UK Stewardship Code 2026

Verity Trustees Limited

Activities and Outcomes Report

Reporting period: 1 October 2024 – 30 September 2025

tpt

Retirement Solutions

Introductory Statement

This **Activities and Outcomes Report** sets out how Verity Trustees Limited (VTL) has applied its stewardship approach during the reporting period (1 October 2024 – 30 September 2025) and the outcomes arising from those activities. It should be read alongside VTL's **Policy and Context Disclosure**, which describes the Trustee's governance arrangements, stewardship policies and organisational context.

VTL is the corporate trustee and asset owner of The Pensions Trust and The Pensions Trust 2016. It oversees a large, diversified pension arrangement serving approximately 490,000 members across both defined benefit (DB) and defined contribution (DC) schemes, with around 2,400 participating employers. As at 30 September 2025, total assets under management were £11.4 billion, invested across a broad range of asset classes and geographies to support long-term, risk-adjusted returns.

The scale and diversity of the Trusts mean that stewardship is exercised on behalf of beneficiaries collectively, with a clear focus on long-term value creation, effective risk management, and the resilience of the financial system on which members' outcomes depend.

All assets are invested through a delegated model using external investment managers. DB assets are managed on behalf of the Trustee by TPT Investment Management (TPTIM), while DC assets are managed by AllianceBernstein. This model shapes VTL's stewardship approach, with emphasis on setting clear expectations, monitoring delivery, and maintaining robust oversight of stewardship activities across the investment chain.

As a long-term, diversified investor with exposure across the global economy, VTL adopts a universal owner perspective, recognising that the performance of its portfolio is inherently linked to the sustainability and resilience of the wider financial system.

The sections that follow set out how VTL has applied its stewardship approach in practice, structured around the six Principles of the UK Stewardship Code 2026, as well as the outcomes achieved.

Summary of progress against the UK Stewardship Code principles

Principle	VTL's approach	Key actions during the reporting period
Principle 1: Integrating stewardship and investment	Stewardship is embedded within VTL's investment approach and delivered primarily through the selection, oversight and challenge of delegated investment providers and underlying managers.	Enhanced oversight of voting and engagement activity; strengthened stewardship assessment within annual manager reviews; updated Investment Management Agreements to include more explicit ESG, voting and engagement expectations; continued implementation of the Climate Action Plan and achieved the 2025 interim climate target.
Principle 2: Promoting well-functioning markets	VTL adopts a universal owner perspective and identifies systemic risks and opportunities that may affect long-term member outcomes and the resilience of financial markets.	Expanded climate and nature-related analysis; updated the Climate Change Policy; developed a Deforestation Policy; engaged with policymakers and industry initiatives.
Principle 3: Engagement	Engagement is used to improve risk management, disclosure and governance at investee companies and to support long-term value creation. Activity is undertaken by appointed managers, with oversight from VTL.	Monitored engagement across climate, biodiversity, governance and social issues; participated in collaborative initiatives via appointed investment managers; strengthened assessment of engagement outcomes and escalation where progress was insufficient.
Principle 4: Exercising rights and responsibilities	Voting and other ownership rights are exercised through delegated managers, with VTL setting expectations and monitoring implementation.	Enhanced scrutiny of significant votes; challenged instances where managers diverged from VTL's policies; placed voting as part of a broader escalation framework to support long-term stewardship objectives.
Principle 5: Selection and oversight of external managers	Stewardship considerations are integrated throughout manager selection, appointment and ongoing monitoring across both DB and DC portfolios.	Incorporated stewardship criteria into due diligence and scoring frameworks; conducted thematic reviews with appointed investment managers.
Principle 6: Monitoring service providers	Stewardship service providers, including proxy advisers and ESG data providers, are monitored indirectly through oversight of investment managers and directly where relevant.	Reviewed the quality and consistency of ESG and stewardship reporting; challenged managers on their use of proxy advisers and data providers; expanded climate and biodiversity metrics to support stronger oversight and decision making.

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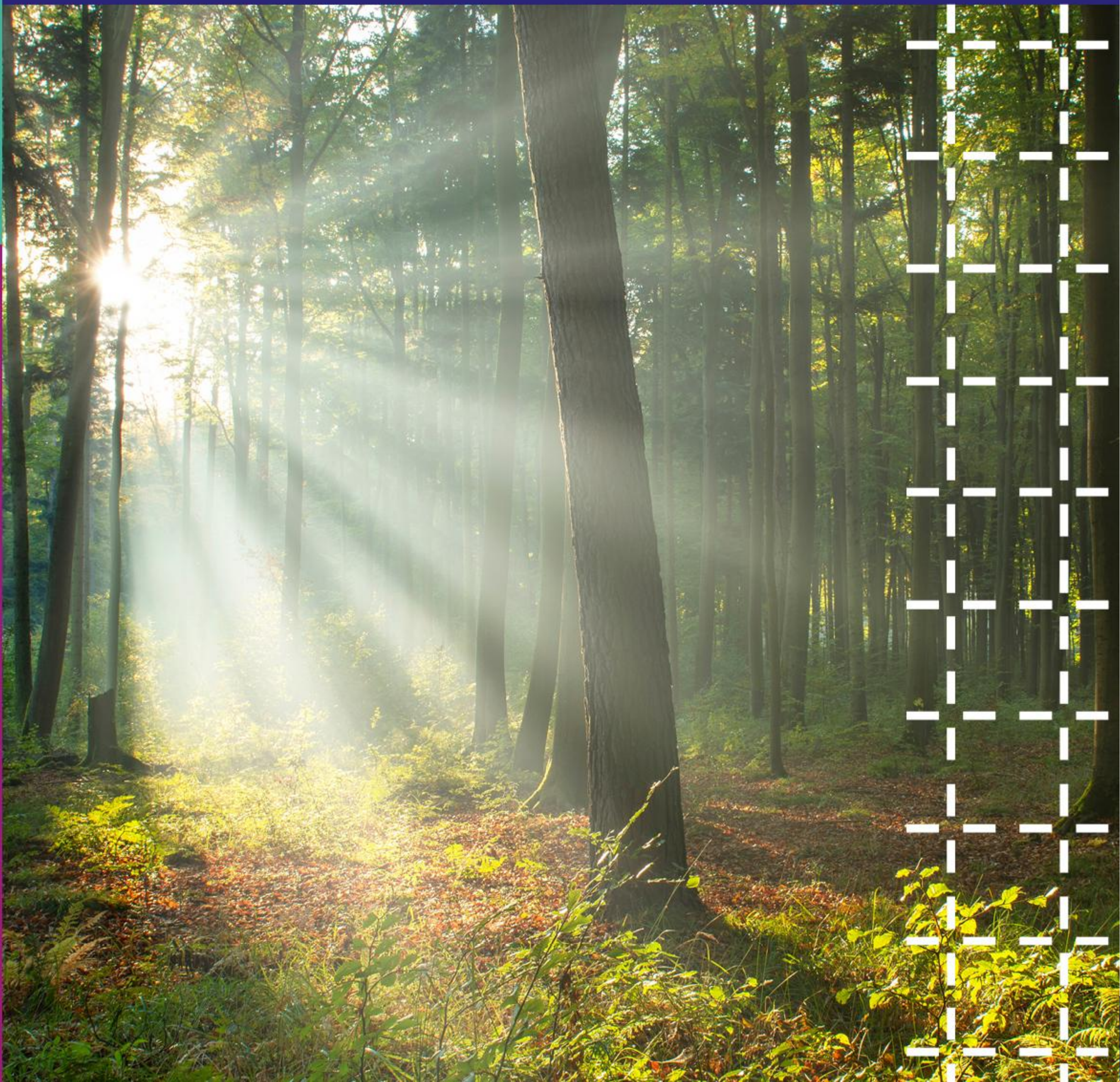
Principle 1: Integrating stewardship and investment



Principle 1:
Integrating stewardship and investment

Signatories integrate stewardship and investment to deliver long-term sustainable value for their clients and beneficiaries.

Stewardship integration

VTL integrates stewardship within its investment approach to support the delivery of sustainable long-term value for members and beneficiaries. As an asset owner operating through a delegated investment model, stewardship is embedded primarily through the setting of expectations and the ongoing oversight and challenge of appointed investment managers.

When appointing investment managers, the Trustee assesses their approach to ESG integration, engagement and voting, including their governance structures, resources and alignment with the Trustee's stewardship priorities. These considerations form part of the overall evaluation of manager suitability.

VTL receives regular reporting on engagement activity, voting behaviour and progress against key themes, and uses this information to inform monitoring, engagement and challenge of managers. This enables VTL to assess the effectiveness of stewardship activities and ensure alignment with its long-term objectives.

Stewardship themes and priorities

VTL's stewardship themes are informed by its Investment Beliefs and Responsible Investment Framework, and focus on financially material ESG factors that may impact long-term investment outcomes. Key themes considered include climate change, natural capital and biodiversity, corporate governance, and broader social factors such as human capital management.

These themes are prioritised based on their relevance to long-term systemic risk, their potential impact on portfolio performance, and their alignment with regulatory developments and market best practice. As a diversified, long-term investor, VTL adopts a system-wide perspective, recognising that risks such as climate change and nature loss may affect the performance of the entire portfolio.

The Trustee reviews stewardship priorities periodically, taking into account insights from investment managers, advisers, industry developments and stakeholder expectations, and reflects these priorities in its expectations of appointed managers.

Each year, the Trustee, supported by its adviser TPTIM, identifies a set of stewardship priorities that reflect financially material risks and opportunities. During the reporting period, VTL's stewardship activities focused primarily on the following themes:

- **Climate change**, reflecting the systemic financial risks associated with physical and transition impacts across asset classes and geographies;
- **Nature-related risks**, including deforestation, biodiversity loss and supply-chain resilience, recognising the increasing materiality of these issues to long-term economic value.

These themes are not applied mechanistically. Instead, they are used to guide engagement expectations, voting oversight and escalation, with flexibility to respond to asset-specific and issuer-specific circumstances.

Application across asset classes, investment styles and geographies

While stewardship priorities are set at a Trustee level, their implementation varies across asset classes, investment strategies and geographies, reflecting differences in ownership structures, influence and available tools.

In the DB portfolio, stewardship is implemented through TPTIM's oversight of underlying managers, supported by direct engagement and thematic initiatives where appropriate. In the DC portfolio, stewardship is delivered through AllianceBernstein. The Trustee sets expectations and monitors implementation.

Geographically, stewardship approaches reflect local market practices, regulatory frameworks and governance standards, with managers expected to apply consistent principles while adapting engagement strategies to regional contexts.

Application of stewardship across asset classes

Listed equities (active and passive): Stewardship integration is most visible through engagement and proxy voting. Investment managers are expected to engage on the Trustee's priority themes, exercise voting rights in line with agreed expectations, and escalate where progress is insufficient. Voting and engagement data are monitored and reviewed as part of ongoing manager oversight.

Fixed income: Stewardship focuses on issuer-level analysis, covenant strength and medium- to long-term risks that may affect credit quality. Engagement is typically undertaken directly with issuers, with outcomes feeding into credit assessments and portfolio positioning decisions.

Private credit, infrastructure and real estate: Stewardship is integrated primarily through due diligence, ongoing monitoring and engagement with managers and asset operators. Given longer investment horizons and higher degrees of control, stewardship activity emphasises governance arrangements, risk management frameworks and progress against long-term sustainability objectives.

Examples of integration in practice

During the reporting period, VTL strengthened the integration of stewardship within its investment oversight framework.

Stewardship considerations were embedded across the selection, review and ongoing monitoring of investment managers. In particular, stewardship capability – including engagement effectiveness, alignment of voting practices and the robustness of escalation processes – formed a core component of annual manager assessments undertaken by TPTIM and AllianceBernstein. Insights from these assessments informed targeted follow-up discussions with underlying managers, enhancements to reporting expectations and, where appropriate, escalation through established governance channels.

VTL, via TPTIM and AllianceBernstein, also enhanced its monitoring of voting and engagement activity, enabling a more systematic assessment of how managers are discharging their stewardship responsibilities. This included strengthened processes to identify, scrutinise and challenge significant votes, as well as instances of divergence from VTL's policies.

Within the DB portfolio, the launch of the Global Equity Fund by TPTIM provided a further opportunity to strengthen stewardship alignment. Investment Management Agreements were updated to incorporate more explicit expectations on ESG integration, voting and engagement, alongside enhanced transparency and reporting requirements.

In the DC portfolio, VTL continued to engage with AllianceBernstein to ensure stewardship expectations are clearly articulated and effectively reflected in the oversight of underlying managers. This included reviewing how ESG considerations are embedded within the default strategy, and how engagement and voting activities align with VTL's policies.

Case study: Integrating climate stewardship into investment strategy

VTL has embedded climate considerations across its investment and stewardship approach, recognising climate change as a systemic financial risk with material implications for long-term retirement outcomes.

The Trustee's **Climate Action Plan** sets a clear strategic direction towards net zero, including interim targets to reduce portfolio carbon intensity and increase allocations to climate solutions. This strategy is not standalone; it is embedded across portfolio construction, manager oversight and stewardship activities, ensuring that climate considerations inform both investment decision making and ongoing monitoring.

Implementation is delivered through VTL's delegated model, with TPTIM (for DB assets) and AllianceBernstein (for DC arrangements) responsible for integrating climate-related risks and opportunities into investment processes. This includes embedding climate considerations within manager selection, portfolio monitoring and stewardship priorities, as well as overseeing the approach taken by underlying managers.

Stewardship is a key mechanism through which this strategy is implemented. Through TPTIM and AllianceBernstein, appointed investment managers are expected to engage with investee companies, policymakers and industry initiatives to promote improved climate risk management, enhanced disclosure and credible transition planning. This includes encouraging greater transparency across the investment chain and supporting market-wide improvements aligned with a net zero transition.

The Trustee reinforces this integration through formal policies and frameworks. VTL aligns its approach with the Net Zero Investment Framework (NZIF), using it to guide target-setting, portfolio alignment and stewardship priorities, and to ensure consistency between its climate objectives and investment implementation.

Ongoing monitoring and reporting support accountability and continuous improvement. Climate-related metrics, progress against targets and stewardship activity are regularly reviewed by the Trustee, with disclosures made through TCFD reporting to provide transparency to members and stakeholders.

This integrated approach demonstrates how VTL aligns its purpose of delivering long-term retirement outcomes with a stewardship strategy that supports the transition to a more sustainable and resilient global economy, recognising that financial outcomes are closely linked to the future environment in which members will live and retire.

Principle 2: Promoting well-functioning markets

Principle 2:
Promoting well-functioning markets

Signatories identify and respond to market-wide and systemic risks to promote well-functioning financial markets.

Identifying and prioritising market-wide and systemic risks

As a long-term asset owner and universal investor, VTL recognises that market-wide and systemic risks can have a material impact on the long-term sustainability of financial markets and the retirement outcomes of our members. These risks are inherently non-diversifiable and require coordinated action across market participants.

As outlined in our stewardship framework, we adopt a system-wide perspective, recognising that risks such as climate change, biodiversity loss, and social inequality affect the broader economy and therefore the long-term performance of our portfolios.

The Trust operates a comprehensive **Risk Management Framework**, underpinned by established policies, processes and internal controls, to identify, manage, monitor and report risks effectively across the organisation.

The Framework provides a structured and consistent approach to risk management, enabling risks to be assessed in terms of likelihood, impact and velocity, and ensuring appropriate mitigation strategies are in place. It is supported by several key enablers:

- **Risk horizon scanning**, Proactive identification of emerging and evolving risks across short, medium and long time horizons, including those arising from climate transition pathways, physical climate impacts and regulatory developments.
- **Change management risk assessments**, Systematic assessment of new or heightened risks arising from changes to strategy, investment structures, processes, systems or governance arrangements, ensuring climate-related implications are captured at an early stage.
- **Risk management information (RMI) and reporting**, Regular reporting to relevant committees, supported by thematic analysis, trend monitoring and root-cause reviews, enabling informed oversight and timely escalation where required.
- **Training and education**, Ongoing risk education and tailored training programmes to ensure that trustees, executives and relevant staff maintain a strong understanding of risk principles, including climate-related financial risks.

A number of mechanisms operate within the Framework to promote a proactive and disciplined approach to risk management:

- **Risk appetite metrics and key risk indicators (KRIs):** Quantitative and qualitative metrics are used to monitor exposure to principal risks, including climate-related risks, and to ensure that these remain within agreed tolerance levels.
- **Remedial action plans:** Where risks exceed, or are expected to exceed, risk appetite, action plans are developed and monitored to ensure timely mitigation and alignment with strategic objectives.
- **Risk hierarchy:** A structured hierarchy is applied, linking principal strategic risks through to operational and process-level risks, ensuring comprehensive coverage and clear ownership across the organisation.

Key market-wide and systemic risks and opportunities

Our stewardship priorities are aligned with our identified two key systemic risks and include:

- **Climate change**, including physical risks from extreme weather events, transition risks arising from changes in policy, technology and consumer behaviour, and the macroeconomic implications of an orderly or disorderly transition;
- **Nature-related risks**, including biodiversity loss, deforestation and ecosystem degradation, which present systemic risks to economic activity, supply chains and asset valuations.

While these risks are global in nature, their financial impact may vary by asset class. The Trustee considers them across the full portfolio, recognising that systemic risks may crystallise differently for equities, fixed income, private markets and liability-driven strategies.

Similarly, the nature and transmission of investment risk can differ between DB and DC arrangements. In DB schemes, risks such as market volatility, climate transition, longevity and asset performance primarily affect the sponsor covenant and funding position, and may not immediately impact member benefits. By contrast, for DC members, market movements and long-term systemic risks directly affect individual retirement outcomes. VTL's stewardship approach reflects these differences, with a focus on long-term funding resilience in DB and on the sustainability of market outcomes for DC members.

The Trustee also recognises that addressing systemic risks can also create long-term investment opportunities, including in climate solutions, sustainable infrastructure and technologies that support economic resilience and transition.

Finally, changes in UK pensions policy, including consolidation, CDC schemes and new retirement solutions, present both systemic opportunities and risks for members. As highlighted in TPT's 2025 Annual Review, the organisation has actively responded to these developments through innovation and engagement with regulators.

Key processes

The Trustee's approach to identifying, assessing and managing market-wide and systemic risks is supported by the following key processes:

- **Governance and escalation:** Market-wide and systemic risks are monitored through regular reporting to the Trustee Board and its delegated committees, including the Investment Oversight Committee. This is supported by TPT and TPTIM internal governance structures, including the Risk Committee and Executive Board, with escalation to VTL's Audit, Risk and Compliance Committee where appropriate, ensuring clear accountability and effective oversight.
- **Investment oversight:** The Trustee monitors sectoral, regional and asset-class exposures to identify and manage concentrations that may be vulnerable to systemic risks, including but not limited to climate change, geopolitical developments, inflationary pressures and biodiversity loss.
- **Strategic decision making:** Systemic risk considerations are incorporated into the assessment of new investments, strategic initiatives and material structural changes. External investment managers are evaluated by TPTIM and AllianceBernstein on their ability to identify and manage financially material systemic risks, alongside investment performance and alignment with the Trustee's responsible investment strategy.
- **Training and capability building:** Ongoing training supports Trustee and executive understanding of market-wide and systemic risks, including their potential financial implications for investment and funding outcomes.
- **Policy framework and review:** The Responsible Investment Framework, Responsible Investment Principles and Statements of Investment Principles (SIPs), alongside thematic policies (including climate and other ESG-related risks), are reviewed at least annually to ensure continued alignment with evolving systemic risks, opportunities and regulatory expectations.
- **Stakeholder communication and transparency:** Implementation Statements, Stewardship Reports and relevant disclosures aligned with frameworks such as the Task Force on Climate-related Financial Disclosures are prepared and published annually for members and other stakeholders, supporting transparency and demonstrating the Trustee's commitment to effective stewardship and responsible investment.

Market-wide engagement and contribution to policy and standards

The Trustee recognises that many systemic risks cannot be addressed through issuer-level engagement alone and therefore supports collaborative and market-wide approaches aligned with its stewardship objectives.

During the period, the Trustee, primarily through TPT, TPTIM and appointed managers, contributed to market-wide initiatives and industry frameworks focused on addressing systemic risks. This includes participation in collaborative engagement initiatives and engagement with standard-setting and industry bodies aimed at improving market practices, disclosure standards and risk management related to issues such as climate change, nature and governance.

Engagement with policymakers and regulators

During the reporting period, TPT engaged actively with UK policymakers and regulators on key reforms, including the Pension Schemes Bill and DC market developments, contributing practical insights based on our experience as a large UK pension provider.

Participation in industry initiatives: TPT also supported industry-wide initiatives such as the Mansion House Accord and the “Sterling 20”, which aim to enhance UK capital markets and support long-term investment.

Thought leadership and market engagement

TPT contributed to broader market dialogue through conferences, speaking engagements and stakeholder events. For example, TPT’s 2025 industry conference brought together policymakers, regulators and market participants to discuss the future of pensions.

Collaboration through stewardship networks

Through TPTIM and AllianceBernstein, the Trustee supports collaborative engagement initiatives and industry bodies that aim to address systemic issues such as climate change, governance standards and responsible investment practices.

Collaborative action

VTL recognises that, as a responsible asset owner, it has a role in supporting initiatives that enhance the regulatory and operational environment for all investors. To advance this goal, TPTIM and AllianceBernstein, on behalf of VTL, engage in collaborative initiatives with other investors and industry groups, ensuring alignment with VTL’s Investment Beliefs and Responsible Investment Framework.

Engagement with issuers on systemic risks

Engagement with issuers on systemic risks is undertaken by appointed investment managers across both DB and DC portfolios. Expectations are set for managers to engage with companies on the financial implications of systemic risks, including climate transition planning, governance arrangements and exposure to nature-related and social risks.

The Trustee reviews engagement activity and progress through regular reporting, with a particular focus on:

- How issuers are identifying, managing and disclosing exposure to systemic risks;
- The integration of engagement insights into investment analysis and decision making; and
- Evidence of progress over time, recognising that addressing systemic risks often requires sustained engagement across multiple years.

Please refer to ***Principle 3*** for examples of engagement activity.

Climate integration and net zero strategy

The Trustee views climate change as a systemic financial risk and a key long-term challenge to safeguarding retirement outcomes. Its Climate Action Plan sets out a clear roadmap to net zero, supported by defined targets and implementation pathways.

Climate considerations are embedded within investment decision making to support the achievement of these targets. This includes integration into asset allocation and portfolio construction, alongside a stewardship approach underpinned by robust voting and engagement practices.

The Plan is shaped by the following commitments:

1. **Be active in influencing the transition to a low-carbon economy, including reaching net zero within our operations.**
2. **Achieve net zero by 2050, with a decrease in our carbon intensity of at least 25% by 2025 and 50% by 2030.**
3. **Increase our investment in climate solutions to at least 6% of return-seeking assets by 2030.**
4. **Continue to build a rigorous approach to incorporating climate-change risks and opportunities into the way we invest members' assets.**
5. **Work together with companies, governments and standard setters and disinvest when no alternatives are possible.**
6. **Regularly report back to members and wider stakeholders, including through TCFD reporting.**

Progress during the year

The Trustee achieved its 2025 interim climate target, with both DB and DC portfolios delivering a reduction in emissions intensity of more than 25% relative to the 2019 baseline. The Climate Change Policy was updated to provide greater clarity on the Trustee's position in relation to fossil fuel investments and to formalise expectations of appointed investment managers. These expectations include maintaining a clearly-articulated approach to climate risk management, demonstrating alignment with net zero objectives where appropriate, and using stewardship activities to support improvements in climate-related governance, strategy and disclosure at investee companies.

In parallel, the Trustee developed a Deforestation Policy as part of its Responsible Investment Framework, reflecting the material financial and systemic risks associated with deforestation and the importance of supporting sustainable practices that protect and restore forest ecosystems. This work complements the Trustee's broader focus on nature-related risks and reinforces the role of stewardship in addressing environmental impacts across the portfolio.

A climate strategy review was also undertaken in June 2025 to provide an updated assessment of climate-related risks, regulatory developments and the Trustee's overarching climate strategy. The review was intended to support informed decision making on next steps, strengthen oversight arrangements and ensure the effective delivery of the Trustee's net zero commitment within a rapidly evolving policy and market context.

Finally, the Trustee continued to enhance the scope and maturity of its disclosures. During the reporting year, climate metrics were extended to include liability-driven investment (LDI) portfolios for the first time, alongside the introduction of nature-related indicators for selected asset classes. These developments represent a meaningful expansion in the breadth and depth of climate-related reporting.

Climate-related risk management

The Trustee recognises climate change as a material financial risk with the potential to affect asset values, funding outcomes and long-term member security.

The Trustee has developed a structured approach to ensure that climate-related risks – including both physical risks (such as extreme weather events and chronic climate impacts) and transition risks (arising from policy changes, technological developments and shifts in market behaviour) – are explicitly considered throughout the investment process. The Trustee's climate approach, including its commitments towards net zero, is set out in its **Climate Change Policy**.

Climate considerations are integrated into the Risk Management Framework through established tools and processes, including risk registers, scenario analysis and external benchmarking, supporting consistent identification, assessment and monitoring over time.

Through this integrated approach, the Trustee ensures that climate-related risks are considered alongside other material risks in strategic planning, investment decision making and ongoing risk oversight.

Table 1. Climate-related transition and physical risks and opportunities by asset class

Asset class	Transition risks	Physical risks	Opportunities
Listed equities	High-emitting sectors may face declining valuations due to regulatory change, carbon pricing and shifts in consumer demand. Rapid technological change may challenge existing business models.	Extreme weather events and chronic climate change may disrupt company operations, affect physical assets and supply chains, and increase operating and insurance costs. Rising temperatures and resource constraints may also affect productivity, input costs and consumer demand across sectors.	Opportunities may arise from investment in companies developing low-carbon technologies, renewable energy and transition-enabling products and services. Companies with credible transition strategies and strong climate governance may demonstrate greater resilience and long-term growth potential.
Corporate fixed income	Increased credit risk for issuers in carbon-intensive sectors as transition costs rise. Stranded assets may weaken balance sheets and debt servicing capacity.	Physical damage to assets may impair operational performance and financial resilience. Climate events may increase insurance and refinancing costs.	Exposure to green bonds and sustainability-linked instruments financing climate-positive projects. Issuers with credible transition strategies and strong climate governance may demonstrate greater long-term credit resilience.
Real estate	Stricter building standards and energy efficiency requirements may increase capital and compliance costs.	Assets in climate-exposed locations may face flooding, storm damage or heat stress, increasing maintenance and insurance costs.	Investment in energy-efficient buildings and retrofitting can reduce operating costs and enhance long-term asset value. Growing demand for sustainable and resilient properties.
Infrastructure	Carbon-intensive infrastructure may face obsolescence or regulatory constraints as the energy transition accelerates.	Extreme weather, water stress and temperature extremes may disrupt operations and increase maintenance requirements.	Long-term opportunities in renewable energy, grid infrastructure, public transport and climate-resilient assets supporting the net zero transition.

Climate and nature snapshot – 30 September 2025[1]

Defined Benefit

Climate		
Covered Assets Under Management (AUM)[2]		**£1.37bn**
Absolute emissions (tCO_2e)	Scope 1	45.47bn
	Scope 2	10.80bn
	Scope 3	478.36bn
Emissions intensity (tCO_2e/£m invested)	Scope 1	33.16
	Scope 2	7.88
	Scope 3	398.40
Data quality score 1 (highest quality) - 5 (lowest quality)	Scope 1	2: 87.42% 3: 0.18% 4: 12.40%
	Scope 2	2: 85.91% 4:14.09%
	Scope 3	2: 71.78% 4: 28.22%
ITR (°C)		2.2

% AUM with GHG reduction targets	88.20%
% AUM with science-based targets (SBTi)	52.35%
Weighted fossil fuel revenue	1.79%
Weighted green revenue	7.50%

Note: Percentages may not sum to 100% due to data gaps.

[1] Covers listed equity and corporate fixed income holdings for which reliable issuer-level climate and nature data are currently available. It does not cover LDI strategies, which represent a significant proportion of assets, as well as other asset classes where comparable data are not yet consistently available. Data sourced from MSCI and ISS STOXX.

[2] AUM for which absolute emissions are measured based on data availability for Scope 1 and 2 emissions. Coverage for absolute emissions across Scopes 1, 2 and 3 is slightly lower, at £1.2bn respectively.

Deforestation		Covered AUM	Impacted AUM
Potential direct contribution to deforestation	Percentage of AUM linked to companies that produce commodities that contribute to deforestation (palm oil, soy, beef, and timber), and/or that are classified as operating in a high-risk area and/or that have been involved in controversies linked to deforestation.	£1.39bn	4.33%
Operation in deforestation fronts	Percentage of AUM linked to companies with three or more known physical assets in areas with a significant concentration of deforestation and where large areas of remaining forests are under threat.	£1.25bn	12.26%

Biodiversity		Covered AUM	No. of companies
Companies negatively affecting biodiversity-sensitive areas	Companies directly involved in controversies which negatively affect biodiversity-sensitive areas and where remedial measures have not been implemented.	£1.43bn	3
Controversies affecting threatened species	Companies involved in controversies which affect International Union for the Conservation of Nature (IUCN) Red List species.	£1.43bn	9

Resource depletion		Covered AUM	No. of companies
Lack of water management policies	Companies that lack sufficient policies or practices to manage water-related risks. The assessment is based on factors such as exposure to water-stressed regions, freshwater use reduction targets and action plans.	£801.6m	423

Potentially Disappeared Fraction (PDF) of species		Covered AUM	PDF.km2.yr / $M
PDF	PDF quantifies the potential loss of species richness due to adverse environmental pressures, relative to species richness in undisturbed ecosystems, often referred to as the pristine state. Species richness refers to the number of unique species in an area. PDF is defined over both area (m2, or km2) and time (year).	£1.35bn	26.51

The DB portfolio demonstrates encouraging progress in aligning with companies that are managing climate-related risks and opportunities. Of the assets covered by the analysis, 88.2% are invested in companies with greenhouse gas (GHG) reduction targets, and 52.4% are invested in companies with science-based targets validated or committed through the Science Based Targets initiative (SBTi). In addition, the portfolio derives 7.5% of weighted revenue from activities considered environmentally beneficial, compared with 1.8% of weighted revenue linked to fossil fuel-related activities.

The portfolio's implied temperature rise (ITR) is 2.2°C. Although this remains above a trajectory consistent with limiting global warming to 1.5°C, it suggests that the portfolio is more closely aligned with a lower-carbon transition pathway than many broad market benchmarks. The Trustee continues to work with TPTIM to improve portfolio alignment over time through stewardship, manager selection and investment strategy implementation.

Nature-related metrics provide additional insight into potential environmental dependencies and impacts. However, it is important to note that nature and biodiversity data remain at an early stage of development, with current methodologies covering only a limited proportion of our corporate assets. To support transparency and appropriate interpretation, the Trustee discloses the covered AUM for each metric alongside either the percentage of AUM or the number of companies to which the metric applies, calculated within the covered AUM.

While data quality and coverage remain imperfect, the Trustee considers nature-related risks and dependencies to be a strategically important sustainability theme. The disclosure of these metrics represents an initial step towards more comprehensive and standardised nature-related reporting as data availability and methodologies continue to evolve.

Defined Contribution

Covered AUM[3]		£4.01bn
Absolute emissions (tCO_2e)	Scope 1	84.40bn
	Scope 2	29.82bn
	Scope 3	1.23tn
Emissions intensity (tCO_2e/£m invested)	Scope 1	21.03
	Scope 2	7.43
	Scope 3	360.28
Data quality score 1 (highest quality) - 5 (lowest quality)	Scope 1	2: 84.34% 3: 0.46% 4: 15.20%
	Scope 2	2: 82.09% 4: 17.91%
	Scope 3	2: 70.91% 4: 29.09%
ITR (°C)		2.6

Note: Percentages may not sum to 100% due to data gaps.

The DC portfolio, managed through AllianceBernstein, also shows evidence of progress in addressing climate-related risks. The portfolio's ITR is 2.6°C. While this indicates that further progress is required to align with global net zero ambitions, the portfolio has delivered a meaningful reduction in emissions intensity relative to the baseline. As at 30 September 2025, Scope 1 and Scope 2 emissions intensities were 21.0 and 7.4 tCO_2e per £ million invested, respectively.

Detailed nature-related metrics are not currently available for the DC portfolio. However, the Trustee continues to work closely with AllianceBernstein to strengthen the integration of climate and broader ESG considerations within the default strategy and to enhance stewardship expectations and oversight of the underlying investment managers.

[3] AUM for which absolute emissions are measured based on data availability for Scope 1 and 2 emissions. Coverage for absolute emissions across Scopes 1, 2 and 3 is slightly lower, at £3.42bn respectively.

Principle 3:
Engagement

Principle 3:
Engagement

Signatories engage to maintain or enhance the value of assets.

Purpose of engagement

VTL views engagement as a core stewardship tool to support long-term value creation for beneficiaries. It is used to improve risk management and decision-useful disclosure at investee companies, promote governance structures and business practices aligned with sustainable long-term performance, and influence company behaviour where material ESG risks may erode value. It also supports alignment between company strategy and long-term investor interests.

In doing so, the Trustee recognises that long-term financial outcomes are inherently linked to the sustainability and resilience of the economic, environmental and social systems on which beneficiaries depend, including the future world in which members will live and retire. Engagement is therefore applied to support investment decision making, strengthen portfolio resilience and contribute to well-functioning markets, recognising that outcomes may take time to materialise.

Selection and prioritisation of engagement issues

As mentioned, stewardship priorities are identified and reviewed annually as part of the Trustee's broader stewardship process. While these themes are applied consistently across portfolios, engagement priorities are tailored to reflect asset-specific risks, sector exposure and the rights and influence available to managers.

Engagement priorities are determined through a combination of inputs from appointed managers and Trustee oversight, including:

- Assessment of financially material ESG risks at portfolio and sector level;
- Consideration of systemic risks;
- Alignment with the Trustee's Responsible Investment Principles and Framework.

Methods of engagement

1. Engagement by investment managers

The Trustee delegates day-to-day engagement activity to its appointed investment managers, reflecting their direct access to company leadership, detailed knowledge of portfolio holdings, and ability to maintain sustained dialogue over time. Managers are expected to engage on ESG issues where these are material to the investment case or relate to broader systemic risks.

This includes proactive engagement with investee companies on key ESG topics, setting clear objectives and monitoring progress over time. Where progress is insufficient, managers are expected to escalate engagement and take appropriate action, while reporting regularly on activities and outcomes achieved.

The Trustee, via TPTIM for DB and AllianceBernstein for DC, reviews manager engagement activity and uses this information to assess alignment with its responsible investment principles and stewardship expectations.

2. Joint engagement with managers

There may be occasions when engagement topics identified by the Trustee overlap with the engagement efforts of its investment managers. In these situations, VTL, through TPTIM, will seek to undertake joint engagement activities with investment managers. VTL believes that having both an asset owner and an investment manager at the table to talk about an issue adds significant weight to the discussion.

3. Collaborative engagement

The Trustee recognises that as a responsible asset owner, it should, wherever practicable given time and resources, support initiatives which aim to improve the regulatory and operational environment for all investors. To support this goal, TPTIM, on behalf of VTL, will participate in collaborative engagements with other asset owners and industry groups, aligning these efforts with VTL's Investment Beliefs and Responsible Investment Framework.

Collaborative engagement enables the Trustee to amplify its voice on issues of systemic importance and contribute to broader market change.

4. Direct engagement

On occasions, an issue may arise where VTL believes it is necessary to directly engage with companies on particular ESG-related issues. In such cases, TPTIM, in respect of the DB portfolio, and AllianceBernstein, for the DC portfolio, conduct targeted engagements on behalf of VTL to address these concerns and drive meaningful progress. The Trustee retains oversight and is updated on the objectives, engagement timeline and outcomes. Direct engagement is typically reserved for issues of significant member interest, reputational risk or strategic relevance to the portfolio.

Escalation and progress

Escalation is an integral component of VTL's engagement framework where progress is insufficient or risks remain inadequately managed.

Within the delegated model, escalation is typically exercised through:

- Challenge and follow-up with investment managers where engagement outcomes fall short of expectations;
- Increased scrutiny of specific holdings, sectors or thematic risks;
- Use of voting, where applicable, as part of an escalation pathway;
- Participation in collaborative escalation initiatives; and
- Consideration of mandate terms or manager relationships where persistent misalignment is identified.

Where appropriate, escalation tools available to underlying investment managers may include:

- Increasing the intensity or frequency of engagement;
- Voting against management or specific resolutions;
- Supporting or filing shareholder resolutions; and
- Reducing or exiting positions.

During the reporting period, escalation was generally implemented through enhanced monitoring and manager challenge, reflecting the Trustee's preference for engagement-led outcomes where credible progress remains achievable. In extreme cases, failure to meet stewardship expectations may lead to a review of manager appointments, reinforcing accountability.

Monitoring effectiveness and continuous improvement

The Trustee assesses the effectiveness of engagement through a structured oversight framework, including:

- Quarterly reporting on engagement and voting activity;
- Evaluation of outcomes achieved, rather than activity alone;
- Assessment of manager alignment with stewardship priorities; and
- Ongoing refinement of engagement themes, tools and escalation approaches.

Engagement examples[4]

Equity			
Investment manager:	L&G Asset Management		
TPT Fund:	Global Equity Fund		
Issuer:	GSK plc	**Topic:**	Antimicrobial resistance
Background:	The COVID-19 pandemic demonstrated the profound economic and social disruption that global health crises can cause. Antimicrobial resistance (AMR) – whereby antibiotics lose effectiveness as microbes evolve to survive treatment – represents a potential future pandemic threat. The World Health Organization has identified AMR as "one of the top global public health and development threats". The World Bank estimates that AMR could lead to an additional US$1 trillion in healthcare costs by 2050 and annual global GDP losses of US$1 trillion to US$3.4 trillion by 2030. As a global investor with exposure to sectors that both contribute to and are affected by AMR, L&G considers this issue to be financially material to the long-term returns it seeks to generate for clients. During the reporting period, L&G engaged with GSK plc, one of the world's largest pharmaceutical companies. With manufacturing sites in 37 countries and operations across 75, GSK's scale and market influence position it to drive best practice across the sector.		
Action:	In May, L&G undertook an exploratory visit to GSK's manufacturing site in Worthing, on the English coast. Worthing is the first UK site to achieve British Standards Institute (BSI) certification in accordance with the Antibiotic Manufacturing Standard, developed by BSI and the AMR Industry Alliance in 2022. The standard outlines best practice controls and methods for the responsible manufacturing of antibiotics across global supply chains. L&G was given a detailed guided tour of the site, providing an opportunity to observe safety and contamination prevention measures in action, as well as the systems in place to ensure compliance with the BSI standard. The visit also enabled direct discussions with on-site employees, offering valuable first-hand insight into GSK's operational practices and commitment to AMR mitigation.		
Outcomes and next steps:	The site visit enabled L&G to gain practical insight into how pharmaceutical companies can mitigate and monitor AMR through robust manufacturing processes and oversight. It also reinforced to GSK the financial materiality of AMR to investors and the important role of the pharmaceutical industry – alongside other sectors – in addressing this systemic risk. The engagement helped strengthen L&G's relationship with the company through in-depth, constructive dialogue. This experience enhanced L&G's understanding of the actions companies can take to address AMR, informing its expectations for future engagements with both the pharmaceutical sector and other industries. Alongside policy dialogue and collaborative initiatives, L&G will continue to engage with influential companies that can help improve industrial practices and behaviours that play a vital role in mitigating AMR.		

[4] Certain engagement examples and significant votes disclosed in this report are also included in the Stewardship Code submissions of TPTIM and AllianceBernstein. This reflects the Trustee's delegated investment model, under which stewardship activities are implemented on its behalf.

Equity			
Investment manager:	RBC BlueBay Asset Management		
TPT Fund:	Global Equity Fund		
Issuer:	TSMC	**Topic:**	Climate change
Background:	Taiwan Semiconductor Manufacturing Company (TSMC) is the world's largest dedicated semiconductor foundry and a critical enabler of global digital infrastructure. Given the high energy intensity of semiconductor manufacturing, climate change represents a financially material risk to the company. RBC has identified climate strategy – particularly the credibility of net zero targets and the alignment with science-based pathways – as a key engagement priority for TSMC.		
Action:	In an in-person meeting at TSMC's headquarters in Hsinchu, Taiwan, RBC followed up on previous engagements regarding the company's climate disclosures and SBTi alignment. The discussion focused on understanding the company's decarbonisation trajectory in light of its ongoing expansion and assessing the credibility of its long-term net zero commitment.		
Outcomes and next steps:	TSMC has set a 2050 net zero target, but this currently covers only Scope 2 emissions. Management explained that rapid capacity expansion remains a significant challenge, making it difficult to reduce absolute emissions in the near term. However, the company has made substantial investments in renewable energy, and the proportion of renewable electricity in its energy mix continues to increase. Notably, TSMC now expects its emissions to peak in 2026, despite ongoing double-digit growth in manufacturing capacity. For the first time, management indicated that once capacity stabilises post-2026, the company should be in a position to commit to the SBTi framework. RBC will continue to monitor progress toward this commitment and engage on the integration of Scope 3 emissions, interim targets, and enhanced disclosure. Continued alignment with credible climate pathways will be essential for mitigating long-term transition risks and reinforcing TSMC's leadership position in sustainable semiconductor manufacturing.		

Corporate Fixed Income			
Investment manager:	Royal London Asset Management (RLAM)		
TPT Fund:	Investment Grade Bond Fund		
Issuer:	E.ON SE	**Topic:**	Climate change
Background:	As a co-lead investor within the Climate Action 100+ initiative, RLAM has engaged with E.ON SE, a leading European utility company, to review recent developments in its sustainability strategy. Discussions focused on the company's climate transition planning, emissions reduction targets, and the regulatory challenges associated with the energy transition.		
Action:	E.ON continues to make steady progress in advancing its climate transition strategy, supported by a product mix that facilitates decarbonisation. The company has strengthened its 2030 Scope 1 and 2 emissions reduction target to 50% and reported an 8% year-on-year decline in Scope 3 emissions, aided by a milder winter and customer adoption of heat pumps. However, Scope 1 and 2 emissions rose during the reporting period due to regulatory requirements in Germany mandating the replacement of grid losses with grey electricity. The company confirmed that it is not expanding its gas infrastructure and now considers emissions performance in merger and acquisition decisions. Nonetheless, RLAM noted that E.ON's overall approach to decarbonisation lacks the clarity and ambition demonstrated by some of its leading peers. Hydrogen remains an area of exploration for E.ON, though current trials are small in scale, and the company indicated that large-scale residential adoption is now considered less likely than previously anticipated.		
Outcomes and next steps:	E.ON has committed to providing further information on its climate transition plans in a follow-up meeting or written correspondence. RLAM will continue to monitor the company's progress against the Climate Action 100+ benchmark, maintaining dialogue to encourage greater ambition, enhanced transparency, and alignment with best practice in the sector.		

Risk Sharing			
Investment manager:	Chorus Capital		
TPT Fund:	Private Credit Fund		
Issuer:	U.S. Tier 1 Bank	**Topic:**	ESG risk integration
Background:	During its analysis of a new transaction, Chorus Capital identified two portfolio exposures presenting heightened ESG risks due to involvement in thermal coal mining and/or weak governance practices. One of these exposures held an MSCI ESG rating of CCC, indicating significant sustainability concerns. In addition, the transaction structure permitted the replenishment of exposures in sectors that would breach Chorus's Responsible Investment Policy, including thermal coal.		
Action:	Chorus Capital engaged with the bank to address these issues and successfully negotiated the exclusion of both high-risk names from the portfolio. Beyond these removals, Chorus also secured the exclusion of an additional 140 companies from eligibility during the replenishment period due to credit or ESG-related concerns. Furthermore, the firm negotiated a broader exclusion list covering all companies involved in thermal coal, oil sands, tobacco, and controversial weapons, ensuring alignment with its Responsible Investment Policy.		
Outcomes and next steps:	The bank agreed to all proposed exclusions, thereby ensuring that the transaction remains consistent with Chorus Capital's Responsible Investment Policy throughout its duration. This outcome strengthened ESG safeguards within the portfolio and reinforced Chorus's commitment to integrating responsible investment principles into private credit transactions.		

Equity			
Investment manager:	Ruffer		
TPT Fund:	Liquid Alternatives Fund		
Issuer:	ArcelorMittal	**Topic:**	Energy transition
Background:	ArcelorMittal is one of the world's largest steel producers and a key player in the global energy transition, given the steel sector's significant contribution to industrial emissions. At the same time, health and safety remain material issues for the company due to the hazardous nature of its operations. Following a fatal mine explosion in Kazakhstan in 2023, these topics have been central to stakeholder scrutiny and investor engagement.		
Action:	Ruffer met with the Head of Investor Relations, the ESG Investor Relations Manager, and the Vice President of Corporate Communications and Corporate Responsibility to address two main areas: the company's progress on climate transition planning, including science-based target setting, and developments in health and safety performance, including the response to the Kazakhstan incident. The engagement aimed to understand evolving decarbonisation challenges, assess the company's positioning on setting credible climate targets, and press for improved safety disclosures – particularly at the asset and business segment level.		
Outcomes and next steps:	ArcelorMittal cited the availability and price of clean energy, scrap metal constraints, and legacy infrastructure as key barriers to decarbonisation. While committed to long-term emissions reductions, the company continues to prioritise cost competitiveness and economic sustainability. Regarding science-based targets, ArcelorMittal emphasised the absence of region-specific decarbonisation pathways for the steel sector and noted that the SBTi is aware of this gap. As a result, the company is focused on transparent communication about why it is not yet in a position to set SBTi-aligned targets, rather than making premature commitments. ArcelorMittal also launched a comprehensive, company-wide health and safety audit. However, no further detail was provided on the Kazakhstan mine review, as the asset has since been sold to the government. The company reported strong safety performance outside the Commonwealth of Independent States (CIS) region during the review period. Ruffer, alongside the Climate Action 100+ working group, will continue to engage with ArcelorMittal on transition pathways for the steel sector. Future engagement will also focus on encouraging the company to enhance its disclosure – both by providing more granular, asset-level safety data and by more clearly articulating its narrative around 'green' steel initiatives.		

Infrastructure			
Investment manager:	IFM		
TPT Fund:	Real Assets Fund		
Issuer:	Veolia Energia Polska	**Topic:**	Climate change
Background:	Veolia Energia Polska is a leading energy generation and district heating provider in Poland, operating in a country where coal remains a dominant part of the energy mix. As part of its global commitment to achieving net zero emissions across all asset classes by 2050, IFM targets decarbonisation as a priority engagement theme.		
Action:	Through its active management approach, IFM engages directly with portfolio companies at the Board level and through ongoing dialogue with management. Veolia Energia Polska has been a key focus for climate-related engagement, particularly around phasing out coal and supporting the country's broader energy transition. As a result of IFM's active involvement, the company committed to a decarbonisation strategy that aims to reduce carbon emissions by an estimated 40% by 2030. This strategy focuses on modernising and future-proofing generation assets for use with lower-emission fuels while scaling output to reduce reliance on coal-fired generation.		
Outcomes and next steps:	Veolia Energia Polska is progressing with the development of new gas-fired combined heat and power (CHP) plants in Poznań and Łódź, which will replace existing coal facilities. A major milestone was achieved with the start of operations of a new single-cycle gas turbine (SCGT) plant in Poznań on 1 March 2025. Delivered ahead of schedule, under budget, and without any health and safety incidents, the project represents Phase 1 of the company's decarbonisation plan. Once operationalised, the plant is expected to eliminate approximately one-third of Veolia Energia Polska's coal exposure and enable operational flexibility through automation and electricity-only summer operation modes. In parallel, Veolia Łódź issued a notice to proceed with the construction of its own SCGT plant. The company is leveraging lessons learned and continuity in execution by working with the same Siemens EPC team involved in the Poznań project. IFM will continue to engage with Veolia Energia Polska to monitor implementation of the remaining phases of the decarbonisation plan.		

TPTIM	
Topic:	Human rights
Background:	In December 2024, TPTIM, as a member of the Investor Alliance for Human Rights (IAHR), co-signed a private investor letter raising concerns over the human rights impacts of AI-driven targeted advertising practices at a large technology company. The letter followed a shareholder proposal that received strong support at the company's AGM, calling for an independent, third-party Human Rights Impact Assessment (HRIA) of its targeted advertising policies and technologies. The engagement reflects growing investor concern about the role of artificial intelligence in exacerbating risks such as discrimination, misinformation, privacy violations, and the potential for regulatory breaches. Targeted advertising represents a significant share of the company's revenues and is powered by complex algorithmic systems, yet the company has not yet demonstrated that its existing policies and due diligence processes are sufficient to identify and mitigate related human rights risks.
Action:	The letter urged the company's board to commission an HRIA to assess the actual and potential human rights impacts associated with its advertising technology and to demonstrate greater accountability and transparency in its AI deployment. While the company has made public commitments to human rights and is a founding member of the Global Network Initiative, investors noted a lack of clarity on how these commitments are operationalised specifically in relation to targeted advertising. This engagement builds on prior efforts and shareholder proposals submitted over consecutive years, both receiving close to majority support among Class A shareholders.
Outcomes and next steps:	TPTIM will monitor developments in the company's response and continue to participate in collective engagement efforts that align with the United Nations Guiding Principles on Business and Human Rights.

AllianceBernstein

Issuer:	Equinix	Topic:	Water management
Background:	Equinix, a US-based data centre company, was identified by AllianceBernstein as a high-impact and high-dependency exposure within its biodiversity risk assessment framework. This reflects the company's reliance on freshwater availability for data centre cooling and its operational water use, particularly in water-stressed regions. Effective management of water resources and associated biodiversity impacts is therefore considered financially material to long-term performance and asset resilience.		
Action:	AllianceBernstein engaged with Equinix to better understand its approach to water management and broader biodiversity considerations. The company outlined its use of AI-driven analytics, basin-level water stress analysis and external tools such as the World Resources Institute Aqueduct framework to inform cooling decisions, including a shift towards water-free cooling solutions in higher-risk locations. During engagement, AllianceBernstein encouraged the company to strengthen its approach by considering the introduction of formal water consumption targets to support accountability and by aligning disclosures with the Taskforce on Nature-related Financial Disclosures (TNFD) framework. Equinix indicated that it had responded positively to this feedback, noting the establishment of a formal governance structure and a dedicated internal working group as initial steps towards enhanced TNFD alignment. The company also highlighted ongoing work to pilot site-level biodiversity impact assessments and collaboration with external stakeholders to refine its measurement approach.		
Outcomes and next steps:	The engagement contributed to improved transparency around Equinix's approach to managing water and biodiversity risks, alongside evidence of strengthening governance and measurement practices. The company has also demonstrated progress in improving water efficiency, as reflected in declining water usage effectiveness metrics. AllianceBernstein will continue to monitor the company's progress, with a focus on the development of formal targets, enhanced disclosure aligned with evolving best practice and the continued integration of biodiversity considerations into operational decision making.		

AllianceBernstein

Issuer:	Lowe's	**Topic:**	Deforestation
Background:	Lowe's, a US-based building materials company, was identified by AllianceBernstein as a high-impact issuer in relation to biodiversity risk, reflecting its exposure to deforestation through timber sourcing. This assessment was further supported by the company's below-average performance on deforestation transparency within AllianceBernstein's proprietary ESG framework (ESIGHT 2.0). Given that lumber represents a significant proportion of the company's product mix, effective management of sourcing practices is considered financially material.		
Action:	AllianceBernstein engaged with Lowe's to encourage the strengthening of its approach to deforestation risk, with a particular focus on responsible wood sourcing. The company outlined its approach to sourcing from lower-risk regions, including Canada, and highlighted requirements for Forest Stewardship Council (FSC) certification in high-risk geographies. Lowe's also described the application of enhanced due diligence measures, including third-party verification in medium-risk regions and traceability and audit processes in lower-risk areas. These measures are intended to support greater transparency and mitigate exposure to deforestation-related risks across the supply chain.		
Outcomes and next steps:	The company has demonstrated continued progress in increasing the proportion of responsibly sourced wood, with reported improvements over recent years and an expectation of achieving its target of 100% responsibly sourced wood by 2025. This reflects a strengthening approach to supply chain oversight, verification and traceability. AllianceBernstein will continue to monitor the company's progress, with a focus on confirming delivery against stated targets, assessing the robustness of verification processes and ensuring continued protection of high-value ecosystems through improved sourcing practices.		

UK Stewardship Code 2026

Principle 4: Exercising rights and responsibilities

Principle 4:
Exercising rights and responsibilities

Signatories actively exercise their rights and responsibilities.

Approach

VTL recognises that the effective exercise of rights and responsibilities is a key component of stewardship and an important mechanism for maintaining and enhancing the long-term value of investments.

As an asset owner investing through external managers, the Trustee adopts a delegated but actively overseen approach. Voting and engagement rights are exercised by appointed investment managers, while the Trustee retains ultimate accountability and the ability to set clear expectations.

This approach is grounded in the Trustee's Responsible Investment Framework, including the Voting and Engagement Policy, which defines how stewardship rights should be exercised in practice.

Voting

The Trustee expects its investment managers to:

- Vote all shares where practicable;
- Act in the best long-term interests of members;
- Align voting behaviour with recognised governance standards;
- Integrate material ESG considerations, including climate, governance and social factors;
- Provide clear rationale and transparency around voting decisions, particularly where votes are against management or signal escalation.

TPTIM and AllianceBernstein are responsible for overseeing how voting rights are exercised by underlying investment managers. This oversight includes ensuring that:

- Managers' voting activity and records are reviewed on a regular basis;
- Voting decisions are aligned with the Trustee's Voting Guidelines and broader stewardship priorities;
- Significant or contentious votes are identified, reviewed and, where appropriate, escalated; and
- Any material divergence from policy expectations is investigated and addressed.

Investment managers are expected to vote in accordance with recognised governance standards, including the Pensions UK Corporate Governance Policy and Voting Guidelines, supported by the G20/OECD Corporate Governance Principles and the International Corporate Governance Network (ICGN) Global Governance Principles. For non-UK holdings, equivalent expectations apply in respect of transparency, board accountability and the protection of shareholder rights. The Trustee retains the right, where practicable, to provide direction on how votes should be cast, particularly in relation to priority stewardship issues. Where appropriate and proportionate, this may include recalling stock on loan or overriding manager discretion, subject to operational feasibility.

While voting responsibilities are delegated, the Trustee retains the right to direct votes in specific circumstances, oversees voting activity through regular reporting, and engages with managers where voting outcomes are misaligned with its expectations.

Voting disclosure

Full voting records for the DB portfolio can be consulted on TPT's website.

VTL's annual Implementation Statement also provides a summary of key voting activity and significant votes across both DB and DC.

Voting coverage

The Trustee expects a high level of voting coverage, while recognising that certain limitations – such as securities lending, share blocking, market-specific constraints, or operational restrictions – may apply. Any such limitations are monitored through regular reporting from investment managers.

Please see the ***Appendix*** for voting statistics.

Rationale for voting decisions

Voting decisions are assessed by the Trustee through periodic review of manager voting activity and rationales. Particular attention is given to votes related to:

- Board composition and accountability;
- Remuneration alignment with long-term performance;
- Climate-related shareholder resolutions and transition planning; and
- Governance or risk management concerns where material to investment outcomes.

Where votes are cast against management or management-recommended resolutions, managers are expected to provide clear justification, demonstrating alignment with the Trustee's stewardship priorities and long-term value considerations.

Stock lending

The Trustee participates in a securities lending programme, which may, in certain circumstances, temporarily limit the ability to exercise voting rights on specific resolutions. Where a vote is considered contentious, material or strategically important, the Trustee may instruct that stock is recalled or that lending is restricted in order to facilitate voting. Such decisions are taken on a case-by-case basis, in consultation with the relevant investment manager, and with regard to proportionality and operational feasibility.

DB and DC voting structures

For the DB portfolio, TPTIM seeks, where practicable, to implement segregated mandates. This structure provides greater transparency, enables tailored voting expectations to be reflected in investment management arrangements, and allows the Trustee to intervene more directly where necessary.

For DC, investments are held through a unit-linked insurance policy with Phoenix Life Limited. While voting rights are primarily exercised by the underlying investment managers, AllianceBernstein retains oversight of stewardship practices and, for certain allocations, may exercise voting rights directly or through agreed arrangements.

Voting as part of escalation

Voting is an important escalation tool within the Trustee's stewardship framework, particularly where engagement has not delivered sufficient progress. During the period, votes against management were cast in instances where prior engagement on governance or climate-related issues had not resulted in credible improvement, or where proposals were considered inconsistent with long-term shareholder interests or prevailing market standards. The significant votes presented below include illustrative examples of this approach.

Conflicts of interest in voting

The Trustee recognises that conflicts of interest may arise in relation to voting, particularly within a delegated investment model where managers act on behalf of multiple clients or maintain commercial relationships with investee companies.

To manage these risks, the Trustee sets clear expectations through Investment Management Agreements and requires managers to maintain and apply robust conflicts of interest policies, including appropriate internal controls and information barriers. Voting decisions and supporting rationales are subject to ongoing oversight through regular reporting, and managers are expected to disclose any conflicts that may have influenced their voting behaviour.

Where concerns arise, the Trustee may challenge voting decisions and request additional disclosure or explanation from managers. The Trustee also retains the right, where practicable, to direct votes in cases directly linked to its stewardship commitments.

No material unresolved voting-related conflicts were identified during the reporting period.

Other asset classes

The Trustee recognises that the nature of rights and responsibilities varies across asset classes. Its approach is therefore tailored to each asset class, while remaining consistent in principle, with a focus on influence, oversight and accountability.

Corporate bonds

Although voting rights are not available, stewardship is exercised through engagement with issuers via investment managers, the integration of ESG factors into credit analysis, and ongoing monitoring of issuer behaviour and governance. Engagement has focused in particular on areas such as climate risk management, transition strategy, and governance and disclosure practices, supporting more informed risk assessment and pricing and contributing to long-term value preservation.

Private credit

Stewardship is exercised through manager-led engagement with borrowers, integration of ESG considerations into underwriting, and ongoing monitoring of borrower performance, including governance and risk management practices.

Infrastructure

In infrastructure, the Trustee benefits from enhanced governance rights, typically exercised through managers via board representation or advisory roles. Managers engage directly with portfolio companies on operational performance, sustainability and governance, with the Trustee monitoring outcomes through regular reporting and review processes.

Real estate

For property investments, stewardship focuses on asset-level management, including sustainability performance, tenant engagement and governance practices. Managers are expected to drive improvements in areas such as energy efficiency, resilience and regulatory compliance, with progress monitored by the Trustee.

LDI and sovereign exposures

For LDI and sovereign exposures, stewardship is primarily exercised through manager selection and oversight, the integration of ESG considerations into investment strategy and risk management, and monitoring of systemic risks, including climate and macroeconomic factors.

Monitoring and effectiveness

The Trustee assesses the effectiveness of its stewardship approach through regular reporting on voting activity and engagement outcomes, review of alignment with its stewardship priorities, ongoing dialogue with TPTIM and AllianceBernstein, and periodic review of its policies and expectations.

Where appropriate, the Trustee refines its approach to ensure that rights are exercised actively and consistently, and that stewardship activities contribute to measurable outcomes.

Oversight and accountability

Across all asset classes, the Trustee monitors how rights and responsibilities are exercised through regular reporting to the Investment Oversight Committee and, where relevant, escalation to the Trustee Board. The Trustee recognises that the effective exercise of rights is an ongoing process and continues to evolve its expectations, oversight and escalation mechanisms to support meaningful stewardship outcomes.

Exercising rights and responsibilities

The Trustee's approach to exercising rights and responsibilities is characterised by:

- Active oversight of delegated voting and engagement
- Clear expectations for high voting coverage and ESG integration
- Use of voting as an escalation tool
- Robust management of conflicts of interest
- A tailored approach across different asset classes

Through this framework, the Trustee seeks to ensure that stewardship activities are effective, accountable and aligned with the long-term interests of members.

Significant votes examples

Defined Benefit

Investment manager: L&G Asset Management	
Company name	Microsoft Corporation
Date of vote	10 December 2024
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	6.01%
Summary of the resolution	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?	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is L&G's policy not to engage with investee companies in the three weeks prior to the AGM.
Rationale for the voting decision	The company is exposed to growing legal and reputational risks related to copyright infringement in its data sourcing practices. Although Microsoft has robust disclosures regarding responsible AI and associated risks, L&G believes shareholders would benefit from enhanced transparency on how third-party data is used to train its large language models.
Outcome of the vote	Failed
Implications of the outcome	L&G will continue its engagement efforts, advocating for improved disclosure and stronger commitments on AI governance and data ethics.
On which criteria have you assessed this vote to be "most significant"?	Shareholder proposal.

Investment manager: Ruffer LLP	
Company name	PulteGroup
Date of vote	30 April 2025
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	N/A
Summary of the resolution	Adopt GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal
How you voted	For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
Rationale for the voting decision	Ruffer believes that industry-leading companies should advance the management of climate risk by setting explicit, science-based emissions targets supported by key performance indicators, internal carbon pricing, and appropriate incentives. Ruffer considered this proposal a valuable opportunity for the company to demonstrate climate leadership and strengthen its long-term strategy.
Outcome of the vote	Failed
Implications of the outcome	Ruffer will continue to monitor PulteGroup's progress and may seek further engagement if limited action is observed.
On which criteria have you assessed this vote to be "most significant"?	Ruffer defines a significant vote as any vote against management or an ISS recommendation, any vote breaching internal voting guidelines, and any resolution related to climate or shareholder proposals.

Investment manager: Man Group	
Company name	Dollarama Inc.
Date of vote	11 June 2025
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	Not available
Summary of the resolution	Shareholder Proposal Regarding Waste Reduction Policy
How you voted	For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
Rationale for the voting decision	Man Group voted for the shareholder proposal to strengthen the company's waste reduction policy. The proposal sought increased environmental accountability and disclosure, aligning with Man's broader support for initiatives that promote positive environmental and social outcomes.
Outcome of the vote	Failed
Implications of the outcome	Man Group places strong emphasis on the role of shareholder proposals as part of its stewardship responsibilities. The firm's Custom Proxy Voting Policy is supportive of proposals that encourage stronger environmental and social performance. Man considers active voting – particularly in favour of well-constructed shareholder proposals – an important mechanism for influencing company behaviour and advancing responsible investment principles.
On which criteria have you assessed this vote to be "most significant"?	Shareholder proposal.

Investment manager: L&G Asset Management	
Company name	Equinor ASA
Date of vote	14 June 2025
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.13%
Summary of the resolution	Approve Energy Transition Plan 2025
How you voted	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G publicly discloses its voting decisions and the rationale for all votes against management on its website. In line with its voting policy, L&G does not engage with investee companies during the three weeks preceding an AGM.
Rationale for the voting decision	Climate change: L&G acknowledges the challenging market environment since Equinor first published its climate transition strategy in 2022. However, as outlined in L&G's Oil and Gas Sector Principles, the firm expects companies to establish robust, time-bound emissions targets aligned with net zero goals, supported by transparent disclosures and evidence of financial resilience under a range of climate scenarios. In this context, L&G expressed concern regarding Equinor's intention to expand oil and gas production internationally, the associated financial risks, and the potential impact on its ability to meet its revised Net Carbon Intensity (NCI) targets. As a result, L&G voted against the company's 2025 Energy Transition Plan.
Outcome of the vote	Passed
Implications of the outcome	L&G will continue to engage with Equinor and other investee companies in the sector to advocate for credible, ambitious, and transparent transition strategies aligned with a 1.5°C pathway. The firm will also monitor company- and market-level developments and disclose updates on progress through its stewardship reporting.
On which criteria have you assessed this vote to be "most significant"?	This vote was deemed most significant due to the strategic importance of climate transition planning within the energy sector, Equinor's intention to expand oil and gas operations, and the potential impact on alignment with its net zero targets.

Investment manager: L&G Asset Management	
Company name	Marks & Spencer Group Plc
Date of vote	1 July 2025
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.26%
Summary of the resolution	Oversee the Preparation of a Report to Provide Investors the Information Needed to Assess the Company's Approach to Human Capital Management
How you voted	For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G publicly discloses its voting decisions and the rationale for all votes against management on its website. In line with its voting policy, L&G does not engage with investee companies during the three weeks preceding an AGM.
Rationale for the voting decision	Income Inequality: L&G acknowledges M&S's commitment to paying all employees a real living wage. However, knowing the turnover rates at least for full-time workers would help to build a picture of the positive impact of paying a real living wage and how treating their colleagues well impacts retention rates. Although the UK is considered a low-risk country in terms of human rights abuses, L&G believes having a thorough understanding of the 3rd party contractors that operate on M&S premises will reduce any potential future risks from human rights issues.
Outcome of the vote	Failed
Implications of the outcome	L&G will continue to engage with M&S and their investee companies, and publicly advocate their position on this issue and monitor company and market-level progress.
On which criteria have you assessed this vote to be "most significant"?	This shareholder resolution is considered significant due to the relatively high level of support received.

Defined Contribution

Investment manager: AllianceBernstein	
Company name	NVIDIA Corporation
Date of vote	25 June 2025
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	Not available
Summary of the resolution	Enhance Workforce Data Reporting
How you voted	For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
Rationale for the voting decision	NVIDIA consistently published its EEO-1 data from 2018 through 2021 but has not disclosed it since then. Such disclosure provides shareholders with a standardised and transparent overview of its workforce demographics, and producing this report does not require any additional resources. The company lags peer practice on this front, as Advanced Micro Devices, Intel, Broadcom, Qualcomm, Alphabet, Amazon, Cisco Systems, Hewlett Packard, and Microsoft all disclose this data.
Outcome of the vote	Failed
Implications of the outcome	AB will continue to encourage the company to disclose its Enhanced Workforce Data Reporting and enhance transparency.
On which criteria have you assessed this vote to be "most significant"?	Vote against management.

Investment manager: Amundi	
Company name	The Walt Disney Company
Date of vote	20 March 2025
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	1.62%
Summary of the resolution	Report on Climate Change- Report on Climate Risk in Retirement Plan Options
How you voted	For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
Rationale for the voting decision	Amundi supported the proposal on the basis that enhanced disclosure would assist shareholders in assessing potential climate-related risks and liabilities arising from the company's current practices.
Outcome of the vote	Failed
Implications of the outcome	Amundi will continue to monitor the company and may engage further if considered appropriate.
On which criteria have you assessed this vote to be "most significant"?	Vote against management.

Investment manager: Northern Trust Asset Management	
Company name	Crown Holdings, Inc.
Date of vote	1 May 2025
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	Not available
Summary of the resolution	Report on Political Contributions
How you voted	For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
Rationale for the voting decision	Northern Trust Asset Management supported the proposal on the basis that additional disclosure of the company's political contributions would enhance shareholders' ability to assess the use of corporate funds in the political process.
Outcome of the vote	Passed
Implications of the outcome	Northern Trust Asset Management will engage with the company as appropriate.
On which criteria have you assessed this vote to be "most significant"?	Shareholder Proposal.

Investment manager: HSBC Global Asset Management (UK)	
Company name	Alphabet Inc.
Date of vote	6 June 2025
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	4.03%
Summary of the resolution	Report on Meeting 2030 Climate Goals
How you voted	For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
Rationale for the voting decision	HSBC supported the proposal on the basis that enhanced disclosure would contribute to improved management of climate-related risks and would be in the long-term interests of shareholders.
Outcome of the vote	Failed
Implications of the outcome	HSBC will continue to monitor the company's approach and is likely to support similar proposals in the future.
On which criteria have you assessed this vote to be "most significant"?	Shareholder Proposal.

Principle 5: Selection and oversight of external managers

Principle 5:
Selection and oversight of external managers

Signatories integrate stewardship considerations into their selection and oversight of external managers.

Approach

VTL integrates stewardship considerations throughout the selection, appointment and ongoing oversight of external investment managers, recognising this as a primary mechanism for delivering stewardship within its delegated investment model.

With 100% of assets managed externally – via TPTIM for DB and AllianceBernstein for DC – VTL exercises its influence through manager selection and mandate design, clear articulation of stewardship expectations, ongoing monitoring and challenge, and escalation where required. This approach is underpinned by VTL's Responsible Investment Framework, Investment Beliefs and Responsible Investment Principles.

Incorporating stewardship into manager selection

Stewardship considerations are embedded within manager selection and tender processes across both DB and DC arrangements. Managers are assessed on their stewardship capabilities alongside investment performance, risk management and operational factors.

This includes evaluation of ESG integration within investment decision making, the robustness of engagement and voting practices, approaches to escalation, quality of stewardship reporting, and alignment with relevant industry standards and codes.

For DB assets, TPTIM leads manager selection on behalf of VTL, incorporating stewardship criteria into due diligence and scoring frameworks. For DC arrangements, AllianceBernstein applies an equivalent stewardship-focused assessment when selecting and overseeing underlying managers within the platform structure.

Stewardship expectations are formalised, where appropriate, through Investment Management Agreements and mandate guidelines. These may include requirements relating to ESG integration, voting and engagement practices, reporting and escalation. Expectations are tailored to the specific mandate, recognising differences in asset class and structure, including pooled versus segregated arrangements.

Engagement with external managers

VTL maintains regular and structured engagement with its appointed managers to ensure stewardship expectations are clearly understood and effectively implemented in practice.

This includes ongoing dialogue through reporting and review meetings, covering engagement activity, voting behaviour, escalation cases and emerging ESG risks. VTL also undertakes thematic discussions with managers on priority issues such as climate transition, nature-related risks and governance standards.

These interactions enable VTL to communicate its expectations, provide challenge where necessary, and assess the extent to which managers are delivering against agreed objectives. In the DC portfolio, engagement with AllianceBernstein focuses on ensuring stewardship expectations are effectively cascaded to underlying managers.

Oversight is primarily conducted through the Investment Oversight Committee, with material issues escalated to the Trustee Board where appropriate.

Monitoring stewardship performance

Stewardship is fully integrated into VTL's ongoing monitoring framework. VTL receives regular reporting from TPTIM and AllianceBernstein, enabling assessment of engagement activity, voting behaviour, and alignment with stewardship priorities.

Monitoring focuses not only on the level of activity but also on the quality and effectiveness of engagement, evidence of progress and outcomes, and consistency between stated policies and actual practices.

For DB portfolios, TPTIM applies a structured responsible investment assessment framework, rating managers against defined stewardship criteria. For DC arrangements, AllianceBernstein provides oversight reporting on underlying manager activity, enabling VTL to assess alignment despite structural constraints within pooled and insured vehicles.

VTL also uses third-party data and tools to support more systematic analysis of voting and engagement activity across managers.

Escalation

Escalation is an integral part of VTL's oversight approach where stewardship expectations are not met or progress is insufficient.

Actions may include enhanced engagement with managers, increased monitoring and reporting requirements, escalation to senior management, and, where necessary, review of mandate terms or manager arrangements.

During the reporting period, escalation activity primarily focused on improving the quality of stewardship reporting and strengthening engagement on priority themes. Progress was monitored through ongoing dialogue and follow-up reporting, with improvements observed in areas such as transparency and alignment with VTL's priorities.

VTL recognises that improvements in stewardship practices often require sustained engagement and therefore assesses outcomes over an appropriate timeframe.

The Trustee's approach to selecting and overseeing external managers is characterised by:

- Integration of stewardship considerations into selection and mandate design
- Clear and consistent communication of expectations
- Robust monitoring and performance assessment
- Structured escalation where necessary

Through this approach, the Trustee seeks to ensure that its appointed managers are effectively exercising stewardship responsibilities on its behalf and contributing to the delivery of long-term sustainable value for members and beneficiaries.

Continuous improvement

The Trustee recognises that effective stewardship requires ongoing refinement of its approach to manager oversight.

During the reporting period, enhancements included:

- Strengthening stewardship provisions within IMAs;
- Improving reporting and monitoring frameworks;
- Increasing focus on systemic risks, including climate and nature.

The Trustee continues to develop its approach, including exploring opportunities to:

- Further align voting practices across managers;
- Enhance data and analytical capabilities;
- Strengthen engagement and escalation processes.

Case study: Manager Oversight Following an Environmental Accident

IFM Investors is an appointed manager within TPT Real Assets portfolio. In January 2025, Colonial Pipeline Company- one of the largest refined fuel pipeline operators in the United States, in which IFM held an ownership stake – experienced a gasoline leak on Line 1 in Georgia, resulting in a temporary shutdown of operations. Given the potential environmental, operational and reputational implications, TPTIM engaged with IFM to understand the company's response, mitigation actions and approach to risk management.

TPTIM held a targeted engagement meeting with IFM to review the incident in detail. Discussions focused on the effectiveness of Colonial's crisis response, the scale of environmental impact, and the robustness of its safety culture and preventative measures. IFM provided a detailed account of the incident, confirming that operations were shut down promptly following detection, with repairs completed within a short timeframe. The environmental impact was reported to be limited, with relatively small volumes recovered and contaminated soil removed as part of the remediation process.

The engagement also provided insight into Colonial's broader approach to risk management, including the use of advanced inspection technologies, real-time monitoring systems and proactive maintenance programmes aimed at identifying and replacing ageing infrastructure. A root cause analysis was initiated to identify underlying causes and inform future risk mitigation.

This engagement enhanced TPTIM's understanding of how the manager responds to operational incidents and manages associated risks, providing assurance on responsiveness and remediation capabilities while highlighting areas for continued monitoring.

Subsequent to the engagement, IFM exited its position in Colonial Pipeline.

Case study: Integrating ESG into manager selection

As part of the appointment of a new Emerging Markets Debt (EMD) manager, TPTIM conducted a comprehensive search and due diligence process, assessing potential providers across a range of criteria including business quality, investment philosophy, strategy, risk management and responsible investment. ESG integration formed a key component of this assessment, reflecting its importance within TPTIM's investment framework.

Following detailed evaluation, Ninety One was selected as the preferred provider and approved by the Investment Committee. The manager demonstrated a robust and systematic approach to ESG integration, embedded within a well-defined investment process and supported by strong risk management and reporting capabilities.

Ninety One's investment approach incorporates ESG considerations through a formal scorecard framework, combining quantitative, fundamental and ESG analysis across sovereign, currency and credit exposures. ESG factors directly inform investment decisions, including security selection and position sizing. The manager has also developed proprietary tools, such as the Net Zero Sovereign Index and the Climate & Nature Sovereign Index, to assess country-level progress on climate and nature-related risks and opportunities.

From a stewardship perspective, Ninety One demonstrated a mature and collaborative approach to engagement, including leadership roles in both sovereign and corporate engagements. Its ability to coordinate stewardship activity across asset classes – bringing together equity and fixed income perspectives – enhances its influence with issuers and supports more consistent engagement outcomes.

The appointment of Ninety One has enhanced TPTIM's exposure to an EMD strategy that integrates ESG risks and opportunities in a structured and measurable way. The manager's transparency, including bespoke reporting at the strategy level, supports effective ongoing monitoring and accountability. TPTIM continues to oversee the manager through regular reporting, engagement disclosures and ongoing dialogue, assessing alignment with stewardship expectations and broader investment objectives.

Principle 6: Monitoring service providers

Principle 6:
Monitoring service providers

Signatories monitor and hold to account stewardship service providers.

Approach

VTL relies on a range of third-party service providers to support the delivery of stewardship activities. These providers are not appointed directly by VTL, but are selected and used by its external investment managers. They include proxy advisors, ESG data and research providers, and engagement platforms.

Within its delegated investment model, VTL retains ultimate accountability for stewardship outcomes. Oversight of stewardship service providers is therefore exercised indirectly through the monitoring and challenge of appointed investment managers, alongside targeted oversight of key advisers.

The Trustee's approach to stewardship service providers is characterised by:

- Clear recognition of ultimate accountability;
- Structured selection, monitoring and review processes;
- Oversight of how providers are used by external managers;
- Ongoing challenge and engagement to ensure quality and alignment.

Through this approach, the Trustee seeks to ensure that all service providers support the effective delivery of stewardship.

Proxy advisors

Proxy advisory services are used by external investment managers to support voting research, analysis and, in some cases, vote execution.

VTL does not appoint proxy advisors directly but sets clear expectations for their use through its oversight of managers. Managers are expected to use proxy advice as an input to decision making, exercising independent judgement and ensuring voting outcomes align with VTL's Responsible Investment Framework and stewardship priorities.

The effectiveness of proxy advisor services is assessed through VTL's review of manager voting behaviour, including analysis of significant or contentious votes and the rationale provided. Where voting decisions appear inconsistent, insufficiently explained or overly reliant on proxy recommendations, VTL challenges managers and seeks clarification on the underlying use of proxy advice.

ESG data, research and engagement providers

External managers and advisers utilise a range of ESG data, analytics and engagement platforms to support stewardship activities, including the identification of ESG risks, monitoring of engagement progress and analysis of voting activity.

VTL does not rely on these providers directly for decision making but ensures, through its oversight of managers and advisers, that appropriate due diligence is undertaken and that data and tools used are fit for purpose.

Monitoring focuses on the quality, consistency and relevance of outputs, and the extent to which these services support effective stewardship outcomes. Where limitations in data or methodology are identified, VTL expects managers to demonstrate awareness of these constraints and to apply appropriate judgement.

Escalation and accountability

Where concerns arise regarding the quality, use or effectiveness of stewardship service providers, VTL addresses these through its engagement with external managers and advisers.

Escalation may include targeted challenge on the use of proxy advice or ESG data, requests for enhanced transparency or reporting, and increased monitoring of specific issues. Where necessary, VTL may expect managers to review or strengthen their approach to service provider selection and oversight.

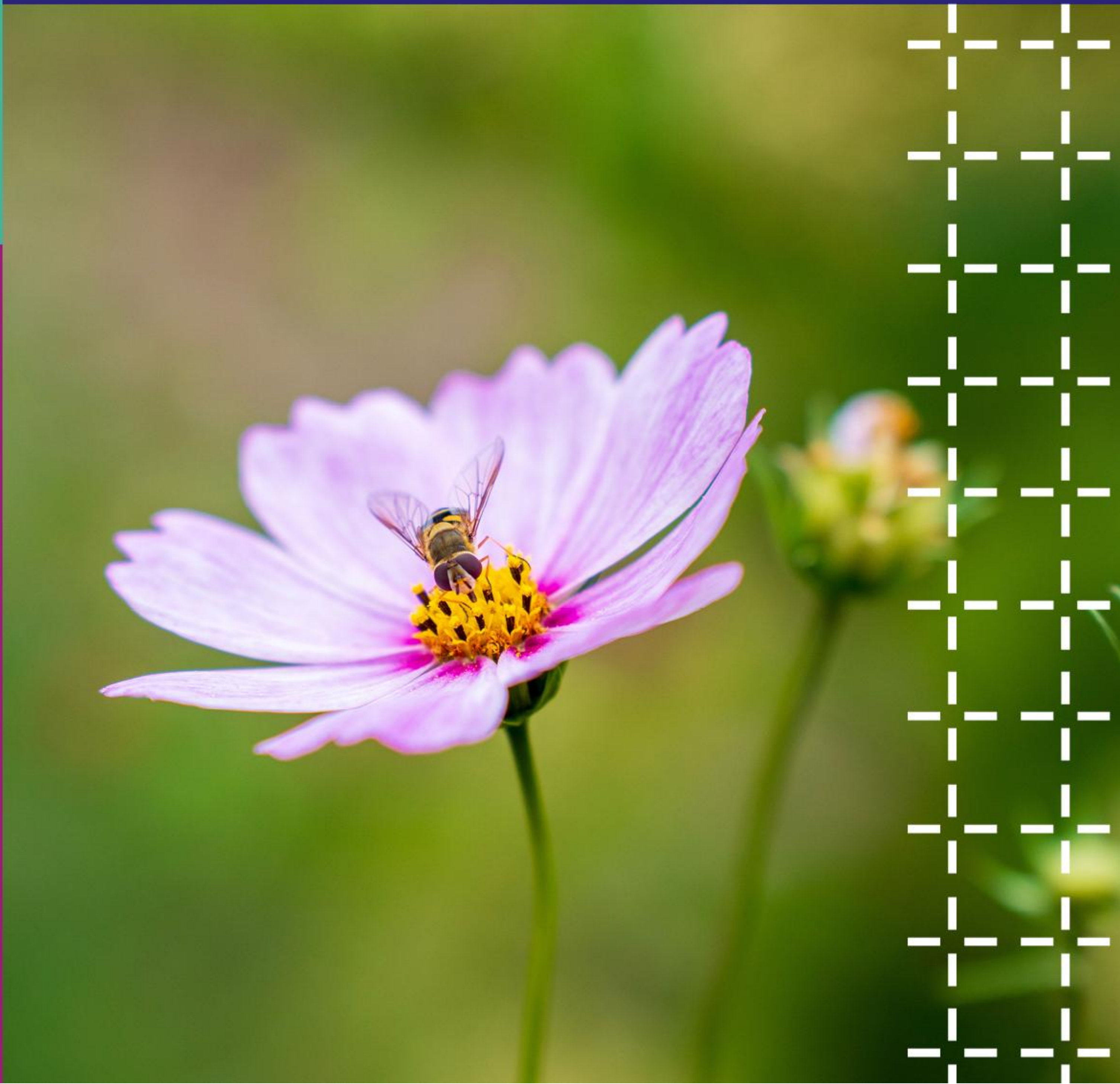
This approach reflects VTL's position within the investment chain, where accountability is exercised through robust oversight of managers responsible for appointing and using underlying service providers.

Continuous improvement

VTL recognises that the market for stewardship-related services continues to evolve, particularly in relation to ESG data quality, climate and nature analytics, and engagement tools.

VTL continues to enhance its oversight by strengthening expectations of managers, improving transparency on the use of service providers, and supporting the development of market standards and best practice.

Conclusion and forward priorities



Conclusion and forward priorities

This report demonstrates how VTL has applied its stewardship approach during the reporting period, with stewardship integrated across investment decision making, manager oversight, engagement, voting and the monitoring of service providers.

As a long-term, diversified asset owner operating through a delegated investment model, the Trustee's role is centred on setting clear expectations, maintaining effective oversight and holding appointed managers to account for the stewardship activities undertaken on its behalf. Through TPTIM and AllianceBernstein, and the underlying managers they appoint, VTL seeks to ensure that stewardship supports long-term value creation for members and beneficiaries.

During the reporting period, the Trustee further strengthened its stewardship approach by enhancing scrutiny of voting and engagement activity, embedding more explicit stewardship expectations within manager oversight processes, and expanding its focus on systemic risks, particularly climate change and nature-related issues. The examples included throughout this report illustrate how these activities have supported improved risk management, greater transparency and more informed investment oversight.

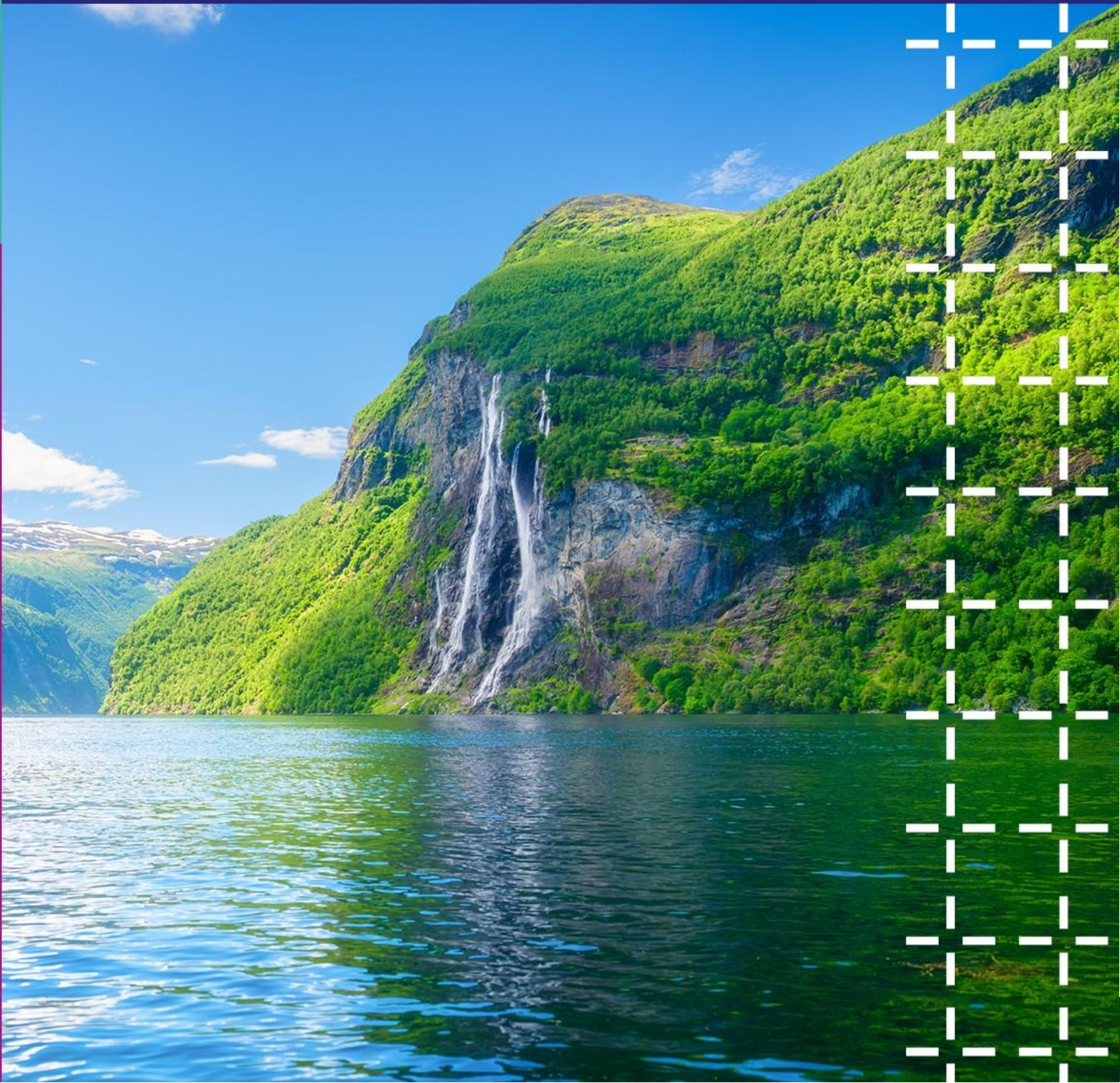
Looking ahead, the Trustee will continue to develop its stewardship approach with a focus on the following priorities:

- expanding climate and nature-related analysis, including further development of biodiversity and deforestation indicators;
- strengthening the assessment of engagement outcomes and escalation activities, with greater emphasis on measuring real-world progress over time;
- improving the consistency, comparability and timeliness of stewardship reporting provided by TPTIM, AllianceBernstein and underlying investment managers;
- continuing implementation of the Trustee's Climate Action Plan;
- reviewing stewardship expectations in emerging areas of financial materiality, including human capital management and evolving technologies.

Through these actions, VTL aims to ensure that stewardship remains purposeful, accountable and aligned with the long-term interests of members and beneficiaries.

UK Stewardship Code 2026

Appendix



Appendix

Voting statistics – DB

Investment manager	L&G Asset Management							
Fund	FTSE4Good UK Equity Index	FTSE4Good Developed Equity Index Fund	Low Carbon Transition UK Equity Index*	Low Carbon Transition North America Equity Index*	Low Carbon Transition Europe (ex UK) Equity Index*	Low Carbon Transition Asia Pacific (ex Japan) Equity Index*	Low Carbon Transition Japan Equity Index*	TPT Global IDX EQ (Low Carb) Fd**
How many meetings were you eligible to vote at?	259	1198	90	519	440	149	288	5
How many resolutions were you eligible to vote on?	4543	16784	1850	6841	7414	1140	3563	57
What % of resolutions did you vote on for which you were eligible?	100.00%	99.87%	100.00%	99.69%	100.00%	100.00%	100.00%	100.00%
Of the resolutions on which you voted, what % did you vote with management?	94.12%	81.85%	96.43%	58.84%	82.14%	80.44%	92.34%	84.21%
Of the resolutions on which you voted, what % did you vote against management?	5.88%	17.83%	3.57%	40.38%	17.39%	19.56%	7.66%	15.79%
Of the resolutions on which you voted, what % did you vote to abstain?	0.00%	0.32%	0.00%	0.78%	0.47%	0.00%	0.00%	0.00%
In what % of meetings, for which you did vote, did you vote at least once against management?	42.86%	72.54%	35.56%	98.07%	77.50%	71.14%	52.08%	80.00%
Which proxy advisory services does your firm use?	ISS	ISS	ISS	ISS	ISS	ISS	ISS	ISS
Do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	Bespoke Policy	Bespoke Policy	Bespoke Policy	Bespoke Policy	Bespoke Policy	Bespoke Policy	Bespoke Policy	Bespoke Policy
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	4.89%	14.04%	3.46%	37.04%	8.48%	12.81%	6.71%	15.79%

Investment Manager	Man Group	Ownership Capital	RBC Global Asset Management			Ruffer LLP		Sands Capital Management
Fund	Man Risk Premia SPC***	Long-Horizon Equity	Emerging Markets Equity SRI	Emerging Markets Equity ex-China	China Equity	Ruffer Absolute Return SRI	Ruffer Absolute Return	Global Growth
How many meetings were you eligible to vote at?	511	25	70	69	55	105	122	46
How many resolutions were you eligible to vote on?	6207	358	763	683	585	1466	1796	486
What % of resolutions did you vote on for which you were eligible?	31.61%	100.00%	100.00%	100.00%	95.21%	100.00%	98.70%	100.00%
Of the resolutions on which you voted, what % did you vote with management?	89.23%	89.00%	95.15%	94.44%	87.97%	97.14%	98.02%	97.74%
Of the resolutions on which you voted, what % did you vote against management?	10.51%	11.00%	4.85%	5.56%	12.03%	2.80%	1.88%	2.05%
Of the resolutions on which you voted, what % did you vote to abstain?	0.00%	1.00%	0.00%	0.00%	0.00%	0.07%	0.06%	0.21%
In what % of meetings, for which you did vote, did you vote at least once against management?	57.59%	80.00%	30.00%	31.88%	47.27%	21.90%	19.67%	19.57%
Which proxy advisory services does your firm use?	Glass Lewis	ISS	ISS, Glass Lewis	ISS, Glass Lewis	ISS, Glass Lewis	ISS	ISS	ISS, Glass Lewis
Do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	Bespoke Policy	Bespoke Policy	Bespoke Policy	Bespoke Policy	Bespoke Policy	Bespoke Policy	Bespoke Policy	Standard Policy
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	4.65%	6.00%	1.70%	2.05%	0.00%	3.00%	3.00%	9.05%

* TPTIM divested from these strategies on 23 September.

** TPTIM invested in this strategy on 23 September.

*** Due to an operational account configuration error at the investment manager, the number of votes recorded for this mandate was reduced between October 2024 and September 2025. Appropriate remedial actions have since been implemented, including strengthened controls and oversight, to prevent recurrence.

Voting statistics – DC

Investment manager	AllianceBernstein				Amundi			
Fund	Sustainable All Market Portfolio	Global Multi-Factor Equity*	Index MSCI World SRI	Index FTSE EPRA NAREIT Global	Index MSCI ex China ESG Leaders	Index MSCI China ESG Leaders	Index MSCI Emerging Markets	Index MSCI Emerging Markets SRI
How many meetings were you eligible to vote at?	146	1303	332	383	408	502	2603	276
How many resolutions were you eligible to vote on?	2126	18559	4614	4154	4177	4543	22668	2803
What % of resolutions did you vote on for which you were eligible?	100.00%	100.00%	99.00%	97.45%	98.84%	99.75%	99.45%	98.88%
Of the resolutions on which you voted, what % did you vote with management?	91.00%	84.16%	75.92%	81.88%	75.54%	79.54%	75.74%	81.70%
Of the resolutions on which you voted, what % did you vote against management?	5.00%	8.75%	23.42%	17.41%	16.46%	20.46%	20.50%	15.22%
Of the resolutions on which you voted, what % did you vote to abstain?	5.00%	7.15%	0.65%	0.70%	8.25%	0.00%	3.76%	3.08%
In what % of meetings, for which you did vote, did you vote at least once against management?	38.00%	46.33%	77.17%	64.20%	48.20%	46.25%	49.88%	46.90%
Which proxy advisory services does your firm use?	ISS, Glass Lewis	ISS, Glass Lewis	ISS, Glass Lewis, and Proxinvest	ISS, Glass Lewis, and Proxinvest	ISS, Glass Lewis, and Proxinvest	ISS, Glass Lewis, and Proxinvest	ISS, Glass Lewis, and Proxinvest	ISS, Glass Lewis, and Proxinvest
Do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	Bespoke Policy	Bespoke Policy	Bespoke Policy	Bespoke Policy	Bespoke Policy	Bespoke Policy	Bespoke Policy	Bespoke Policy
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	4.00%	5.85%	N/A	N/A	N/A	N/A	N/A	N/A

* AB held the fund's voting rights from Q4 2024 to August 2025, after which voting responsibility transferred to Amundi.

Investment manager	L&G Asset Management						
Fund	FTSE4Good UK Equity Index Fund	UK Equity Index Fund	FTSE4Good Developed Equity Index Fund	Low Carbon Transition Global Equity Index Fd-GBP Curr Hed (OFC)	Future World Emerging Markets Equity Index Fund	Diversified Fund	Global Equity Market Weight (30:70) Index
How many meetings were you eligible to vote at?	259	733	1198	4702	3889	10034	7222
How many resolutions were you eligible to vote on?	4543	10071	16784	47522	31872	102334	72664
What % of resolutions did you vote on for which you were eligible?	100.00%	100.00%	99.87%	99.93%	100.00%	99.88%	99.94%
Of the resolutions on which you voted, what % did you vote with management?	94.12%	93.63%	81.85%	79.28%	80.16%	76.28%	80.71%
Of the resolutions on which you voted, what % did you vote against management?	5.88%	6.36%	17.83%	19.50%	18.04%	22.42%	17.70%
Of the resolutions on which you voted, what % did you vote to abstain?	0.00%	0.01%	0.32%	1.22%	1.80%	1.30%	1.59%
In what % of meetings, for which you did vote, did you vote at least once against management?	42.86%	44.75%	72.54%	60.00%	52.34%	67.59%	57.22%
Which proxy advisory services does your firm use?	ISS	ISS	ISS	ISS	ISS	ISS	ISS
Do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	Bespoke Policy	Bespoke Policy	Bespoke Policy	Bespoke Policy	Bespoke Policy	Bespoke Policy	Bespoke Policy
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	4.89%	5.35%	14.04%	10.72%	5.04%	14.48%	9.45%

Investment manager	Northern Trust		BlackRock	HSBC IM	Baillie Gifford	ATLAS Infrastructure
Fund	Quality Low Volatility Low Carbon World Fund	NT Real Estate Climate Index Fund	ACS World Small Cap ESG Screened Equity Tracker Fund	HSBC Islamic Global Equity Fund	Positive Change Fund	ATLAS Global Infra Fund Series C GBP Hedged (Acc)
How many meetings were you eligible to vote at?	194	282	3945	100	37	22
How many resolutions were you eligible to vote on?	2963	3196	42236	1576	409	353
What % of resolutions did you vote on for which you were eligible?	99.00%	100.00%	99.00%	97.00%	100.00%	100.00%
Of the resolutions on which you voted, what % did you vote with management?	94.00%	94.00%	92.00%	83.00%	93.64%	97.17%
Of the resolutions on which you voted, what % did you vote against management?	5.00%	5.00%	7.00%	16.00%	5.62%	1.98%
Of the resolutions on which you voted, what % did you vote to abstain?	0.00%	0.00%	0.00%	0.00%	0.74%	0.85%
In what % of meetings, for which you did vote, did you vote at least once against management?	42.00%	32.00%	32.00%	76.00%	27.03%	13.64%
Which proxy advisory services does your firm use?	ISS	ISS	ISS	ISS	ISS, Glass Lewis, ZD Proxy and IIAS	None
Do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	Bespoke Policy	Bespoke Policy	Bespoke Policy	Bespoke Policy	Bespoke Policy	Not Applicable
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	0.00%	0.00%	0.00%	1.00%	Not Applicable	Not Applicable

Get in touch

If you would like to contact us about this report, please feel free to, via:

enquiries@tpt.co.uk

https://www.tpt.co.uk

TPT Retirement Solutions
5th Floor, 3 South Brook Street, Leeds, LS10 1FT

tpt
Retirement Solutions