

Implementation Statement – DC assets

12 December 2025



ZPen

1. Background

This Statement has been prepared by the Trustee of the Zurich Financial Services UK Pension Scheme (“the Scheme”) to demonstrate how, and the extent to which, the policies relating to stewardship and engagement in the Scheme’s DC Statement of Investment Principles (“DC SIP”) have been implemented in the year ending 30 June 2025.

The document 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 DC SIP in force during the Scheme year ended 30 June 2025 was prepared in accordance with all relevant legislation in force at the date of the approvals. The DC SIP outlines the principles and policies governing investment decisions made by, or on behalf of the Trustee for the management of the DC assets and the Trustee’s policy for complying with Sections 35 and 36 of the pensions Act 1995 and subsequent legislation.

This Statement covers the policies included in the latest DC SIP which was agreed by the Trustee on 27 September 2023.

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

In the opinion of the Trustee, the policies set out in the DC SIP have been adhered to throughout the year for the Scheme. The rest of this Statement explains how and the extent to which these policies have been adhered to.

2.1 Investment aims and objectives for the default arrangements

The Trustee has agreed the following investment objectives for the Scheme’s DC default arrangements where members have not instructed their contributions to be invested elsewhere:

To provide a good value lifestyle strategy which:

- *Is expected to be suitable for the majority of members who do not wish to make an active choice; and*
- *Aims to protect members against volatility in the approach to retirement.*

To meet these aims and objectives the Trustee has established the following default options:

1. A lifestyle strategy for DC only members which targets 75% drawdown and 25% cash at retirement; and
2. A lifestyle strategy for members with both DB and DC benefits which targets cash at retirement.

There were no changes to the default arrangements during the year.

To meet its policies for the default investment arrangements on:

- Expected levels of investment returns;
- The kind of investments held; and
- The balance between different kinds of investments, the Trustee:
 - Continues to use lifestyle strategies as the default arrangements which
 - Have a higher level of investment risk and expected return in the growth stage of the lifestyle strategies;
 - Starts to reduce the level of investment risk and expected return by moving into less risky assets over the period 5 – 10 years from retirement; and
 - Uses passively managed pooled funds to reduce the fund charges paid by members.
 - Uses a fund structure which allows it to make changes to the underlying funds, if required, with minimum disruption; and
 - Is invested in pooled funds which offer daily dealing funds as far as possible to enable members to readily realise and change their investments.

Investment review

The default strategy and the performance of the default arrangement are reviewed at least every three years. The latest comprehensive review was carried out by the DC Committee during 2023, working with the Trustee’s DC investment adviser, and ratified by the Trustee at its meeting on 21 December 2023.

Following this review, the following changes were made in May 2024:

- Z Growth Fund is now 100% invested in a low carbon global equity fund with a net zero target, and hedges 50% of its currency exposure.

- Z Cautious Growth Fund is invested:
 - 55% in the low carbon global equity fund used in Z Growth Fund
 - 45% in an actively managed global bond fund which includes carbon targets and a commitment to net zero.

No changes were made to the default arrangements during the Scheme year end to 30 June 2025.

2.2 Investment aims and objectives for the investment options outside the default arrangements

The Trustee has agreed the following investment objectives for the Scheme's DC fund choices:

- To provide a range of funds and lifestyle strategies with the aim of helping members invest their savings appropriately according to their own beliefs and requirements.
- To ensure the investment strategy structure and design is based on the membership profile, where practical to do so.
- To provide a range of lifestyle strategies which:
 1. are designed to generate real growth whilst members are some years from retirement;
 2. in the period approaching retirement aim to protect the value of members' retirement income as well as protecting members from volatility; and
 3. are aligned to how members are able to take their benefits and consistent with the pension flexibilities enabled by the 'freedom and choice' regulations.
- To provide a range of alternative investment options which:
 1. recognises that members have different needs and objectives;
 2. enables members to invest in funds which provide real growth over the long term;
 3. are appropriate for members' attitude to risk and proximity to retirement as members' investment needs and risk appetite change;
 4. caters for the needs of certain groups within the membership that have ethical or religious beliefs or want to invest more responsibly; and
 5. offers members a choice between active and passively managed funds.

To meet these aims and objectives the Trustee offers the following options:

- 3 lifestyle strategies which:
 - target the 3 options at retirement: drawdown, annuity purchase and cash.
 - use a climate focussed global equity fund in the growth phase (Z Growth Fund) with the aim of generating growth whilst members are some time from retirement.
 - start switching to a lower risk fund 10 years from the target retirement age. This fund (Z Cautious Growth Fund) contains a mix of climate focussed global equities and bonds with the aim of continuing to provide some growth whilst also offering some protection from market volatility.
 - have an allocation of 25% cash at retirement to reflect the expectation members will take 25% of their benefits as the tax-free cash sum.
- a range of 13 investment funds which:
 - covers a range of asset classes and risk profiles to meet differing member needs and objectives over time.
 - includes funds catering for members' religious or ethical beliefs and a fund that gradually moves its investments to firms with a lower carbon footprint.
- has a range of funds aiming to provide longer term growth including equity, property and mixed asset funds.
- includes access to both active and passively managed funds.

The Trustee reviews the self-select fund range at least every three years. The latest comprehensive review was carried out by the DC Committee during 2023, working with the Trustee's DC investment adviser, and ratified by the Trustee at its meeting on 21 December 2023 with:

- The introduction of a low carbon fund in Z Growth Fund, the self-select fund range included a number of responsible investment equity funds.
- The LGIM FTSE4Good Developed Equity Index being closed to new contributors from May 2024. Members already contributing to this fund can continue doing so. This was to simplify the member choice.

- In September 2025 a global equity fund which uses carbon credits to offset its carbon footprint was added to the self-select fund.

No changes were made to the self-select funds during the Scheme year end to 30 June 2025.

2.3 How have other policies been met over the year?

Policies on choosing and realising investments, the kind of investments to be held and the balance between different kinds of investments.

The DC 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.

The Trustee completed its most recent performance and strategy review of the DC default arrangements in December 2023. It also considered a wide range of asset classes for investment, taking into account the expected returns and risks associated with those asset classes as well as how these risks can be mitigated.

To meet its policies for the investment options outside default investment arrangements the Trustee:

- Continues to invest in pooled funds which offer daily dealing funds as far as possible to enable members to readily realise and change their investments.
- Offers a range of investment funds to members covering different asset classes to meet differing risk requirements.

Policies on managing risk and expected returns

During the year the Trustee monitored the return on assets on a quarterly basis.

The DC SIP outlines the key risks considered by the Trustee and the steps taken by the Trustee to mitigate each risk. The Trustee has put in place a structure both to monitor these risks and take action to mitigate them when it believes it is appropriate to do so. It is not possible to mitigate all of the risks at the same time, so members are encouraged to consider the risks that are most relevant to them and to invest to mitigate those risks. Risks are monitored on an ongoing basis with the help of the Trustee's DC investment adviser and the Trustee maintains a risk register, which is discussed regularly.

Further actions the Trustee is taking to meet its policies are:

- uses a range of pooled funds which:
 - are mainly passively managed to reduce the risk of under-performance relative to stated benchmarks.
 - cover different asset classes to allow members to diversify risks. In particular, the Trustee makes use of equity and equity-based funds, which are expected to provide positive returns above inflation over the long term. These are used in the growth phase of the default option and are also made available within the self-select options. These funds are expected to produce positive real returns over the longer term.
 - include currency hedging in the global equity fund to reduce currency risk.
- uses Scottish Widows as its platform provider. Scottish Widows is regulated by the Financial Conduct Authority and Prudential Regulation Authority and has to maintain adequate financial resources to ensure it can meet its liabilities as they fall due. At its meeting on 26 November 2024, the DC Committee received a paper from its DC advisers providing a high level review of the Scottish Widows Investment Only platform, noting that there are significant assets under management on the platform and Scottish Widows has demonstrated a clear commitment to the investment only business. The Committee noted its adviser's positive view of Scottish Widows as platform provider.
- offers lifestyle strategies targeted at each of the 3 main benefit income options available to members at retirement.
- uses fund structures in the lifestyle strategies, including the two default arrangements, which enable the Trustee to make changes to the underlying funds with the minimum disruption, should the need arise.
- receives quarterly updates on the fund performance.
- has confirmed with Scottish Widows that it has floating charges in place with all the investment managers it uses.

Policy on responsible investment (RI)

As a long-term investor, the Trustee has agreed that the Scheme should be an active responsible investor. The Trustee has agreed four responsible investment principles:

- We believe that incorporating ESG factors into investment decisions improves long term risk-adjusted returns.
- We take a pragmatic approach to responsible investments – we focus on what matters most.
- We note Zurich Group's strategy and will leverage its global resources where it makes sense.
- We will evolve our responsible investment approach over time – and acknowledge that we will never be done.

The Trustee continued its focus on responsible investment in the Scheme Year:

The Trustee publishes a TCFD report on an annual basis, describing governance, strategy, metrics and targets and risk management of climate change risks and opportunities. The TCFD report is included in the Responsible Investment section of the Scheme's website [Responsible investment | Library | ZPen](#)

At the meeting on 25 February 2025, the DC Committee received a paper from its advisers, setting out the responses from ZCashBuilder's fund managers to its responsible investment survey and noted that:

- Both LGIM and Wellington, who are fund managers for the default strategies, had amber ratings however the reasons for these were known and the adviser is engaging with the fund manager. These were therefore not considered to be of concern to the Trustee.
- The responsible investment 'scores' for the passive funds used in ZCashBuilder had decreased. This was a result of a change in the way funds are scored; because passive funds are tracking an index they are not able to integrate ESG factors into their decision making, or manage climate risks, in the same way as actively managed funds.
- The responsible investment scores for the funds used in the default lifestyle strategies were noted to be above average compared to other funds.
- According to the survey, only 56% of managers with a net zero target say they are on track to achieve it. Factors influencing this include some managers having interim targets to help them assess progress, other schemes being invested in funds which do not have a net-zero target where the fund managers need to encourage these clients to move to another fund as part of their move towards net zero.

The Trustee publishes a TCFD report on an annual basis, describing governance, strategy, metrics and targets and risk management of climate change risks and opportunities. The TCFD report can be found in the Library on the Scheme Website www.zpen.info.

Selecting managers: the Trustee considered responsible investment as part of its investment review in 2023, including how to incorporate it into the default arrangements and investments options available outside the default arrangements. The outcome of this was that:

- the Trustee took into account the way Legal & General Investment Management (LGIM) engages in stewardship activities and uses its size to engage with companies and influence them in its selection of a number of funds invested with LGIM. This includes funds used within both the default arrangements and the other investment options.
- the Trustee took into account the way Wellington has a dedicated ESG research team and explicitly incorporates ESG factors into its fundamental credit research alongside incorporating material environmental and social factors into its risk analysis.

Financially material considerations: the Trustee recognises that in using pooled funds it has delegated consideration of stock-specific issues to the fund manager and that the choice of benchmark dictates the assets held by the investment manager who therefore has limited freedom to take account of ESG factors that may be deemed to be financially material. The Trustee:

- is aware of the risks of climate change and aims to understand the potential impact that climate risk factors may have on future investment returns.
- is supported by a Responsible Investment Champion who has access to resources and the global Zurich network of expertise.
- has nominated a responsible investment Trustee director who also sits on the DC Committee.
- agreed a DC Climate Change policy in June 2021. There has been no change to this policy over the year.

Engaging with managers: Because the Trustee uses Scottish Widows as a platform provider, the Trustee does not have a direct relationship with the DC fund managers; that relationship is held by Scottish Widows. For this reason, the Trustee has written to Scottish Widows to set out the Trustee's stewardship themes and expectations in relation to responsible investment, including in respect of those themes.

The Trustee has found that direct meetings with Scottish Widows are the most effective way to engage on responsible investment and voting records, and the provision of data required for the TCFD report.

Meeting with LGIM

Representatives from LGIM met with representatives from the Trustee and DC Committee on 24 June 2025 and presented on how LGIM carries out its engagement and stewardship responsibilities including:

- Meeting its net-zero target: LGIM are committed to reaching net zero by 2050 on the Asset Management business and has set an interim target of 70% of eligible assets by 2030.
- LGIM have three pillars supporting its net zero strategy: Invest, Influence and Operate.
- LGIM's Climate Impact Pledge and how LGIM uses quantitative data analysis to establish which companies are meeting LGIM's minimum expectations. LGIM gave some examples of how it believes its engagement with companies had led to action and improvement.

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

Policy on asset managers

To meet its policies the Trustee:

- is invested in pooled funds which offer daily dealing funds as far as possible to enable members to readily realise and change their investments.
- receives quarterly reports on fund performance, including updates from its investment adviser on any issues with individual funds or fund managers.
- recognises that in using passively managed pooled funds, the amount held in each fund is dictated by the index and the manager has limited freedom to minimise transaction costs and turnover of assets within each fund.
- receives and monitors transaction cost information on all funds with DC assets, including legacy AVC funds. This information is reported in the Chair's Statement.
- does not have an arrangement with the fund managers to provide incentives because the charges are met by the members through the Annual Management Charge.

The Trustee carried out an annual Value for Members assessment in September 2025 for the Scheme Year to 30 June 2025 to ensure the funds continue to provide members with good value for the charges paid. This analysis assessed a range of factors, including the fees payable to managers in respect of the DC Section, which were found to be reasonable when compared against schemes with similar sizes mandates. The outcome of the value for members assessment was that the Scheme provides good value for members. Further detail is reported in the Chair's Statement.

The fund managers within the default strategies were appointed in 2024 following the investment review which took place in 2023. As the Trustee uses pooled funds it has not set portfolio turnover targets for its managers.

Voting, stewardship and engagement

The Trustee aims to be a responsible steward of the DC assets and believes stewardship includes:

- The selection and appointment of asset managers that invest on behalf of the Trustee.
 - The Trustee took into account the way LGIM engages in stewardship activities and uses its size to engage with companies and influence them as part of its decision to select LGIM as a fund manager for the Z Growth Fund. LGIM produces a quarterly ESG Impact Report which details its key activities over the period including engagement campaigns, key votes and work with policy makers.
- Asset allocation
 - The Trustee recognises that in using pooled funds it has delegated consideration of stock-specific issues to the fund manager.

- Voting and engagement across all asset classes.
 - The DC assets are all in pooled funds, so the Trustee has adopted a policy of delegating voting decisions and engagement with companies to the fund managers, who are expected to exercise the voting rights attached to individual investments in accordance with their own house policy.
 - The Trustee reviews engagement activity undertaken by the fund managers as part of its broader monitoring activity.
 - The Trustee is engaged with its platform provider Scottish Widows as they own the primary relationship with the asset managers.

Stewardship Themes

The Trustee considers that stewardship is an important tool for managing risk and improving the financial outcomes of the Scheme. Recognising the broad scope of Responsible Investment, the Trustee has decided to focus its engagements on a few key stewardship themes.

- Climate Change – the Trustee believes climate change to be a source of financial risk that could have a material impact on member outcomes over the short-, medium-, and long-term as a result of the impact of the physical and transition risks on markets and, therefore, investors.
- Diversity, Equality and Inclusion (DEI) – the Trustee believes that companies that are diverse and inclusive deliver better financial performance than firms with poor DEI practices, due to their ability to make better decisions, identify risks and opportunities more effectively, and their ability to appeal to a wider customer base.
- Corporate Transparency – the extent to which a company provides open and accessible information about its activities and decision-making processes to its stakeholders, including shareholders, employees, customers, suppliers, and the wider community.

The selected themes are believed to increasingly shape the economic and investment landscape. As a result, reporting and engagement efforts are expected to continue concentrating on these areas. This is delivered through the following activities:

- The DC Committee receives an annual report on the significant votes cast by the fund managers. These votes are reviewed as part of the production of this statement.
- Periodically, fund managers are invited to present at the DC Committee.
- The DC Committee received a report from the investment advisers on how its fund managers responded to the Responsible Investment Survey 2024.

The Trustee identified no material concerns during the year in relation to current policies in the area of stewardship and engagement.

Member engagement: The DC Committee includes company representatives who are able to collate and present member feedback.

- Caroline Taylor continues to attend the DC Committee meetings; Caroline is the National Secretary of Community and sits on the Employee Consultation Board.
- A member of the Pensions Support team (part of the ZPen team) attends each DC Committee meeting and feeds back member views collated during webinars and other contact with members.
- As part of the DC investment review, the Trustee acknowledged that members have differing views on responsible investment and decided to offer a range of global equity funds so members who wish to can select the fund which best reflects their views on responsible investment. These funds are:
 - Z Growth Fund: a global equity fund which targets net zero emissions by 2050.
 - LGIM Future World Fund: favours companies which are less carbon intensive or which earn green revenues. The fund excludes companies in controversial weapons and pure coal as well as those that haven't signed up to LGIM's Climate Impact Pledge. It can also choose to exclude companies that fail to meet LGIM's standard on low carbon transition and corporate governance standards.
 - LGIM FTSE4Good Developed Equity Index: seeks to invest in global companies that demonstrate sustainability practices, but excludes firms in tobacco, weapons systems, components for controversial weapons and coal companies.

3. Stewardship: engagement and exercise of voting rights

Engagement

For the period 1 July 2024– 30 June 2025: Z Growth Fund was invested in the LGIM Low Carbon Transition Global Equity Fund. During this period:

- 1399 engagement activities were undertaken with 966 companies, including conference calls, face to face meetings and in writing.
- 941 (67%) of these activities were on Environmental issues of which 726 related to climate change.
- 117 (8%) of these activities were on Governance issues of which 64 related to remuneration.
- 317 (23%) of these activities were on Social issues of which 36 related to Diversity.
- 24 (2%) of these activities were on other issues including Strategy and Company Disclosures.

Voting rights

The Trustee has delegated to its investment managers the exercise of voting rights. Therefore, the Trustee does not direct how individual votes are exercised and the Trustee itself has not used proxy voting services over the year. The funds which include equities are set out in the tables below:

LGIM	Fund	% of fund assets	% ZCashBuilder assets (@ 30 June 2025)	Further information links:
Z Growth Fund & Z Cautious Growth Fund	1 July 2024 – 30 June 2025: LGIM Low Carbon Transition Global Equity Fund	100% Z Growth Fund	72.60%	ZGF ZCGF
		55% Z Cautious Growth Fund	7.44%	
LGIM FTSE4Good Developed Equity Index	LGIM FTSE4Good Developed Equity Index	100%	1.03%	FTSE4Good
LGIM Future World	LGIM Future World	100%	0.24%	Future World
TOTAL			81.31%	

BlackRock	Fund	% of fund assets	% ZCashBuilder assets (@ 30 June 2025)	Further information links:
BlackRock World ex-UK Equity Index Fund	BlackRock ACS World ex UK Equity Tracker	100%	3.84%	ex UK Equity
BlackRock UK Equity Index Fund	BlackRock ACS UK Equity Tracker	100%	1.16%	UK Equity
TOTAL			5.00%	

Other fund managers	Fund	% of fund assets	% ZCashBuilder assets (@ 30 June 2025)	Further information links:
HSBC Islamic Fund	HSBC Islamic Global Equity Index Fund	100%	1.11%	HSBC Islamic Fund
SW Managed Fund	SW Managed Fund	100%	0.79%	SW Managed Fund
TOTAL			1.90%	

How significant votes align with the Trustee's stewardship priorities

The Trustee has identified a number of votes as most significant during the Scheme year. These were selected based on factors such as the potential impact of the vote on long-term value, size of the holding and alignment with the Trustee's Stewardship Themes.

For each significant vote, the Trustee considered how the vote outcome supported its Stewardship Themes. All significant votes identified in this Statement during the Scheme year relate to the Trustee's corporate governance Stewardship Theme, reflecting its focus on promoting strong governance practices, board independence, and alignment between executive remuneration and long-term shareholder value.

LGIM Low Carbon Transition Global Equity Index

Manager name: Legal and General Investment Management ZCashBuilder fund name: Z Growth Fund and 55% of Z Cautious Growth Fund	
Total size of fund as at 30 June 2025	£1,137,008,459
Value of ZCashBuilder assets at 30 June 2025 invested in this fund	Z Growth Fund: £535,152,076 Z Cautious Growth Fund: £54,856,963 Total: £590,009,039 80.31% of ZCashBuilder assets
Number of equity holdings as at 30 June 2025	2734
Number of meetings eligible to vote	4632
Number of resolutions eligible to vote	46,563
% of resolutions voted	99.94%
Of the resolutions on which voted, % voted with management	80.12%
Of the resolutions on which voted, % voted against management	18.55%
Of the resolutions on which voted, % abstained from voting	1.33%
Of the meetings in which the manager voted, % with at least one vote against management	59.17%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	10.98%

	Vote 1	Vote 2
Company	Meta Platforms, Inc.	Alphabet Inc
Date of vote	28/05/2025	06/06/2025
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.62	1.25
Summary of the resolution	Resolution 1.1: Elect Director Peggy Alford	Resolution 1d: Elect Director John L Hennessy
How you voted	Against	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G's Asset Management business 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.	

	Vote 1	Vote 2
Rationale for the voting decision	<p>Diversity: A vote against is applied as LGIM expects a company to have at least one-third of women on the board. Lead Independent Director – Accountability: A vote against is applied as LGIM expects companies to elect an independent lead director where there is a combined Board Chair and CEO.</p> <p>Remuneration/Nomination/ Governance Committee – Accountability: WITHHOLD votes are 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.</p>	<p>Board balance – Independence: A vote against is applied to the (re-)election of a non-independent director due to lack of independence on the board.</p> <p>Independence: A vote against is applied as LGIM expects the Chair of the Nominations/Governance Committee to have served on the board for no more than 12 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background. 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 of women on the board. Independence: A vote against is applied as LGIM expects the Chair of the Board to have served on the board for no more than 12 years and the board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Independence – Board balance: A vote against is applied because the board does not comprise of a majority of independent directors. 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.</p>
Outcome of the vote	N/A	Pass
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	L&G's Asset Management business 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 has this vote been assessed as "most significant"?	Thematic – Diversity: L&G's Asset Management business views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.	Thematic – Diversity: L&G's Asset Management business views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

LGIM FTSE4Good Developed Equity Index

Manager name: Legal and General Investment Management ZCashBuilder fund name: LGIM FTSE4Good Developed Equity Index	
Total size of fund as at 30 June 2025	£1,304,507,734
Value of ZCashBuilder assets at 30 June 2025 invested in this fund	£7,595,666 1.03% of ZCashBuilder assets
Number of equity holdings as at 30 June 2025	1134
Number of meetings eligible to vote	1190
Number of resolutions eligible to vote	16,893
% of resolutions voted	99.88%
Of the resolutions on which voted, % voted with management	81.96%
Of the resolutions on which voted, % voted against management	17.74%
Of the resolutions on which voted, % abstained from voting	0.30%
Of the meetings in which the manager voted, % with at least one vote against management	72.86%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	13.82%

	Vote 1	Vote 2
Company	Mastercard Incorporated	Johnson and Johnson
Date of vote	24/06/2025	24/04/2025
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.025	0.91
Summary of the resolution	Resolution 7: Oversee and Report on a Racial Equity Audit	Resolution 1d: Elect Director Joaquin Duato
How you voted	For	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G's Asset Management business 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 Diversity: A vote in favour is applied as we support such information and risk management approach to Diversity.	Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.
Outcome of the vote	Fail (11.5%)	N/A

	Vote 1	Vote 2
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	L&G's Asset Management business 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 has this vote been assessed as "most significant"?	Thematic – Diversity: L&G's Asset Management business views diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.	Thematic – Board Leadership: L&G's Asset Management business considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO.

LGIM Future World Fund

Manager name: Legal and General Investment Management ZCashBuilder fund name: LGIM Future World	
Total size of fund as at 30 June 2025	£8,381,932,355
Value of ZCashBuilder assets at 30 June 2025 invested in this fund	£1,787,689 0.24% of ZCashBuilder assets
Number of equity holdings as at 30 June 2025	1,308
Number of meetings eligible to vote	1,660
Number of resolutions eligible to vote	21,134
% of resolutions voted	99.91%
Of the resolutions on which voted, % voted with management	79.89%
Of the resolutions on which voted, % voted against management	19.81%
Of the resolutions on which voted, % abstained from voting	0.30%
Of the meetings in which the manager voted, % with at least one vote against management	68.80%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	16.05%

	Vote 1	Vote 2
Company	Moody's Corporation	International Business Machines
Date of vote	15/04/2025	29/04/2025
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.46	0.75
Summary of the resolution	Resolution 1g: Elect Director Lislie F Seidman	Resolution 1g: Elect Director Andrew N Liveris

	Vote 1	Vote 2
How you voted	Against	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G's Asset Management business 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	Diversity: A vote against is applied as LGIM expects a company to have at least one third of women on the board.	Diversity: A vote against is applied as LGIM expects a company to have at least one-third of women on the board. Independence: A vote against is applied as LGIM expects the Chair of the Nominations/ Governance Committee to have served on the board for no more than 12 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background.
Outcome of the vote	Pass (86.8)	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?	L&G's Asset Management business 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 has this vote been assessed as "most significant"?	Thematic – Diversity: L&G's Asset Management business views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.	Thematic – Diversity: L&G's Asset Management business views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

BlackRock World ex-UK Equity Tracker Fund

Manager name: BlackRock ZCashBuilder fund name: BlackRock World ex-UK Equity Index	
Total size of fund as at 30 June 2025	£8,874,158,795
Value of ZCashBuilder assets at 30 June 2025 invested in this fund	£28,269,554 3.84% of ZCashBuilder assets
Number of equity holdings as at 30 June 2025	1,713
Number of meetings eligible to vote	22,994
Number of resolutions eligible to vote	22,693
% of resolutions voted	98.69%
Of the resolutions on which voted, % voted with management	21,490
Of the resolutions on which voted, % voted against management	1,204
Of the resolutions on which voted, % abstained from voting	112

Manager name: BlackRock
ZCashBuilder fund name: BlackRock World ex-UK Equity Index

Of the meetings in which the manager voted, % with at least one vote against management	494
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	We use Institutional Shareholder Services' (ISS) electronic platform to execute our vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, we work with proxy research firms who apply our proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform our voting decision.

	Vote 1	Vote 2
Company	Costco Wholesale Corporation	MacDonald's Corporation
Date of vote	23/01/2025	20/05/2025
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Information not available	
Summary of the resolution	Report on risks of Maintaining Diversity, Equity and Inclusion Efforts	Disclose an assessment of current climate transition plans
How you voted	Against	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	BlackRock endeavours to communicate to companies when it intends to vote against management, either before or just after casting votes in advance of the shareholder meeting. It publishes its voting guidelines to help companies understand its thinking on key governance matters that are commonly put to shareholder vote.	
Rationale for the voting decision	The company already has policies in place to address the request being made by the proposal, or is already enhancing its relevant policies.	The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company.
Outcome of the vote	Not provided	Not provided
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	BlackRock's approach to corporate governance and stewardship is explained in its Global Principles, which describes its philosophy on stewardship, including how it monitors and engages with companies. The high-level principles are the framework for its more detailed approach.	
On which criteria has this vote been assessed as "most significant"?	Not provided	

BlackRock UK Equity Tracker Fund

Manager name: BlackRock ZCashBuilder fund name: BlackRock UK Equity Index	
Total size of fund as at 30 June 2025	£7,238,937,927
Value of ZCashBuilder assets at 30 June 2025 invested in this fund	£8,543,519 1.16% of ZCashBuilder assets
Number of equity holdings as at 30 June 2025	375

Manager name: BlackRock
ZCashBuilder fund name: BlackRock UK Equity Index

Number of meetings eligible to vote	6195
Number of resolutions eligible to vote	5904
% of resolutions voted	95.30%
Of the resolutions on which voted, % voted with management	5634
Of the resolutions on which voted, % voted against management	270
Of the resolutions on which voted, % abstained from voting	143
Of the meetings in which the manager voted, % with at least one vote against management	120
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	BlackRock uses Institutional Shareholder Services' (ISS) electronic platform to execute its vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, it works with proxy research firms who apply its proxy voting guidelines to filter out routine or non-contentious proposals and refer to BlackRock any meetings where additional research and possibly engagement might be required to inform its voting decision.

	Vote 1	Vote 2
Company	National Grid Plc	Rio Tinto Plc
Date of vote	07/10/2024	04/03/2025
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Information not available	
Summary of the resolution	Approve Climate Transition Plan	Approve Climate Action Plan
How you voted	Voted For	Voted For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	BlackRock endeavours to communicate to companies when it intends to vote against management, either before or just after casting votes in advance of the shareholder meeting. It publishes its voting guidelines to help companies understand its thinking on key governance matters that are commonly put to shareholder vote.	
Rationale for the voting decision	Not provided	Not provided
Outcome of the vote	Not provided	Not provided
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	BlackRock's approach to corporate governance and stewardship is explained in its Global Principles, which describes its philosophy on stewardship, including how it monitors and engages with companies. The high-level principles are the framework for its more detailed approach.	
On which criteria has this vote been assessed as "most significant"?	Not provided	Not provided

HSBC Islamic Global Equity Index Fund

Manager name: HSBC ZCashBuilder fund name: HSBC Islamic	
Total size of fund as at 31 March 2025	\$2,382,205,725
Value of ZCashBuilder assets at 30 June 2025 invested in this fund	£8,188,506 1.11% of ZCashBuilder assets
Number of equity holdings as at 30 June 2025	100
Number of meetings eligible to vote	103
Number of resolutions eligible to vote	1,610
% of resolutions voted	97% (1,566 proposals)
Of the resolutions on which voted, % voted with management	83% (1,304 proposals)
Of the resolutions on which voted, % voted against management	16% (262 proposals)
Of the resolutions on which voted, % abstained from voting	0% (2 proposals)
Of the meetings in which the manager voted, % with at least one vote against management	75% (78 meetings)
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	1% (23 proposals)

	Vote 1	Vote 2
Company	NVIDIA Corporation	Microsoft Corporation
Date of vote	25/06/2025	10/12/2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	8.73%	8.30%
Summary of the resolution	Enhance Workforce Data Reporting	Report on Risks of Using Artificial Intelligence and Machine Learning Tools for Oil and Gas Development and Production
How you voted	Voted For	Voted For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No	No
Rationale for the voting decision	We believe that the proposal would enhance accountability to shareholders.	We believe that the proposal would contribute to the better management of the relevant issues.
Outcome of the vote	The Shareholders resolution was rejected.	The Shareholders resolution was rejected.

	Vote 1	Vote 2
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	We will likely vote for a similar proposal.	We will likely vote for a similar proposal.
On which criteria has this vote been assessed as "most significant"?	The company has a significant weight in the portfolio and we voted against management.	The company has a significant weight in the portfolio and we voted against management.

Scottish Widows Managed Fund

Manager name: Schroders ZCashBuilder fund name: Managed	
Total size of fund as at 30 June 2025	Information not provided
Value of ZCashBuilder assets at 30 June 2025 invested in this fund	£5,813,209 0.8% of ZCashBuilder assets.
Number of equity holdings as at 30 June 2025	Information not provided
Number of meetings eligible to vote	Information not provided
Number of resolutions eligible to vote	Information not provided
% of resolutions voted	Information not provided
Of the resolutions on which voted, % voted with management	Information not provided
Of the resolutions on which voted, % voted against management	Information not provided
Of the resolutions on which voted, % abstained from voting	Information not provided
Of the meetings in which the manager voted, % with at least one vote against management	Information not provided
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	Information not provided

No information was provided on engagement or voting for the Scottish Widows Managed Fund.

Description of voting process

LGIM

Information on LGIM's investment stewardship policies and activities can be found here:

[Investment stewardship & governance | L&G](#)

BlackRock

Information on BlackRock's Investment Stewardship Principles can be found here:

[BlackRock Global Engagement and Voting Guidelines](#)