

Engagement Policy Implementation Statement (“EPIS”)

Liberty Retail Pension Scheme (the “Scheme”)

Scheme Year End – 30 June 2025

The purpose of the EPIS is for us, the Trustees of the Liberty Retail Pension Scheme, to explain what we have done during the year ended 30 June 2025 to achieve certain policies and objectives set out in the Scheme’s Statement of Investment Principles (“SIP”). The EPIS includes:

1. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Scheme’s investments have been followed during the year; and
2. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services, and the ‘most significant’ votes cast over the reporting year.

Our conclusion

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

In our view, most of the Scheme’s material investment managers were able to disclose good evidence of voting and/or engagement activity, and the activities completed by our managers align with our stewardship expectations.

We delegate the management of the Scheme’s assets to our fiduciary manager, Aon Investments Limited (“AIL”). We believe the activities completed by our Fiduciary Manager to review the underlying managers’ voting and engagement policies, and activities align with our stewardship expectations. We believe our voting rights have been implemented effectively on our behalf.

We have identified next steps in Our Engagement Action Plan overleaf.

How voting and engagement policies have been followed

The Scheme is invested entirely in pooled funds, and so the responsibility for voting and engagement is delegated to the Scheme's investment managers, which is in line with the policies set out in our SIP. We reviewed the stewardship activity of the material investment managers carried out over the Scheme year. In our view, most of the investment managers were able to disclose good evidence of voting and/or engagement activity. More information on the stewardship activity carried out by the Scheme's investment managers can be found in the following sections of this report.

Over the reporting year, we monitored the performance of the Scheme's investments on a quarterly basis and received updates on important issues from our investment adviser, Aon Investments Limited ("Aon").

The Scheme's stewardship policy can be found in the SIP available [here](#).

Our Engagement Action Plan

Based on the work we have done for the EPIS, we will continue over the next 12 months to engage with our Fiduciary Manager, as and when required, regarding its monitoring of underlying manager voting practices, and its engagement with underlying managers.

Concerning the three managers with some missing data: Marshall Wace, Arrowstreet and Man Group; we were satisfied with the rationale provided for this and therefore no further action is required at this time.

What is stewardship?

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

This includes prioritising which Environmental, Social and Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

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

Source: UN PRI

Our fiduciary manager's engagement activity

We invest the Scheme's assets across AIL's Fixed Income Strategy, Active Diversifiers Strategy and Fruition Funds. These are fund of funds arrangements, where AIL selects the underlying investment managers on our behalf.

We delegate monitoring of ESG integration and stewardship of the underlying managers to AIL. We have reviewed AIL's latest annual Stewardship Report, and we believe it shows that AIL is using its resources to effectively influence positive outcomes in the funds in which it invests.

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

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

AIL has a net zero commitment to deliver UK delegated investment portfolios and default strategies which have a net zero carbon emissions profile by 2050.

AIL also successfully renewed its signatory status to the 2020 UK Stewardship Code, which is a voluntary code established by the Financial Reporting Council that sets high standards on stewardship for asset owners, investment managers and service providers.

What is fiduciary management?

Fiduciary management is the delegation of some, or all, of the day-to-day investment decisions and implementation to a fiduciary manager. The trustees still retain responsibility for setting the high-level investment strategy.

In fiduciary management arrangements, the trustees will often delegate monitoring ESG integration and asset stewardship to its fiduciary manager.

Our underlying managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's shares. We believe that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Scheme's investments is an important factor in deciding whether a manager remains the right choice for the Scheme.

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

Voting statistics

The table below shows the voting statistics for each of the Scheme's material funds with voting rights for the year to 30 June 2025. These funds are underlying funds of the AIL Fruition Funds.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
Legal and General Asset Management ("L&G") – Multi-Factor Equity Fund	12,071	100.0%	22.2%	0.4%
UBS Global Asset Management ("UBS") – Global Emerging Markets Equity Climate Transition Fund	7,949	85.0%*	8.6%	4.2%
UBS – Global Equity Climate Transition Fund	11,804	93.0%	9.3%	0.1%

Source: Managers. 'Abstain' votes noted above are a specific category of vote that has been cast and are distinct from a non-vote.

*We engaged with UBS to understand why the % of resolutions voted was lower than we would expect of equity managers. UBS confirmed that there are markets, including emerging markets, where it does not exercise voting rights due to the local market restrictions.

Use of proxy voting advisers

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

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Scheme's managers use proxy voting advisers.

Managers	Description of use of proxy voting advisers (in the managers' own words)
L&G	L&G's Investment Stewardship team uses Institutional Shareholder Services' ("ISS") 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.

Why is voting important?

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

Source: UN PRI

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without that support.

UBS

UBS retains the services of ISS for the physical exercise of voting rights and for supporting voting research. UBS retains full discretion when determining how to vote at shareholder meetings.

Source: Managers

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Scheme's investment managers to provide a selection of what they consider to be the most significant votes in relation to the Scheme's funds. A sample of these significant votes can be found in the appendix.

Our underlying managers' engagement activity

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

The table below shows some of the engagement activity carried out by the Scheme's material managers that sit within the AIL Fixed Income, Active Diversifiers and Fruition Funds. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e. is not necessarily specific to the funds invested in by the Scheme.

Funds	Number of engagements		Themes engaged on at a fund level
	Fund level	Firm level	
L&G – Multi-Factor Equity Fund	682	4,399	Environment - Climate Change Social - Human and Labour Rights; Human Capital Management Governance - Remuneration Strategy, Financial & Reporting - Financial Performance; Strategy/Purpose Other - Multiple ESG Topics
UBS – Global Emerging Markets Equity Climate Transition Fund	38	425	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights Governance - Remuneration; Board Effectiveness - Other Strategy, Financial and Reporting - Capital Allocation
UBS – Global Equity Climate Transition Fund	174	425	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights Governance - Remuneration; Board Effectiveness - Other; Leadership - Chair/CEO Strategy, Financial & Reporting - Capital Allocation
Aberdeen – Climate Transition Bond Fund	104	1,868	Environment - Climate; Other Environment Related Social - Human Rights & Stakeholder; Labour Management Governance - Corporate Governance; Corporate Behaviour
Aegon Asset Management – European Asset Backed Securities ("ABS") Fund	115	422	Environment - Climate Change Social - Human and Labour Rights; Public Health Governance - Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting) Other - General Disclosure
Robeco – Sustainable Development Goals Credit Income Fund	12	324	Environment - Climate Change Social - Human and Labour Rights Governance - Shareholder Rights; Board Effectiveness - Other
M&G Investments ("M&G") – Sustainable Total Return Credit Investment Fund	12	406	Environment - Net Zero/Decarbonisation; Nature and Biodiversity; Climate Change; Climate Action 100+ Specific Engagements Social - Diversity & Inclusion
Caius Capital – International Fund	>30	>30	Governance - Board effectiveness - Other; Leadership - Chair/CEO Strategy, Financial & Reporting - Strategy/Purpose; Financial Performance
Man Group – Alternative Risk Premia*	<i>Not provided</i>	66	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights; Human Capital Management Governance - Remuneration
Arrowstreet – ESG Global Equity Long/Short Fund*	<i>Not provided</i>	159	Environment - Water Quality; Water Security Social - Human and Labour Rights; Community Relations Governance - Business Ethics
Marshall Wace – Market Neutral ESG Tops Fund*	<i>Not provided</i>		Environment - Climate Change; Natural Resource Use/Impact

Source: Managers.

** Arrowstreet, Man Group and Marshall Wace did not provide fund level themes; themes provided are at a firm-level.*

Data limitations

At the date of this report, the following managers did not provide all the information we requested:

- L&G has provided complete engagement information. We note that the total number of engagements above refers specifically to the total number of interactions L&G held with individual companies as opposed to the number of engagements on specific engagement themes. Each interaction may cover multiple themes.
- Marshall Wace, Arrowstreet and Man Group did not provide all of the engagement information requested. This is because the assets managed by these managers are held tactically over a short period of time and/or indirectly through derivative exposures, meaning that engagement examples are less relevant.
 - Marshall Wace provided limited engagement information but did provide detailed illustrative examples of its engagement activity at a firm level and stated that the manager undertakes engagement initiatives at the firm rather than strategy level.
 - Arrowstreet and Man Group provided detailed engagement information at a firm level only.

This report does not include commentary on gilts or cash because of the limited materiality of stewardship to these asset classes. This report does not cover the additional voluntary contributions (“AVCs”) in the Scheme due to the small proportion of the Scheme’s assets that are held as AVCs.

Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Scheme's managers. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below, in managers own words:

L&G – Multi-Factor Equity Fund	Company name	Mastercard Incorporated
	Date of vote	24 June 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.6
	Summary of the resolution	Resolution 7: Oversee and Report on a Racial Equity Audit
	How you voted?	Votes supporting resolution
	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 Annual General Meeting ("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.
	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?	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 have you assessed this vote to be 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.
UBS – Global Emerging Markets Equity Climate Transition Fund	Company name	Pepkor Holdings Ltd.
	Date of vote	24 February 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	<i>Not provided</i>
	Summary of the resolution	Approve Implementation Report on the Remuneration Policy
	How you voted?	Votes against resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
	Rationale for the voting decision	Incoming CEO pay is higher than predecessor without strong justification. Excessive pay quantum.
	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?	Given the high levels of dissent, we shall monitor for further developments.
	On which criteria have you assessed this vote to be most significant?	Over 33.0% of shareholders voted against the resolution.
UBS – Global Equity Climate Transition Fund	Company name	Amazon.com, Inc.
	Date of vote	21 May 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	<i>Not provided</i>

Summary of the resolution	Report on Impact of Data Centers on Climate Commitments
How you voted?	Votes supporting resolution
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
Rationale for the voting decision	We will support proposals that seek to promote greater disclosure and transparency in corporate environmental policies as long as: a) the issues are not already effectively dealt with through legislation or regulation; b) the company has not already responded in a sufficient manner; and c) the proposal is not unduly burdensome or overly prescriptive.
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?	Given strong shareholder support, we shall monitor for further developments. We will continue to engage with the company.
On which criteria have you assessed this vote to be most significant?	20.1% of shareholders supported this proposal.

Source: Managers