The Law Debenture Pension Plan

Statement of Investment Principles – Implementation Statement

The purpose of this Statement is to provide information which is required to be disclosed in accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, as subsequently amended, including amendments to transpose the EU Shareholder Rights Directive (SRD II) into UK law. In particular, it confirms how the investment principles, objectives and policies of the Trustee's Statements of Investment Principles (SIPs) dated September 2023 and June 2025, which reflects the Plan's investment strategy in place as at the end of the Plan year, have been implemented.

It also includes the Trustee's voting and engagement policies, as well as details of any review of the SIP during the year, subsequent changes made and the reasons for the changes (if any). A description of the voting behaviour during the year, either by or on behalf of the Trustee, or if a proxy voter was used, is also included within this Statement.

This Statement covers the period 1 January 2025 to 31 December 2025.

Investment objectives of the Plan

The Trustee's objectives for setting the investment strategy of the Plan have been set broadly with regard to the Plan's Statutory Funding Objective set out in the Statement of Funding Principles. However, the Trustee also has regard for the Plan's funding position on an indicative solvency funding basis.

The Trustee's primary objectives as at the Plan year end are set out on pages 2-3 of the June 2025 SIP and are as follows:

- The Plan should be able to meet benefit payments as they fall due.
- The Plan's funding position (i.e., the value of its assets relative to the assessed value of its liabilities) should remain at an appropriate level. The Trustee is aware that there are various measures of funding, and has given due weight to those considered most relevant to the Plan.

In addition to these primary objectives, the Trustee has the following objectives:

- The Plan should be and remain fully funded on a solvency basis.
- The expected return on the Plan's assets is maximised whilst managing and maintaining risk at an appropriate level.

These objectives differ from the objectives in place as at the start of the Plan year, reflected in the September 2023 SIP, due to improvements in the funding position of the Plan. In particular, the first additional objective was updated to consider the Plan's funding position on the more prudent solvency funding basis, in place of the previous objective to be and remain fully funded on the Technical Provisions and self-sufficiency funding bases.

The Trustee appreciates that these objectives are not necessarily mutually exclusive.

The Trustee also recognises that it is currently necessary to accept some risk in the investment strategy to achieve the long-term funding objective.

Review of the SIPs

The SIP was last reviewed in June 2025. The Trustee updated the SIP to reflect changes in the Plan's investment strategy that were made during the Plan year.

Prior to this, the SIP had last been updated in September 2023 to take account of previous changes made to the Plan's investment strategy.

The Trustee has a policy on financially material considerations relating to Environmental, Social, and Governance (ESG) issues, including the risk associated with the impact of climate change. In addition, the Trustee has a policy on the exercise of rights and engagement activities, and a policy on non-financial considerations. These policies are set out later in this Statement and are detailed in the Trustee's latest SIP.

The Trustee's policy on financially material considerations was updated in the revised SIP coming into force during the year, and now explicitly includes the Trustee's views on how ESG considerations should be accounted for in different asset classes used by the Plan. The Trustee's policies on non-financially material considerations, as well as engagement and voting activities, were also updated in the revised SIP that came into force during the year and are shown later in this Statement.

Investment managers and funds in use

The Trustee's investment strategy for the Plan as at the start of the year was as shown in the below table, which is reflected in the September 2023 SIP.

Asset Class	Fund	Target Asset Allocation
Equities	L&G UK Equity Index Fund	8%
	L&G North America Equity Index Fund	3%
	L&G Europe (ex UK) Equity Index Fund	2%
	L&G Japan Equity Index Fund	1%
	L&G Asia Pacific (ex Japan) Equity Index Fund	1%
Infrastructure	JP Morgan Infrastructure Investments Fund	15%
Corporate Bonds	L&G Active Corporate Bond – All Stocks – Fund	30%
Liability Driven Investment (LDI) Solution	L&G Matching Core Funds	40%
	L&G Sterling Liquidity Fund	
Total		**100%**

During the year, the Trustee revised the Plan's investment strategy following the preliminary results of the 2023 actuarial valuation, which revealed the Plan to be around 100% on an indicative solvency funding basis at 31 December 2023. Within these strategy changes the Trustee increased the Plan's hedging exposure against interest rate risk and inflation risk to target offsetting 100% of the risk associated with the indicative solvency liabilities. The strategy changes also reduced holdings in the corporate bond fund in favour of an unconstrained bond approach, to target providing a level of expected return above cash whilst ensuring a suitable level of liquid collateral was available to support the LDI solution.

Furthermore, in order to reduce the currency risk associated with the Plan's investment strategy, the Trustee switched the Plan's holdings in the JP Morgan Infrastructure Investments Fund (denominated in US Dollars) to a share class that is hedged back to Sterling.

Additionally, Legal & General Investment Management (LGIM) rebranded to Legal & General – Asset Management (L&G) during the Plan year. This change is reflected in the June 2025 SIP and this Statement.

The Trustee's investment strategy in place as at the end of the year is as shown in the table below, and is reflected in the June 2025 SIP.

Asset Class	Fund	Target Asset Allocation
Equities	L&G UK Equity Index Fund	8%
	L&G North America Equity Index Fund	3%
	L&G Europe (ex UK) Equity Index Fund	2%
	L&G Japan Equity Index Fund	1%
	L&G Asia Pacific (ex Japan) Equity Index Fund	1%
Infrastructure	JP Morgan Infrastructure Investments Fund	15%
Corporate bonds	L&G Active Corporate Bond – All Stocks – Fund	25%
Unconstrained bonds	L&G Global Unconstrained Bond Fund	5%
LDI solution	L&G Matching Core Funds	40%
	L&G Sterling Liquidity Fund	
Total		**100%**

Investment governance

The Trustee is responsible for making investment decisions, and seeks advice as appropriate from Broadstone Corporate Benefits Limited (Broadstone), as the Trustee's investment consultant.

The Trustee does not actively obtain views of the membership of the Plan to help form its policies set out in the SIP as the Plan is comprised of a diverse membership, which the Trustee expects to hold a broad range of views on ethical, political, social, environmental, and quality of life issues.

The Trustee has put in place strategic objectives for Broadstone, as the Trustee's investment consultant, as required by the Occupational Pension Schemes (Governance and Registration) (Amendment) Regulations 2022, which were set by the Trustee in July 2024. These objectives cover demonstration of adding value, delivery of specialist investment consultancy services, proactivity of investment consultancy advice, support with scheme management, compliance, and service standards.

Monitoring of investment arrangements

In addition to any reviews of Investment Managers or approaches, and direct engagement with the Investment Managers (as detailed below), the Trustee receives performance reports on a quarterly basis from L&G, together with performance reports from Broadstone on a half-yearly basis to ensure the investment objectives set out in its SIP are being met.

Trustee’s policies

The table below sets out how, and the extent to which, the relevant policies in the Plan’s June 2025 SIP, as applicable, have been followed:

Requirement	Policy	Implementation of Policy
Selection of Investments	The Trustee may select investments from a wide range of asset classes from time to time, including, but not restricted to, UK equities, overseas equities, government bonds, corporate bonds, commercial property, and alternative asset classes, such as hedge funds, private equity, and infrastructure. The investments selected will generally be traded on regulated markets and, where this is not the case, any such investments will be kept to a prudent level. The Trustee may: • Invest in products that use derivatives where this is for the purpose of risk management or to improve the efficiency of the management of the Plan’s investments. • Hold insurance policies such as deferred or immediate annuities which provide income to the Plan, matching part, or all, of the future liabilities due from it. • Hold a working cash balance for the purpose of meeting benefit payments due to members and the expenses of running the Plan.	No deviation from this policy over the year to 31 December 2025.
Balance of Investments	The Trustee will set a Target Asset Allocation from time to time, determined with the intention of meeting its investment objectives. The Target Asset Allocation will be set taking account of the characteristics of different asset classes available and will be reviewed in light of any changes to the Trustee’s view of the Principal Employer’s covenant, the nature of the Plan’s liabilities, or relevant regulations governing pension scheme investment. The Trustee has agreed the range of funds to be used in the investment strategy, taking into account the maturity of the Plan’s liabilities, and to ensure the range is sufficiently robust to allow easy adjustment between the funds as the Trustee’s risk appetite changes and the Plan matures.	No deviation from this policy over the year to 31 December 2025. The Trustee’s target investment strategy allocations as at the year end are reflected in the June 2025 SIP.
Delegation to Investment Managers and AVC Providers	The Trustee will delegate the day-to-day management of the Plan’s assets to professional investment managers and AVC providers and will not be involved in the buying or selling of investments.	No deviation from this policy over the year to 31 December 2025.

Requirement	Policy	Implementation of Policy
Maintaining the Asset Allocation and Target Hedging Ratios	The Trustee has responsibility for maintaining the overall balance of the asset allocation relative to the Target Asset Allocation and Target Hedging Ratios. The Trustee will monitor the asset allocation and hedging ratios on a regular basis with the assistance of its adviser, Broadstone, and will consider switching assets between funds should these move significantly away from the Target Asset Allocation or Target Hedging Ratios. Maintaining the Target Hedging Ratios will take precedence over maintaining the Target Asset Allocation.	No deviation from this policy over the period to 31 December 2025 since inclusion in the June 2025 SIP. The asset allocation and level of hedging exposure provided by the assets at the year end were broadly in line with their targets shown in the June 2025 SIP.
Realising Investments	The assets are held in a combination of pooled funds. The ability of the Trustee to realise the assets differs depending on the fund. Whilst the majority of the assets have a weekly dealing frequency, the infrastructure fund only deals twice a year. The Trustee makes disinvestments from the Investment Managers with the assistance of its administrators and adviser, Broadstone*, as necessary, to meet the Plan's cashflow requirements. Due to the illiquid nature of the infrastructure fund, this fund will not normally be used for cashflow management purposes or considered for routine rebalancing exercises. *The Trustee's administrators, Broadstone Corporate Benefits Limited, were formerly known as Broadstone Consultants & Actuaries Limited.	No deviation from this policy over the year to 31 December 2025.
Performance Benchmarks and Objectives	The equity funds are index-tracking funds, meaning that their objective is to track the total return on a specified market index within an agreed margin over a specified timescale. The infrastructure fund is actively managed and whilst it does not have a formal performance benchmark, its performance is compared to providing a total return of 8-12% per annum. The corporate bond, unconstrained bond, and cash funds used during the year are actively managed, and the Investment Manager has been set performance objectives to achieve returns in line with, or in excess of, a market benchmark. The LDI funds have an objective to provide a prescribed level of hedging against changes in the value of liabilities for a typical defined benefit pension scheme caused by interest rate risk and inflation risk. The practical method of implementing this level of hedging is delegated to the LDI manager, with the expectation that L&G will choose the most cost-effective method.	The funds' performance benchmarks and objectives were reviewed on a quarterly basis up to 30 June 2025, and then on a half-yearly basis to 31 December 2025, along with any comments on the funds at each Trustee meeting, as required. There were no changes to the funds' performance benchmarks and objectives over the year.

Requirement	Policy	Implementation of Policy
Investment Management Charges	The annual investment management charges of the funds used during the Plan year are set out in the Appendix to the June 2025 SIP and are as follows: • L&G UK Equity Index Fund: 0.100% • L&G North America Equity Index Fund: for the first £1 million under management: 0.200% for the next £2.5 million under management: 0.175% • L&G Europe (ex UK) Equity Index Fund: for the first £1 million under management: 0.250% for the next £2.5 million under management: 0.225% • L&G Japan Equity Index Fund: 0.225% • L&G Asia Pacific (ex Japan) Equity Index Fund: 0.275% • JP Morgan Infrastructure Investments Fund: 0.820%* • L&G Active Corporate Bond – All Stocks – Fund: 0.200% • L&G Global Unconstrained Bond Fund: 0.225%** • L&G Matching Core Funds: 0.110%*** • L&G Sterling Liquidity Fund: 0.110%**** *JP Morgan also apply a performance fee, subject to a hard net hurdle rate, with a high-water mark and a net return cap, in addition to the standard management charge. The performance fee levied is 15% of annual returns based on an individual investor's experience, applying to returns only in excess of 7.0% and capped at 13.5% over the year. 'Returns' for this purpose are calculated net of the annual management charge and exclude the impact of exchange rate movements. **Discounted from 0.250% p.a. until further notice. ***Discounted from 0.240% p.a. until further notice. ****Discounted from 0.125% p.a. until further notice.	The Plan secured a discount on the L&G Sterling Liquidity Fund, from the standard L&G charge, with effect from 1 October 2025. There were no other changes to the funds' investment management charges over the year to 31 December 2025. The Plan's charges as at the year end were in line with the SIP dated June 2025, apart from the L&G Sterling Liquidity Fund, as noted above. The SIP will reflect this fee reduction when the Trustee next updates it.
Financially and Non-Financially Material Considerations	The Trustee's policy on financially and non-financially material considerations is set out on page 5 of the September 2023 SIP and from pages 6-7 of the June 2025 SIP, and in full below.	No deviation from either policy whilst in force over the year to 31 December 2025 (see below).
Engagement and Voting Rights	The Trustee's voting and engagement policy is to use its investments to improve the ESG behaviours of the underlying investee companies. This encompasses a range of priorities, and the Trustee's current ESG focus is on climate change, human rights and diversity, equity and inclusion. The Trustee believes that having this policy and aiming to improve how companies behave in the medium and long term will protect and enhance the value of its investments and is in the members' best interests. The Trustee will aim to monitor the actions taken by the Investment Managers on its behalf and if there are significant differences from the policy detailed above, it will escalate its concerns which could ultimately lead to disinvesting its assets from an Investment Manager.	No deviation from this policy over the year to 31 December 2025 (see below).

Requirement	Policy	Implementation of Policy
Additional Voluntary Contributions ('AVCs')	The Plan holds AVCs separately from the assets backing defined benefits via investments held with ReAssure and Utmost Life & Pensions. The liability in respect of these AVC funds is equal to the value of the investments bought by the contributions. The Trustee's intention is to leave the AVC funds invested with the AVC Providers until all affected members have retired.	No deviation from this policy over the year to 31 December 2025.

Financially and non-financially material considerations

The Trustee recognises that ESG issues can and will have a material impact on the companies, governments, and other organisations that issue or otherwise support the assets in which the Plan invests. In turn, ESG issues can be expected to have a material financial impact on the returns provided by those assets.

The Trustee delegates responsibility for day-to-day decisions on the selection of investments to the Investment Managers. The Trustee has an expectation that the Investment Managers will consider ESG issues in selecting investments or will otherwise engage with the issuers of the Plan's underlying holdings on such matters in a way that is expected to improve the long-term return on the associated assets.

The Trustee's views on how ESG issues are taken account of in each asset class used during the Plan year are set out below.

Asset Class	Active/Passive	Trustee's Views
Equities	Passive	The Trustee acknowledges that the Investment Manager must invest in line with specified indices and, therefore, may not be able to disinvest from a particular security if they have concerns relating to ESG. The Trustee expects the Investment Manager to take ESG considerations into account by engaging with companies that form the indices, and by exercising voting rights on these companies.
Infrastructure	Active	The Trustee expects the Investment Manager to take financially material ESG factors into account, given the active management style of the fund and the ability of the manager to use their discretion to generate higher risk-adjusted returns. The Trustee also expects its Investment Manager to engage with the underlying investee companies, where possible.
Corporate bonds and unconstrained bonds	Active	The Trustee expects the Investment Manager to take financially material ESG factors into account, given the active management style of the funds and the ability of the manager to use its discretion to generate higher risk-adjusted returns. The Trustee also expects its Investment Manager to engage with the underlying investee companies, where possible, although it appreciates that fixed income assets within the portfolio do not typically attract voting rights.
LDI funds	Active	The underlying assets of the LDI funds consist of government bond funds and derivative contracts, with no underlying investee companies as such. Therefore, the Trustee believes there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the securities.
Cash	Active	The Trustee believes there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the securities.

The Trustee does not currently impose any specific restrictions on the Investment Managers with regard to ESG issues but will review this position from time to time. The Trustee receives information on request from the Investment Managers on their approach to selecting investments and engaging with issuers with reference to ESG issues.

With regard to the specific risk to the performance of the Plan's investments associated with the impact of climate change, the Trustee take the view that this falls within its general approach to ESG issues. The Trustee regards the potential impact of climate change on the Plan's assets as a longer-term risk and likely to be less material in the context of the short to medium term development of the Plan's funding position than other risks. The Trustee will continue to monitor market developments in this area with its investment adviser.

Where ESG factors are non-financial (i.e. they do not pose a risk to the prospect of the financial success of the investment) the Trustee believes these should not drive investment decisions. The Trustee expects the Investment Managers, when exercising discretion in investment decision-making, to consider non-financial factors only when all other financial factors have been considered and in such a circumstance the consideration of non-financial factors should not lead to a reduction in the efficiency of the investment.

Voting rights

The Trustee currently invests in pooled investment funds with the Investment Managers, and it acknowledges that this limits its ability to directly influence the Investment Managers. In particular, all voting activities have been delegated to the Investment Managers, as the Trustee is unable to vote on the underlying holdings, given the pooled nature of the Plan's investments.

However, the Trustee periodically meets with its Investment Managers, to engage with them on how they have taken ESG issues and voting rights into account for the investment approaches they manage on behalf of the Trustee. As part of this, the Trustee will seek to challenge its Investment Managers on these matters where it thinks this is in the best interests of members.

Out of the funds held by the Trustee over the year, the regional L&G Equity Index Funds contain publicly listed equity holdings. These funds have voting rights attached to the underlying equities held within the funds, and the Trustee has delegated these voting rights to the manager, where L&G sets its own voting policy.

A summary of the votes made by the managers on behalf of the Trustee for each fund used by the Plan during the year that includes voting rights is provided below at total fund level for the period 1 January 2025 to 31 December 2025.

Manager	Fund	Resolutions Voted On	Resolutions Voted:		
			For	Against	Abstained
L&G	UK Equity Index Fund	10,084	94%	6%	-
L&G	North America Equity Index Fund	7,633	58%	42%	-
L&G	Europe (ex UK) Equity Index Fund	8,578	83%	17%	-
L&G	Japan Equity Index Fund	5,851	92%	8%	-
L&G	Asia Pacific (ex Japan) Equity Index Fund	4,727	81%	19%	-

All of the Plan's assets are invested in pooled funds. Regarding proxy voting, L&G do not use a proxy voting service to determine their voting policy, which is formed in-house. L&G do, however, use Institutional Shareholders' Service's (ISS's) Proxy Exchange voting platform to vote on resolutions electronically.

Significant votes

The Trustee has requested details of the significant votes made on its behalf by each manager of a fund the Plan invested in that has voting rights. In determining significant votes, each manager's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile votes which have such a degree of controversy that there is high client and/or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at the manager's annual Stakeholder roundtable event, or where the manager notes a significant increase in requests from clients on a particular vote;
- Sanction votes as a result of a direct or collaborative engagement;
- Votes linked to any manager engagement campaign, for example in line with L&G Investment Stewardship's 5-year ESG priority engagement themes.

The Trustee believes the following are the most significant votes undertaken on its behalf over the Plan year:

Significant Vote 1	
Investment Manager	L&G
Company	Anglo American Plc
Date of vote	9 December 2025
Percentage of portfolio invested in Company at date of vote	L&G UK Equity Index Fund: 2.2%
Resolution	Amend Restricted Stock Plan
Why significant	L&G have deemed this vote to be significant due to it being a shareholder resolution with a relatively high level of support received.
Voting decision	Voted Against
Manager comments	*"A vote against is applied as the proposed retrospective amendments to the Long-Term Incentive Plan guarantee a minimum vesting level for the 2024 and 2025 awards, based on the merger going through. Such retrospective changes and guaranteed transaction bonuses are a breach of L&G's remuneration policies. While L&G had detailed and constructive engagements with the Company, L&G were not able to obtain sufficient assurance and a clear indication of direction of future performance-based incentive plans to alleviate L&G's concern at this time."*
Vote outcome	Resolution Withdrawn

Significant Vote 2	
Investment Manager	L&G
Company	Microsoft Corporation
Date of vote	5 December 2025
Percentage of portfolio invested in Company at date of vote	L&G North America Equity Index Fund: 5.9%
Resolution	Elect Director Satya Nadella
Why significant	L&G considers this vote to be significant as it is in application of an escalation of L&G's vote policy on the topic of the combination of the board chair and CEO.
Voting decision	Voted Against
Manager comments	*"A vote against is applied as L&G expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.* *L&G will continue to engage with L&G's investee companies, publicly advocate L&G's position on this issue and monitor company and market-level progress."*
Vote outcome	Resolution Passed

Significant Vote 3	
Investment Manager	L&G
Company	ENGIE SA
Date of vote	24 April 2025
Percentage of portfolio invested in Company at date of vote	L&G Europe (ex UK) Equity Index Fund: 0.4%
Resolution	Approve Company's Climate Transition Plan
Why significant	L&G's is publicly supportive of so called "Say on Climate" votes. L&G expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5°C temperature increase scenario. Given the high profile nature of such votes, L&G deem such votes to be significant, particularly when they vote against the transition plan.
Voting decision	Voted Against

Manager comments	*"A vote against this plan is warranted. While L&G acknowledge the company's progress earning a 'well below 2°C' verification from Science Based Targets initiative from the previous '2°C' aligned pathway, as well as its previously stated net-zero by 2045 target covering all scopes of emissions, L&G feel there is additional context on the company's assumptions and strategy that is needed to support the transition plan.* *Concerns remain that the company's electricity generation targets are not aligned with a 1.5°C pathway, and while the company explained challenges with selling its thermal assets to be aligned with 1.5°C by 2030, it is not clear whether other methods of achieving a lower carbon intensity by 2030 were considered and why they are not viable. Additionally, we would encourage further disclosure on the risks related to the technology and policy dependencies of its medium- and long-term targets for its thermal assets."*
Vote outcome	Resolution Passed

Significant Vote 4	
Investment Manager	L&G
Company	Mitsubishi UFJ Financial Group, Inc.
Date of vote	27 June 2025
Percentage of portfolio invested in Company at date of vote	L&G Japan Equity Index Fund: 3.2%
Resolution	Amend Articles to Add Provision on Disclosure of Financial Risk Audit by Audit Committee
Why significant	L&G consider this shareholder resolution to be significant because it closely resembles a resolution from 2024 Annual General Meeting (AGM) season, reflecting continued concerns over limited progress despite notable shareholder support in the previous year. L&G continue to believe that decarbonisation of the banking sector and its clients is essential to protecting value and promoting growth through the opportunities presented by the climate transition, aiming towards achieving the goals of the Paris Agreement.
Voting decision	Voted For
Manager comments	*"A vote in favour of this proposal is applied. While L&G note the Company's existing disclosures regarding its oversight of climate change risk management, L&G consider that there is room for further information on the oversight of risk controls within the Company's audit report. L&G believe that increased disclosures around the Audit Committee's assessment of the adequacy of these processes would help the Company and its Board in placing the appropriate focus on such risk assessments and the related resources and expertise required."*
Vote outcome	Resolution Failed

Significant Vote 5	
Investment Manager	L&G
Company	National Australia Bank Limited
Date of vote	12 December 2025
Percentage of portfolio invested in Company at date of vote	L&G Asia Pacific (ex Japan) Equity Index Fund: 2.8%
Resolution	Approve Strategy to Eliminate Financed Deforestation
Why significant	L&G considers this vote to be significant as it is applied under L&G's engagement program on deforestation, targeting companies in high-risk sectors.
Voting decision	Voted For
Manager comments	*"A vote in favour is applied as L&G expects companies to be taking sufficient action on the key issue of climate and nature. Disclosure of a strategy to eliminate financed deforestation in line with credible frameworks such as the Accountability Framework Initiative (AFI) would provide shareholders with visibility on governance, targets, client expectations, controls, and escalation pathways for this financially material risk. L&G acknowledge that none of the big four Australian banks have yet set a formal no-deforestation commitment, and National Australia Bank has enhanced elements of its risk processes. However, a clear, board-overseen strategy and disclosure is considered beneficial for shareholders."*
Vote outcome	Resolution Failed

Engagement activities

The Trustee has also delegated engagement activities to the Investment Managers. A notable engagement activity of each Investment Manager the Plan invested with during the year is provided below:

- **L&G** engaged with Microsoft, with the objective to improve the company's transparency, governance and risk management regarding the use of Artificial Intelligence (AI) and human rights, believing the company to have outsized influence on the integration of AI into the economy through its software products and cloud operation. L&G believe companies like Microsoft should be transparent in their use of AI and its risk management processes, and that given the scale of the company's cloud and digital operation globally, the human rights risks in its operation and value chain are high.

  In late 2025, L&G met with the company ahead of their AGM to discuss shareholder resolutions that had been filed in relation to AI, data governance, and human rights, seeking to understand their approach to these issues and measures taken to manage relevant risks.

  Following their engagement, L&G believe that Microsoft has improved its transparency on responsible AI governance and human rights over the past few years. The manager understands that although the company's disclosures on AI governance are generally better than its international peers, the company could further improve its data governance disclosures, especially in relation to government requests for content removal and user data. The company has made amendments to internal risk classification process for projects, and which type of projects would require additional human rights due diligence, which L&G view positively.

L&G will continue to monitor progress in AI governance and related processes, and intend to hold future engagements with the company and on these topics.

- **JP Morgan** engaged with technology giant Meta through its dealings with portfolio company El Paso Electric. In 2025, Meta publicly announced its plans to develop a 1 Gigawatt data centre in El Paso, Texas, where its substantial electricity needs will be met by El Paso Electric.

  Once fully operational, El Paso Electric expect the data centre's electricity needs to represent around 25% of their peak demand and require high levels of power near constantly, which will help the company utilise latent capacity currently available to them. JP Morgan notes that the data centre will need to pay a pro-rata share of fixed system costs, which will result in a lower allocation of fixed costs to existing residential customers.

  JP Morgan note that as an essential business and partner in the local community, El Paso Electric has focused on protecting its existing customers by mitigating potential stranded asset risk and ensuring Meta's new data centre pay their fair share for system upgrades. JP Morgan believes the portfolio company ensures appropriate protections are in place for existing customers before entering contracts with new large-load customers. In particular, their engagement strategy with the data centre focuses on the three tenets of credit support (ensuring parent company guarantees or collateral assets are available to support the data centre's demand), long contract lengths with punitive termination clauses, and minimising volumetric (demand volatility) risk through fixed demand-based payments.

The Trustee also considers an investment manager's policies on stewardship and engagement when selecting and reviewing investment managers.

Signed: Paul Matthews **Date:** 23/07/2026

On behalf of the Trustee of The Law Debenture Pension Plan