

Retail Trust Retirement and Death Benefits Scheme

Implementation Statement

Purpose of this statement

This implementation statement has been produced by the Trustees of the Retail Trust Retirement and Death Benefits Scheme (**"the Scheme"**) to set out the following information over the year to **30 June 2025**:



how the Trustees' policies on exercising rights (including voting rights) and engagement activities have been followed over the year;



the voting activity undertaken by the Scheme's investment managers on behalf of the Trustees over the year, including information regarding the most significant votes;

This statement does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Scheme's assets that are held as AVCs.



Conclusions

In reviewing the activities of the past year, the Trustees believe that the policies set out in the Statement of Investment Principles ("SIP") have been effectively implemented. The Scheme's investment manager has demonstrated transparency in their voting and engagement activities.

Based on the information received, the Trustees believe that the investment manager has acted in accordance with the Scheme's policies on exercising rights (including voting rights) and engagement activities. The Trustees are supportive of the key voting action taken by the investment manager over the period to encourage positive governance changes in the companies in which the investment manager holds shares.

Stewardship policy

The SIP in force as at 30 June 2025 describes the Trustees' stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in October 2024 and has been made available online here:

<https://www.retailtrust.org.uk/about-us/the-retail-trust-pension>

There were no changes to the Trustees' stewardship policy over the year to 30 June 2025. The Trustees decided not to set stewardship priorities for the Scheme for the time being because the Scheme solely invests through pooled investment vehicles where the Scheme's asset only represents a small proportion of the capital invested in the funds. The Trustees understand that they are constrained by the policies of the managers. However, the Trustees take stewardship priorities, climate risk and ESG factors into account when selecting managers. The Trustees also review the stewardship and engagement activities of the investment managers annually through their Implementation Statement.

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme's investment managers, the Trustee believes that its policies on voting and engagement have been met in the following ways:

- The Scheme invests entirely in pooled funds and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's investment manager.
- Investment rights (including voting rights) have been exercised by the investment manager in line with the manager's general policies on corporate governance, which reflect the recommendations of the UK Stewardship Code. The Trustees also expect the investment manager to have engaged with the companies in relation to ESG matters where appropriate.
- Annually the Trustees receive and review, with the help of the investment advisors and through the Implementation Statement, voting information and engagement policies from the investments manager to ensure alignment with the Scheme's policies.
- Having reviewed the below in accordance with their policies, the Trustees are comfortable that the actions of the investment manager are in alignment with the Scheme's stewardship policies.

**Prepared by the Trustees of the Retail Trust Retirement and Death Benefits Scheme
November 2025**

Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Scheme's Growth Portfolio on behalf of the Trustees over the year to **30 June 2025**.

Voting only applies to funds that hold equities in their portfolio. The Scheme's equity investments are all held through pooled funds and the investment manager for these funds, Legal and General Asset Management ("L&G"), vote on behalf of the Trustees. It follows that the Scheme's Liability Driven Investment, credit and cash funds have no voting rights and limited ability to engage with key stakeholders given the nature of the mandates.

Please note that the Trustees implemented changes to the Scheme's investment strategy in September 2024. This involved a full disinvestment from the Baillie Gifford Diversified Growth Fund and the proceeds were invested in the L&G Diversified Fund. Given that the Baillie Gifford Fund was not held for the majority of the Scheme year end, voting and engagement data has not been shown in this Implementation Statement.

Manager	L&G	
Fund name	Diversified Fund	Future World Global Equity Index Fund (Unhedged and GBP hedged)
Structure	Pooled	
No. of eligible meetings	10,460	5,517
No. of eligible votes	104,120	55,250
% of resolutions voted	99.9%	100.0%
% of resolutions abstained	1.3%	1.2%
% of resolutions voted with management¹	76.5%	81.4%
% of resolutions voted against management¹	22.1%	17.4%
Proxy voting advisor employed¹	Institutional Shareholder Services (ISS)	
% of resolutions voted against proxy voter recommendation	14.4%	9.8%

¹ As a percentage of the total number of resolutions voted on. Totals may not add up to 100%. Numbers are subject to rounding. Note: segregated mandates allow the Trustees to engage with managers and influence their voting behaviour. Pooled fund structures result in limited scope for the Trustees to influence managers' voting behaviour.

 **Proxy voting**

The below summarises how the investment manager utilises their proxy voting services.

L&G

L&G’s Investment Stewardship team uses ISS’s electronic voting platform to electronically vote clients’ shares. All voting decisions are made by L&G and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with L&G’s position on ESG, L&G’s have put in place a custom voting policy with specific voting instructions. L&G review their custom voting policy with ISS annually and take into account feedback from their investors.

 **Significant votes**

At this time, the Trustees have not set stewardship priorities for the Scheme. For this Implementation Statement, the Trustees have asked the investment manager to determine what they believe to be a “significant vote”. The Trustees have not communicated voting preferences to their investment manager over the period, as the Trustees are yet to develop a specific voting policy.

L&G have provided a selection of 500 votes which they believe to be significant. In the absence of agreed stewardship priorities, the Trustees have selected 3 votes for each fund, that cover a range of themes to represent what it considers the most significant votes cast on behalf of the Scheme. To represent the most significant votes, the votes of the largest holdings relating to different themes are shown below, where an outcome of the vote has been provided.

L&G Diversified Fund – Significant vote 1

Company name	Microsoft Corporation
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.3%
Summary of the resolution	Report on AI Data Sourcing Accountability
How the manager voted	For
Rationale for the voting decision	A vote for this resolution is warranted as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language models
Criteria on which the vote is considered “significant”	This shareholder resolution is considered significant due to the relatively high level of support received.

Outcome of the vote	The resolution failed to pass.
Implications of the outcome	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
If the vote was against management, did the manager communicate their 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 an AGM as their engagement is not limited to shareholder meeting topics.
L&G Diversified Fund – Significant vote 2	
Company name	Shell Plc
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.3%
Summary of the resolution	Request Company Disclose Whether and How Its: Demand Forecast For Liquefied Natural Gas ("LNG"); LNG Production And Sales Targets; And New Capital Expenditure In Natural Gas Assets; Are Consistent With Climate Commitments, Including Target To Reach Net Zero Emissions By 2025
How the manager voted	Against
Rationale for the voting decision	While L&G recognise the intent behind the resolution, L&G have decided to vote against it following careful consideration. This decision follows a series of constructive engagements with Shell's leadership, during which the company committed to improving disclosures on stranded asset risks and financial resilience related to its LNG operations. L&G acknowledge meaningful progress in Shell's reporting, which now provides a clearer basis for assessing climate-related risks. In light of these developments, L&G believe the resolution's key objectives are being addressed through ongoing company actions.
Criteria on which the vote is considered "significant"	This shareholder resolution is considered significant as Shell is a high-profile holding within the Fund.
Outcome of the vote	The resolution failed to pass.
Implications of the outcome	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
If the vote was against management, did the manager communicate their 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 an AGM as their engagement is not limited to shareholder meeting topics.

L&G Diversified Fund – Significant vote 3

Company name	National Grid Plc
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.2%
Summary of the resolution	Approve Climate Transition Plan
How the manager voted	For
Rationale for the voting decision	L&G voted in favour of the National Grid Climate Transition plan. L&G commend the company's efforts in committing to net-zero emissions across all scopes by 2050 and setting 1.5C-aligned near term science-based targets. L&G also appreciate the clarity provided in the 'Delivering for 2035 report' and look forward to seeing the results of National Grid's engagement with Science-Based Targets initiatives ("SBTi") regarding the decarbonisation of heating.
Criteria on which the vote is considered "significant"	L&G 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 1.5C scenario. Given the high-profile nature of such votes, L&G deem such votes to be significant, particularly when L&G votes against the transition plan.
Outcome of the vote	The resolution was approved.
Implications of the outcome	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
If the vote was against management, did the manager communicate their 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 an AGM as their engagement is not limited to shareholder meeting topics.

L&G Future World Global Equity Index Fund (Unhedged and GBP hedged) – Significant vote 1

Company name	Broadcom Inc.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.2%
Summary of the resolution	Elect Director Henry Samueli
How the manager voted	Against
Rationale for the voting decision	A vote against is applied as the company is deemed not to have made sufficient progress against L&G's climate expectations and red lines, as set out in their sector guides through L&G's dial-mover engagement programme.
Criteria on which the vote is considered "significant"	L&G considers this vote to be significant as it is applied under the Climate Impact Pledge, their flagship engagement program targeting companies in climate-critical sectors.
Outcome of the vote	The resolution was approved.
Implications of the outcome	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
If the vote was against management, did the manager communicate their 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 an AGM as their engagement is not limited to shareholder meeting topics.

L&G Future World Global Equity Index Fund (Unhedged and GBP hedged) – Significant vote 2

Company name	Mastercard Incorporated
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.8%
Summary of the resolution	Oversee and Report on a Racial Equity Audit
How the manager voted	For
Rationale for the voting decision	A vote in favour is applied as L&G support such information and risk management approach to diversity.
Criteria on which the vote is considered "significant"	L&G views diversity as a financially material issue for their clients, with implications for the assets L&G manage on their behalf.
Outcome of the vote	The resolution failed to pass.

Implications of the outcome	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
If the vote was against management, did the manager communicate their 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 an AGM as their engagement is not limited to shareholder meeting topics.

L&G Future World Global Equity Index Fund (Unhedged and GBP hedged) – Significant vote 3

Company name	AbbVie Inc.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.5%
Summary of the resolution	Adopt Simple Majority Vote
How the manager voted	For
Rationale for the voting decision	A vote in favour is applied as reducing the supermajority vote requirement will improve minority shareholder rights.
Criteria on which the vote is considered "significant"	This shareholder resolution is considered significant due to the relatively high level of support received.
Outcome of the vote	The resolution failed to pass.
Implications of the outcome	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
If the vote was against management, did the manager communicate their 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 an AGM as their engagement is not limited to shareholder meeting topics.

Engagement Data

The investment manager engages with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by the manager during the year to 30 June 2025 for the relevant funds.

Engagement activities are limited for the Scheme's LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown. Please note that in May 2025, the L&G Absolute Return Bond Fund was renamed to the L&G Global Unconstrained Bond Fund.

	L&G			
Fund name	Diversified Fund	Future World Global Equity Index Fund (Unhedged and GBP Hedged)	Buy and Maintain Credit Fund	Global Unconstrained Bond Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	2,753	1,558	272	323
Number of entities engaged on behalf of the holdings in this fund in the year	2,126	1,072	152	184
Number of engagements undertaken at a firm level in the year		3,643		



Examples of engagement activity undertaken over the year to 30 June 2025

L&G (Firm-wide examples)

Qantas Airways

L&G's engagement with Qantas dates back to 2020, since which time the Australian airline has faced a number of controversies over its treatment of both customers and staff during the COVID-19 pandemic (for both of which the company has been ordered, through legal action, to provide redress). These controversies highlighted governance issues that have been a staple ingredient of L&G's engagement with the company (alongside climate change). On governance, the specific issues L&G addressed in 2024 were:

- Over-boarding (time commitment of directors)
- Succession
- Remuneration

L&G met with Qantas four times during 2024, including discussions with the new Chair. Since the controversies mentioned above, both the Board Chair and the Chair of the Remuneration Committee have been replaced and the board has undergone a degree of refreshment, bringing average tenure down to three years. L&G's discussions with the company helped them to gain a closer understanding of stability of the board, the timeframes over which over-boarding of the chair can reasonably be corrected, and the steps taken by the remuneration committee to hold relevant directors and executives accountable for their actions.

This was reflected in L&G voting decisions at the company's AGM at the end of October. While over-boarding was a concern for the new board chair, L&G understand that he cannot abruptly end his tenure at the other companies where he has board seats. As a consequence, L&G voted for the re-election of Chair at Qantas (but note that they vote against his re-election at other companies where he serves on the board).

The other director election that became a focus for L&G was of a Non-Executive Director ("NED") who was serving on the board at the time of the COVID controversies. Failure to provide oversight of the board at that time, in addition to the mishandling of executive compensation were the prime considerations in assessing L&G's vote. However, given the significant refreshment of the board since that time, the departure of many culpable directors, and the actions of the new remuneration committee chair (discussed below), L&G voted for the re-election on account of the need for some stability on the board at a turbulent time. L&G would note that this NED also brings significant industry experience.

The final vote of significance was regarding the remuneration report which, after consideration, L&G supported. The new remuneration committee chair has taken what L&G consider to be sufficient action against the directors responsible for previous misconduct at the company, including a notable and highly publicised clawback of over AU\$9 million from the former CEO. Despite some concerns, L&G considered in light of the steps taken and the explanations they received during their engagements with the company, that support for these actions by the remuneration committee was warranted.

The significant changes to the board and the new steps being taken at Qantas are encouraging. While there are a number of areas that L&G will continue to monitor, they take a positive view of the changes the company has made. In addition to L&G's focus on governance, they will also continue their engagements on climate change with the company, under their Climate Impact Pledge, and monitor progress.

Pemex

As one of the largest oil and gas companies by refining capacity, with significant production of crude oil and natural gas, Petroleos Mexicanos (Pemex) is a company that L&G believe is critical in Mexico's energy security and has a significant influence, particularly in South America over the decarbonisation of the oil and gas industry and the realisation of financial opportunities from the energy transition.

L&G particularly emphasise Pemex's management of methane emissions which have been an area of concern across their supply chain. Given that methane emissions have more than 80 times the warming power of carbon dioxide over a 20-year period, L&G believe that reducing methane emissions can be a powerful and cost-effective way for oil and gas companies to make progress towards climate goals and manage regulatory and reputational scrutiny.

L&G have been a contributing investor to the Climate Action 100+ ("CA100+") engagements with Pemex since 2023. In helping to establish a productive dialogue between the company and its investors, L&G encouraged the company to take several steps towards clear disclosures, oversight of climate risk at board level, and the setting of ambitious but achievable climate targets.

Following successive engagements, in what L&G view as a significant step, the company published its first Sustainability Plan, setting out clear targets for emissions reduction, enhanced disclosure (aligned with Taskforce for climate related financial disclosures (“TCFD”) and International Sustainability Standards Board (“ISSB”) recommendations), allocation of capital towards achieving climate goals, and addressing methane emissions within their operations.

The publication of Pemex’s first Sustainability Plan demonstrates, L&G believes, positive commitments regarding emission reduction targets, disclosures, capital allocation and managing and mitigating methane emissions risks. The strength of these commitments and their endorsement by Pemex’s CEO demonstrate a connected and serious approach to tackling these crucial issues.

In addition to continuing this collaborative engagement with the CA100+, L&G will also continue their work on methane emissions with the Environmental Defence Fund (“EDF”). Having strengthened L&G’s expectations in 2024 for oil and gas companies regarding methane emissions disclosure, this will continue to be an area for focus for L&G across the sector more broadly, as they seek to encourage companies to realise the potential for value creation along their journey to net zero.