investment vehicles are rated by external agencies, with the fund primarily investing in corporate fixed interest securities denominated in sterling with credit ratings of BBB- (or equivalent) and above. Indirect credit risk arising from pooled investment vehicles is minimised by the underlying assets of the pooled arrangements being subject to minimum rating criteria, investing in a large number of issuers to reduce concentration risk, the regulatory environment in which the fund managers operate and diversification of investments amongst a number of pooled arrangements. The Trustee carries out due diligence checks on appointment of new pooled fund managers and on an on-going basis monitors any changes to the operating environment of the pooled fund manager. Pooled investments of EPensionBuilder comprise managed funds and insurance contracts.

Currency risk
The Trustee has indirect exposure to currency risk because some of the investments are held in overseas markets via pooled investment vehicles. The Trustee has set a benchmark target to overseas currency exposure of 4%. At the year end the exposure was 5% (2023: 4%).

Interest rate risk
The Trustee is subject to indirect interest rate risk because some of the EPensionBuilder investments are held in bonds and LDI investments which invest in swaps, gilts and repurchase agreements (2024: £89.4m, 2023: £102.3m). The Trustee has set a benchmark target of the total investment in bonds and the LDI funds of 70% of the total investment portfolio. Under the LDI strategy if interest rates fall the value of the LDI investments will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise the LDI Investments will fall in value as will the actuarial liabilities because of an increase in the discount rate. At the year end the LDI portfolio represented 35% of the total pooled investment portfolio (2023: 43%).

Other price risk
Other indirect price risk arises principally in relation to EPensionBuilder's return seeking assets which include equities held in the Global Equity 30:70 Index fund. The Trustee has set a target asset allocation of 25% with a tolerance limit of +/- 5% (2024: £38.4m, 2023: £35.4m) of investment being held in return seeking investments.
The Trustee manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

17 Concentration of investments

Investments accounting for more than 5% of the Scheme's net assets were:

£000s	2024 Value	%	2023 Value	%
Global Equity 30:70 Index	**38,432**	**26.03%**	35,365	22.9%
LDI Enhanced Selection Longer Nominal	**36,496**	**24.72%**	44,373	28.8%
Active Corp Bond – All Stocks	**27,512**	**18.63%**	12,483	8.1%
ILF GBP Liquidity Fund	**16,143**	**10.93%**	10,797	7.1%
LDI Enhanced Selection Longer Real	**13,962**	**9.46%**	19,528	12.7%
Active Corp Bond – Over 10 Yr	**11,396**	**7.72%**	**	**
AAA-AA-A Bonds-All Stocks Index	*	*	12,719	8.2%
Total	**143,941**		135,265	

*** Fund disinvested during 2024**

**** Not disclosed as the value was below 5%**

18 Current assets

	2024 £'000	2023 £'000
Cash Balances	**528**	1,881
	528	1,881

19 Current liabilities

	2024 £'000	2023 £'000
Other Creditors	**(106)**	(133)
Unpaid Benefits	**(25)**	-
	(131)	(133)

20 Contractual commitments and contingent liabilities

There were no significant contractual commitments or contingent liabilities as at 31 December 2024 (2023: nil).

21 Related party transactions

Key management personnel

BESTrustees plc received fees of £27k (2023: £22k) during the year in respect of duties as independent Trustee director.

Accrued benefits under EPensionBuilder, in accordance with the Trust Deed and Rules, include amounts in respect of two trustee directors (2023: two). There were no pensions paid.

Employer and other related parties

All Scheme expenses, except for the EPensionBuilder asset management fees, and the legal costs associated with the consolidation of the Trust deed and rules are met by EFS.

22 Employer-related investments

The EPensionBuilder arrangement includes indirect investments in the Zurich Group through pooled investment vehicles accounting for less than 0.1% of the Scheme's assets (2023: less than 0.1%).

23 Guaranteed minimum pensions (GMP) equalisation

In October 2018, the High Court ruled that pension schemes were required to equalise benefits for the effect of unequal GMPs for men and women built up between 17 May 1990 and 5 April 1997. A subsequent ruling stated that schemes providing GMPs must revisit and, where necessary, top-up historic cash equivalent transfer values paid out which were calculated on an unequal basis. The Trustee is now reviewing, with its advisers, the implication of these rulings on the Scheme. As soon as this review is finalised and any liability quantified, members will receive further communication and any impact on financial reporting will be considered by the Trustee. Based on an initial assessment of the likely backdated amounts and related interest the Trustee does not expect these to be material to the financial statements and therefore has not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

Independent auditor's statement about contributions to the Trustee of the Endsleigh Insurance Services Limited Pension and Assurance Scheme

We have examined the summary of contributions to the Endsleigh Insurance Services Limited Pension and Assurance Scheme for the Scheme year ended 31 December 2024 which is set out on page 28.

In our opinion contributions for the Scheme year ended 31 December 2024 as reported in the summary of contributions and payable under the schedule of contributions have in all material respects been paid at least in accordance with the schedule of contributions certified by the Scheme actuary on 29 March 2022.

Scope of work on Statement about Contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the summary of contributions on page 28 have in all material respects been paid at least in accordance with the schedule of contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the schedule of contributions.

Respective responsibilities of Trustee and the auditor

As explained more fully in the Statement of Trustee's Responsibilities, the Scheme's Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions and for monitoring whether contributions are made to the Scheme by the employer in accordance with the schedule of contributions.

It is our responsibility to provide a Statement about Contributions paid under the schedule of contributions and to report our opinion to you.

Use of our statement

This statement is made solely to the Scheme's Trustee, as a body, in accordance with regulation 4 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to it in an auditor's statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee as a body, for our work, for this statement, or the opinions we have formed.

Ernst & Young LLP

Ernst & Young LLP

Statutory Auditor

Glasgow

Date: 23 July 2025

Summary of contributions payable during the year

During the year, the contributions payable to the Scheme were as follows:

Amount in £'000	2024
Required by the schedule of contributions	
Deficit reduction	11,380
Total per fund account	**11,380**

The actuary's certificate confirming the adequacy of the contribution rate is shown below.

The summary of contributions on this page was approved by the Trustee on 22 July 2025 and is signed on its behalf by:

Director *Catherine Redmond*

Name: Catherine Redmond, representing BESTrustees Limited as Chair of Endsleigh Pension Trustee Limited, as Trustee of the Endsleigh Insurance Services Limited Pension and Assurance Scheme

Endsleigh Insurance Services Limited Pension and Assurance Scheme

Certification of the Schedule of Contributions

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that the Statutory Funding Objective could have been expected, on 31 December 2023, to be met by the end of the period specified in the Recovery Plan dated 27 May 2025.

Adherence to Statement of Funding Principles

I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 27 May 2025.

The certification of the adequacy of the rates of contributions for the purpose of securing that the Statutory Funding Objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Scheme's liabilities by the purchase of annuities, if the Scheme were to be wound up.

Signature:	*Susanna Morran*	Date:	27 May 2025
Name:	Susanna Morran	Qualification:	Fellow of the Institute and Faculty of Actuaries
Address:	St James's House St James's Square Cheltenham Gloucestershire GL50 3PR	Employer:	Barnett Waddingham LLP

The Endsleigh Insurance Services Limited Pension & Assurance Scheme ("the Scheme") Implementation Statement

22 July 2025

Introduction

This statement has been prepared by the Trustee of the Scheme to demonstrate how, and the extent to which, the policies relating to stewardship and engagement in the Scheme's Statement of Investment Principles ("SIP") have been implemented during the year ended 31 December 2024.

This document (the Statement) has been prepared in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and will be included in the Scheme's Report and Accounts and published on www.zpen.info.

The SIP in force during the Scheme year ended 31 December 2024 was prepared in accordance with all relevant legislation in-force at the date of the approval. The SIP outlines the principles and policies governing investment decisions made by, or on behalf of the Trustee for the management of the defined benefit (DB) assets and the Trustee's policy for complying with Sections 35 and 36 of the Pensions Act 1995 and subsequent legislation.

Review of the SIP during the year

The Trustee did not review the SIP during the year ended 31 December 2024 and therefore the SIP has not been changed during the Scheme year. The last review took place in September 2023 and the SIP was formally approved by the Trustee on 28 September 2023. Prior to formally approving the SIP on that date, the Trustee's investment adviser reviewed the SIP to ensure it continued to comply with all statutory requirements.

How have the policies in the SIP been followed over the year?

In the opinion of the Trustee, the policies set out in the SIP dated 28 September 2023, have been adhered to. The rest of this Statement explains how and the extent to which these policies have been adhered.

Policies for choosing and realising investments, and the kinds of investments to be held[4]

The SIP outlines the Trustee's principles and policies for choosing investments and the kind of investments to be held. In selecting investments, the Trustee obtains and considers written advice from a regulated investment adviser.

For the Scheme, the policies are fulfilled by identifying appropriate objectives which reflect the risk and return requirements and then constructing a portfolio of investments to meet these objectives. In the Scheme year, the Trustee made a change to the investment strategy.

Following an annual deficit reduction contribution of £11.4 million and changes in market conditions, the Trustee requested an update to the funding position to support any investment strategy considerations. Barnett Waddingham estimated the Scheme's funding position to be 103%, indicating a surplus of £4m as of 30 June 2024.

To further mitigate interest rate and inflation risks, it was agreed to increase the interest rate and inflation hedging ratio to 100% of the Scheme's technical provisions liabilities. This adjustment was achieved without altering the Strategic Asset Allocation (SAA) by reallocating surplus cash to the LDI funds. The SAA as at 30 June 2024 and the actual asset allocation required to achieve the refinement to the hedging ratios is shown below:

[4] Sections 2.2, 2.3 and 2.7 from the SIP

Fund	Actual asset allocation	SAA
LDI	35%	45%
Equities	26%	25%
Credit	23%	25%
Cash	16%	5%
Total	100%	100%

A new investment strategy was approved by the Trustee following formal advice from the Trustee's investment adviser, Barnett Waddingham. The implementation began immediately and was completed in September 2024.
The Scheme assets are monitored by the Trustee board periodically and are reviewed regularly by the in-house pension team "ZPen team". For more information on how the Scheme's investments are governed, please see the Report and Accounts at www.zpen.info.

Policies on managing and measuring risk, and expected returns[5]
The Trustee's objectives are:

- to invest in assets of appropriate quality and liquidity which will generate income and capital growth to meet, together with new contributions from the employer, the cost of current and future benefits which the Scheme provides, as set out in the Scheme's trust deed and rules as amended from time to time; and
- over the long term to equal or exceed the real, i.e. after adjusting for the effects of inflation, investment return assumed in the actuarial valuation of the liabilities of the Scheme from time to time; and
- any other objective that the Trustee may, from time to time, consider appropriate.

The Trustee believes by fulfilling its objectives and by adhering to the policies in the SIP it ensures that assets are invested in the best interests of members and their beneficiaries.

During the year, the Trustee monitored the return on assets on a quarterly basis. Assets were monitored and re-balanced when necessary. Where possible, re-balancing was done with the regular outflows (for example, pensioner payroll) to reduce unnecessary transaction costs.

The Trustee has an Integrated Risk Management (IRM) policy that it adheres to. Risk monitoring has been reported to the Trustee board on a quarterly basis. Any investment strategy decisions are taken in the context of IRM, this includes the investment strategy refinements referred to in the previous section.

Policies on the exercise of voting rights and undertaking engagement activities
The Trustee's strategy on engagement is summarised below, together with its assessment of how, and the extent to which, this has been implemented over the Scheme year to 31 December 2024:

Policy & response[6]

2.8.3. The Trustee considers ESG factors at various steps in its investment process. The Trustee recognises that the choice of benchmark dictates the assets held by the fund managers and that the fund managers have minimal freedom to take account of factors that may be deemed to be financially material. The Trustee accepts that the role of the passive manager is to deliver returns in line with the benchmark and believe the choice of benchmarks will deliver appropriate risk adjusted returns. The Trustee will review the index benchmarks employed for the Scheme on a periodic basis.

[5] Sections 2.1, 2.5 and 2.6 from the SIP

[6] The references are in relation to the specific policy set out in the SIP

The Trustee has not imposed any restrictions or exclusions to the investment arrangements based on factors they believe not to be financially material. The Trustee therefore expects that the fund managers will ultimately act in the best interests of the Scheme's assets to maximise returns for a given level of risk.

On 7 November 2024, the Trustee discussed responsible investment practices with LGIM. For more information on the topics that were discussed, please see the below section entitled 'Engagement with fund managers'.

2.8.4. Where applicable, fund managers report on voting activity to the Trustee on at least an annual basis. The Trustee will monitor fund managers' voting activity and may periodically review fund managers' voting patterns. The Trustee will be reliant on the information presented by the fund managers regarding votes cast and identification of voting patterns.

The Trustee aims to meet with all their fund managers periodically. Fund managers are challenged on the impact of any significant issues including, where appropriate, ESG factors and voting policies.

The Scheme's equity holdings are managed by LGIM. LGIM discloses their voting activity by market and proposal category on a quarterly basis together with an engagement summary. LGIM continues to develop and follow their own policies rather than adopt those of third parties, as these may not fully reflect the nuances of companies, their future commitments or LGIM's own engagement activity. Such policies also may be focused on a particular country, rather than being global in nature. The effectiveness of LGIM's engagement is supported by the sheer size of the pooled funds managed and their weight in corporate voting. According to LGIM, the adoption of third-party policies may also be impractical from a pooled fund perspective. A split of the votes within LGIM's pooled funds would decrease the impact of LGIM's voting choices and introduce operational risk into their voting procedures.

The Trustee has not set stewardship priorities / themes for the Scheme, as there are other strategic priorities to focus on. The Trustee will keep this position under periodic review and will consider setting stewardship priorities in the future, in line with other Scheme risks.

2.8.5. The fund managers' house policies are expected to broadly meet with the Trustee's views, if expectations are not met the Trustee will engage with the fund manager.

The Trustee believes it is appropriate for its fund managers to engage with key stakeholders which may include corporate management of issuers of debt or equity, regulators and governance bodies, relating to their investments for the Scheme in order to improve corporate behaviours (including the management of actual or potential conflicts of interest), improve performance and strategy and mitigate financial risks (including ESG factors).

The Trustee will review engagement activity undertaken by their fund managers as part of its broader monitoring activity periodically. The Trustee believes that such engagement incentivises the fund managers to preserve and enhance long term shareholder value of its investments.

The Trustee separately considers any conflicts of interest arising in the management of the Scheme and its investments and has ensured that each Fund manager has an appropriate conflicts of interest policy in place. Fund managers are required to disclose any potential or actual conflict of interest in writing to the Trustee.

The Trustee continues to meet with the fund managers on a regular basis (see Engagement with fund managers) and RI remains a standing item for the fund managers. RI is discussed less regularly with the LDI Manager due to the limited scope of its investments (mainly Gilts). For more information about the meetings with fund managers, including an example of a meeting which has taken place and matters that the Trustee has raised with fund managers, please see the below section entitled 'Engagement with fund managers'.

2.8.6. Given the inherent uncertainty, the Trustee has not made explicit allowance for the risks of climate change in setting their strategic benchmark.

The Trustee does not have a formal policy of soliciting member or beneficiary views on non-financial matters in their investment decision making but will periodically review its position.

The Trustee maintained its position on soliciting member views on non-financial matters in their investment decision making between the effective date of the SIP and the Scheme year end.

Engagement with fund managers

The Trustee engages with the fund managers regularly. This includes engagements through meetings with Trustee and ZPen team representatives. The Trustee has found direct meetings with the fund managers is the most effective ways to engage on responsible investment and voting records.

LGIM engagement

A number of representatives from LGIM were invited to present an update to the Trustee representatives (delegated through the standard nature and basis of the work undertaken by the ZPen team) at LGIM's office on 7 November 2024. This included the ZPen Finance and Investment Manager, ZPen Investment Governance Manager and the Group Pension Investment Manager. The attendees were briefed ahead of the meeting with LGIM with key information on each pooled fund in order to facilitate discussions.

The meeting was structured to discuss three main topics, these were:

- Portfolio update
- Active credit update
- Stewardship

For the stewardship agenda item, LGIM presented on how it carries out its engagement and stewardship responsibilities including:

- The structure of LGIM's stewardship team.
- The 6 super-themes it uses and the underlying sub-themes, explaining that the sub-themes can change, with new ones being added recently, but the super-themes are not expected to. These themes and sub-themes are used by LGIM to assess companies and award ESG scores. This assessment can also identify areas where LGIM will engage with the company; subsequent improvement in those areas can result in an increased ESG score.
- LGIM's engagement with companies includes being transparent about the ESG assessments and scores, and how LGIM plans to use its vote at shareholder meetings. This transparency helps companies understand why it cast its vote in a certain way and links the voting record back to the stewardship themes.
- LGIM's Climate Impact Pledge and how LGIM uses quantitative data analysis to establish which companies are meeting LGIM's minimum expectations. This analysis is then used to determine whether to disinvest from, or reduce its holdings in, a specific company. LGIM will work with companies to improve their rating against the LGIM Climate Impact Pledge so LGIM will invest in them again.
- LGIM gave some examples of how it believed its engagement with companies had led to action and improvement.

The Trustee's representatives were satisfied with LGIM's presentation and noted that LGIM was clearly committed to fulfilling its engagement and stewardship responsibilities.

Regular engagement with Insight

On a monthly basis, the ZPen Finance & Investment Manager and the Zurich Group's Pension Investment Manager meet with Insight, the attendees represent the Trustee (delegated through the standard nature and basis of the work undertaken by the ZPen team). Regular engagement with Insight plays a vital role in ensuring the effective operation of the Scheme. During the Scheme year the Trustee executed a new investment strategy, therefore the discussions with Insight have been helpful to ensure alignment of both parties. This engagement includes discussions on responsible investment practices to align with the Trustee's policies, and monitoring market trends to assess risks and opportunities for the Scheme.

Exercise of voting rights

As all of the Scheme's assets are externally managed, the Trustee reviews the fund managers' applicable proxy voting policies every three years or more frequently if there are any material changes. If these are in alignment with the Trustee's beliefs described in SIP, the Trustee will delegate the authority to exercise voting rights to the fund managers.

As stated in the 'Policy and Response' section, the Trustee met with all of its fund managers during the Scheme year, with RI as a key topic for the majority of meetings.

The Scheme's equity holdings are managed by LGIM via pooled investments. The statistics for the assets will reflect the fact that LGIM would have voted as fund managers on behalf of all the pooled fund holders.

The Trustee reviewed updates on voting statistics from LGIM during the Scheme year and was satisfied with the reports provided.

As stated in the 'Policy and response' section, the Trustee is satisfied that LGIM's voting policy is aligned with its own guiding principles. LGIM votes actively at company meetings, applying principles on a pragmatic basis. LGIM views this as one of the most effective ways of signalling approval (or otherwise) of a firm's governance, management and strategy.

The key statistics and significant votes for LGIM are shown in the section below.

LGIM's statistics showed the following:

- 7,279 meetings in total
- 72,341 individual resolutions
    - 99.8% of the resolutions were voted on, from which 81.1% voted with management, 17.8% against management and 1.1% abstained
    - In 59.1% of meetings voted on at least one vote was against management
    - 9.9% of resolutions, the vote was contrary to the recommendation of LGIM's proxy adviser

Significant votes

The Trustee has delegated to LGIM to define the most significant votes cast on their behalf during the Scheme year.

A summary of the key voting action from LGIM for the DB assets is set out below. This information has been provided by LGIM, and references to "our" and "we" throughout this section are references to LGIM, not the Trustee.

Company name	Microsoft Corporation
Date of vote	10 December 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.7%
Summary of the resolution	Resolution 9: Report on AI Data Sourcing Accountability
How you voted	For
Where you voted against management, did you communicate your 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 our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Shareholder Resolution - Governance: A vote FOR this resolution is warranted as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language models.

Outcome of the vote	Fail
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to 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 you assessed this vote to be "most significant"?	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.

Company name	Apple Inc.
Date of vote	28 February 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.7%
Summary of the resolution	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy
How you voted	Against
Where you voted against management, did you communicate your 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 our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Shareholder Resolution - Environmental and Social: A vote AGAINST this proposal is warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and non-discrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.
Outcome of the vote	Fail
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to 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 you assessed this vote to be "most significant"?	Thematic - Diversity: LGIM views diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

Company name	Shell Plc
Date of vote	21 May 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.3%
Summary of the resolution	Resolution 22: Approve the Shell Energy Transition Strategy
How you voted	Against
Where you voted against management, did you communicate your 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 our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

Rationale for the voting decision	Climate change: A vote against is applied. We acknowledge the substantive progress the company has made in respect of climate related disclosure over recent years, and we view positively the commitments made to reduce emissions from operated assets and oil products, the strong position taken on tackling methane emissions, as well as the pledge of not pursuing frontier exploration activities beyond 2025. Nevertheless, in light of the revisions made to the Net Carbon Intensity (NCI) targets, coupled with the ambition to grow its gas and LNG business this decade, we expect the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050. In essence, we seek more clarity regarding the expected lifespan of the assets Shell is looking to further develop, the level of flexibility in revising production levels against a range of scenarios and tangible actions taken across the value chain to deliver customer decarbonisation. Additionally, we would benefit from further transparency regarding lobbying activities in regions where hydrocarbon production is expected to play a significant role, guidance on capex allocated to low carbon beyond 2025 and the application of responsible divestment principles involved in asset sales, given portfolio changes form a material lever in Shell's decarbonization strategy.
Outcome of the vote	Pass
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to 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 you assessed this vote to be "most significant"?	Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. We expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.

Company name	Amazon.com, Inc.
Date of vote	22 May 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.58%
Summary of the resolution	Resolution 6: Report on Customer Due Diligence
How you voted	For
Where you voted against management, did you communicate your 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 our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Shareholder Resolution - Human Rights: A vote in favour is applied as enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation. While the company has disclosed that they internally review these for some products and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic.
Outcome of the vote	Fail
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to 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 you assessed this vote to be "most significant"?	Pre-declaration and High-Profile Meeting: This shareholder resolution is considered significant as one of the largest companies and employers not only within its sector but in the world, we believe that Amazon's approach to human capital management issues has the potential to drive improvements across both its industry and supply chain. LGIM voted in favour of this proposal last year and continue to support this request, as enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation. While the company has disclosed that they internally review these for their products (RING doorbells and Rekognition) and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic. Despite this, Amazon's coverage and reporting of risks falls short of our baseline expectations surrounding AI. In particular, we would welcome additional information on the internal education of AI and AI-related risks.

Company name	Unilever Plc
Date of vote	1 May 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.3%
Summary of the resolution	Resolution 4: Approve Climate Transition Action Plan
How you voted	For
Where you voted against management, did you communicate your 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 our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Climate change: A vote FOR the CTAP is applied as we understand it to meet LGIM's minimum expectations. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short, medium and long-term GHG emissions reduction targets consistent with a 1.5°C Paris goal. Despite the SBTi recently removing their approval of the company's long-term scope 3 target, we note that the company has recently submitted near term 1.5 degree aligned scope 3 targets to the SBTi for validation and therefore at this stage believe the company's ambition level to be adequate. We therefore remain supportive of the net zero trajectory of the company at this stage.
Outcome of the vote	Pass
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to 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 you assessed this vote to be "most significant"?	Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. We expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.

Company name	Meta Platforms, Inc.
Date of vote	29 May 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.1%
Summary of the resolution	Resolution 1.1: Elect Director Peggy Alford
How you voted	Against

Where you voted against management, did you communicate your 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 our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Lead Independent Director: A vote against is applied as LGIM expects companies to elect an independent lead director where there is a combined Board Chair and CEO. Remuneration: A vote against has been applied as LGIM expects companies to obtain annual shareholder approval of executive directors pay and non-executive directors fees. Remuneration: A vote against is applied because LGIM does not support the use of corporate jets for private use. Remuneration - Malus & Clawback: A vote against is applied as LGIM expects all incentives to be subject to clawback if the vested award is later deemed to be unjustified. Remuneration - Shareholding Guidelines: A vote against is applied as the company does not have a shareholding guideline in place for executives. LGIM believes a shareholding requirement is a good way to align with long term shareholder interests because executives are expected to maintain a proportion of earned shares at risk over the medium term. Remuneration - Performance conditions: A vote against is applied as LGIM expects a sufficient portion of share incentive awards to be assessed against long term performance conditions to ensure alignment of remuneration with company performance. Remuneration - Performance period: A vote against is applied as LGIM expects performance to be measured over a three year period. A WITHHOLD vote is further warranted for Peggy Alford in her capacity as chair of the compensation, nominating, & governance committee due to consecutive years of high director pay without reasonable rationale disclosed.
Outcome of the vote	N/A
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to 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 you assessed this vote to be "most significant"?	Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

Company name	Alphabet Inc.
Date of vote	07 June 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.0%
Summary of the resolution	Resolution 1d: Elect Director John L. Hennessy
How you voted	Against
Where you voted against management, did you communicate your 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 our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Average board tenure: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board. Independence: A vote against is applied as LGIM expects the Chair of the Committee to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background. Independence: A vote against is applied as LGIM expects the Chair of the Board to have served on the board

	for no more than 15 years and the board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Shareholder rights: A vote against is applied because LGIM supports the equitable structure of one-share-one-vote. We expect companies to move to a one-share-one-vote structure or provide shareholders a regular vote on the continuation of an unequal capital structure.
Outcome of the vote	Pass
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to 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 you assessed this vote to be "most significant"?	Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf. Thematic - One Share One Vote: LGIM considers this vote to be significant as LGIM supports the principle of one share one vote.

Company name	Glencore Plc
Date of vote	29 May 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.7%
Summary of the resolution	Resolution 12: Approve 2024-2026 Climate Action Transition Plan
How you voted	Against
Where you voted against management, did you communicate your 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 our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Climate Change: A vote against is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. While we note the progress the company has made in terms of disclosure, we remain concerned over the company's thermal coal activities, as it remains unclear how the planned thermal coal production aligns with global demand for thermal coal under a 1.5°C scenario.
Outcome of the vote	Pass
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to 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 you assessed this vote to be "most significant"?	Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. We expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.