

Implementation Statement

Thomas Dudley Group Limited Pension and Life Assurance Scheme

Purpose of this statement

This implementation statement has been produced by the Trustees of the Thomas Dudley Group Limited Pension and Life Assurance Scheme (“the Scheme”) to set out the following information over the year to 30 April 2026:



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



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;

The voting behaviour is not given over the Scheme year-end to 30 April 2026 because the Scheme’s investment managers only report on this data quarterly. The Trustees have therefore provided this information for the year to 31 March 2026.



Conclusions

Based on the information received, the Trustees believe that the investment managers have 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 applicable investment managers over the period to encourage positive governance changes in the companies in which the investment managers hold shares.

Stewardship policy

The Trustees' Statement of Investment Principles (SIP) in force at 30 April 2026 describes the Trustees' policies on the exercise of rights (including voting rights) and engagement activities. It is available online here:

[TD Pension And Life Assurance Scheme 24.pdf](#)

At this time, the Trustees have not set stewardship priorities / themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks. The majority of the Scheme's portfolio consists of pooled funds with underlying investments that are predominantly gilts, index-linked gilts and corporate bonds, which have no voting rights attached. The Scheme's holdings with voting rights attached make up around 10% of the Scheme's assets as at 30 April 2026. However, this allocation was fully disinvested from following the year-end.

The Trustees take the stewardship priorities, climate risk, and ESG factors into account at manager selection. The Trustees also review the stewardship and engagement activities of the investment managers annually as part of preparing the Implementation Statement.

In investing via pooled funds, the Trustees understand that they are constrained by the policies of the managers. The Trustees have delegated the exercise of rights attaching to investments, including voting rights, and in undertaking engagement activities to the Scheme's investment managers.

How voting and engagement/stewardship policies have been followed

The Trustees consider their voting and engagement policies have been met in the following ways:

- The Trustees regularly consider the performance of the funds held with each investment manager and any significant developments that arise, including developments in relation to ESG, stewardship and ethical considerations. At the Scheme year-end, the Scheme's investment managers were as follows:
 - Legal & General Asset Management ("L&G").
 - Quilter Cheviot Investment Management ("Quilter").
- The Scheme invests in a mix of pooled funds and a segregated account and delegates responsibility for carrying out voting and engagement activities to the Scheme's investment managers. The Scheme's investment consultant, Howden, conducts regular research into the pooled funds used by the Scheme, including reviewing stewardship policies and engagement activities. Where applicable, the Trustees receive 'sustainability ratings' from their investment consultant for the pooled funds in which the Scheme invests.
- The Trustees receive information on Environmental, Social and Governance ("ESG") considerations, engagement and voting annually from their investment managers, via their investment consultant, and review this annually to ensure alignment with their own policies. The findings of the Trustees' review are reported in this Implementation Statement which will also be included in the Scheme's Annual Report & Accounts for the year to 30 April 2026.
- Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the Scheme's investment managers are in alignment with the Scheme's ESG and Stewardship policies set out in the Scheme's Statement of Investment Principles.

**Prepared by the Trustees of the Thomas Dudley Group Limited Pension and Life Assurance Scheme
September 2026**

Voting Data

This section provides a summary of the voting activity undertaken by the Scheme's investment managers on behalf of the Trustees over the year to 31 March 2026. The Scheme's bond, property and cash holdings have no voting rights and limited ability to engage with key stakeholders given the nature of the mandates.

Manager	Quilter Cheviot*
Fund name	Segregated Account
Structure	Segregated
Ability to influence voting behaviour of manager	The segregated mandate allows the Trustees to engage with the manager and influence their voting behaviour.
Number of company meetings the manager was eligible to vote at over the year	Data not provided (manager voted on 503 company meetings over the year)
Number of resolutions the manager was eligible to vote on over the year	Data not provided (manager voted on 7,462 resolutions over the year)
Percentage of resolutions voted with management, as a percentage of the total number of resolutions voted on	95%
Percentage of resolutions voted against management, as a percentage of the total number of resolutions voted on	5%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	Data not provided. Quilter have noted that on a number of occasions, having engaged with the relevant company, they did not follow the proxy advisor's recommendation.

**Data has been provided at firmwide level.*

Proxy voting

Quilter

Quilter use Institutional Shareholder Services' (ISS) proxy voting service in order to inform their decision making, however they do not automatically implement its recommendations. Quilter believe this is the right approach noting it is important to not adopt a mechanistic approach to engagement and voting. When Quilter vote against management (or abstain), this is reviewed by the voting panel which comprises the Chief Investment Officer, Head of Equity Research/Head of Fund Research and the Head of Responsible Investment. Voting decisions are influenced by engagement and on occasion because of this interaction, Quilter may decide to deviate from ISS' policy recommendation. The extent of the engagement is dependent on the materiality of the holding.

Significant votes

At this time, the Trustees have not set stewardship priorities / themes for the Scheme, but will be considering the extent that they wish to do this in due course, in line with other Scheme risks. So, for this Implementation Statement, the Trustees have asked the investment managers to determine what they believe to be a “significant vote”. The Trustees have not communicated voting preferences to their investment managers over the period, as the Trustees are yet to develop a specific voting policy. In future, the Trustees will consider the most significant votes in conjunction with any agreed stewardship priorities / themes.

Quilter have provided a selection of votes which they believe to be significant and, in the interest of concise reporting, the Trustees have selected three votes that cover a range of themes to represent what they consider to be the most significant votes cast on behalf of the Scheme.

A summary of the significant votes provided is set out below.

Quilter Cheviot Investment Management

	Vote 1	Vote 2	Vote 3
Company name	Alphabet	Shell	Micron Technology
Approximate size of portfolio's holding as at 31 March 2026 (as % of portfolio)	1.0%	2.9%	0.6%
Summary of the resolution	Conducting human rights risk assessment	Reporting on greenhouse gas emission reduction targets	Corporate governance – special meeting threshold
How the manager voted	For	For	For
Rationale for the voting decision	Quilter supported this proposal because they believe the report would help shareholders better understand how the company addresses the human rights risks linked to its targeted advertising practices.	Quilter supported this proposal seeking greater transparency on how the company assesses and manages climate-related risks. This enables Quilter to better evaluate their approach to transitioning to a low-carbon economy.	Quilter voted for reducing the ownership threshold for shareholders to call a special meeting at the Company to 10% as they believe this is a common practice and would enhance shareholder rights.
Criteria on which the vote is considered “significant”	ESG – this vote was made regarding Social risk	ESG – this vote was made regarding Environmental risk	ESG – this vote was made regarding Governance risk
Outcome of the vote	Data not provided	Data not provided	Data not provided
Implications of the outcome	Data not provided	Data not provided	Data not provided
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Data not provided	Data not provided	Data not provided

Engagement

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year 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 has not been shown.

	Quilter Cheviot		L&G
Fund name	Segregated Account	Global Unconstrained Bond Fund	Maturing Buy and Maintain Credit Funds (2025 – 2029), (2030 – 2034), (2035 – 2039), (2040 – 2054)
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	44	294	2025 – 2029 Fund: 209 2030 – 2034 Fund: 242 2035 – 2039 Fund: 141 2040 – 2054 Fund: 150
Number of entities engaged on behalf of the holdings in this fund in the year	32	192	2025 – 2029 Fund: 115 2030 – 2034 Fund: 136 2035 – 2039 Fund: 80 2040 – 2054 Fund: 86
Number of engagements undertaken at a firm level in the year	156		2,911

Examples of engagement activities undertaken over the year to 31 March 2026

Quilter Cheviot | Segregated account

National Grid

Quilter engaged with members of National Grid's Sustainability and Investor Relations teams to discuss the company's progress against the UK government's Clean Power 2030 Action Plan ("CP30"). In addition to extensive hiring and strategic planning, the company has also been working to secure its critical supply chain materials.

Quilter raised several queries in their discussion including what measures National Grid is taking to mollify the community opposition to large new infrastructure as part of its CP30 programme. The company noted its use of new visualisation tools, allowing community members to see realistic – and, importantly, accurate – visual impacts of new infrastructure such as pylons and offshore wind turbines. It also emphasised the importance of a strong unifying narrative for these projects, and the vital contribution they are making towards the UK's energy independence, the numerous jobs supported and other benefits manifesting at community level, like cheaper energy bills.

National Grid was clear, however, that it supported recently proposed changes to streamlining community consultation processes. It is committed to understanding community views in the consultation process but is keen to streamline this process as much as possible, particularly given the pace needed to achieve the CP30 scheme within a fast-approaching deadline.

Quilter believe that National Grid appears to be concentrating on positioning itself for success in achieving the CP30 scheme, with over a thousand new hires linked specifically to these projects in the last year. They believe the company is learning and, with relative speed, overcoming barriers to bring these projects online on time. Notably, the company succeeded in lobbying for changes to the grid connection queue process, after decade-long quoted wait times for businesses shook confidence in its ability to deliver the range of new infrastructure planned. The next few years will be critical to seeing some of the promised infrastructure taking shape and realising much of the planning done to date. There was no change to Quilter's responsible investment categorisation for the company as a result of this engagement.

L&G | Global Unconstrained Bond Fund & Maturing Buy and Maintain Credit funds

Firm-level: Microsoft Corporation

Microsoft is among several companies that have outsized influence on the integration of artificial intelligence ("AI") into our economy through its software products and cloud operation. L&G believe companies like Microsoft should be transparent in its use of AI and its risk management processes. Given the scale of the company's cloud and digital operation globally, the human rights risks in its operation and in the value chain remain high.

L&G engaged with Microsoft to improve its transparency, governance and risk management regarding the use of AI and human rights. L&G first engaged with Microsoft on the topic of AI governance in 2023, following the publication of their 'safe AI' expectations. In late 2025, L&G met with the company again ahead of their 2025 annual general meeting ("AGM") to discuss shareholder resolutions that had been filed in relation to AI and data governance and human rights. L&G wanted to understand how Microsoft is approaching these issues and what measures the company has taken to manage relevant risks. Given the corrective actions the company has taken in response to stakeholder feedback, L&G voted against two shareholder resolutions on the topic of human rights. However, L&G voted for a shareholder proposal requesting a report on AI data usage oversight, as the regulatory environment is changing quickly and there are increased legal and reputational risks related to copyright infringement associated with its data sourcing practices.

Microsoft has improved its transparency on responsible AI governance and human rights over the past few years. Although the company's disclosures on AI governance are generally better than its international peers, L&G have found that 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.