APPPENDIX II
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. It confirms how the investment principles, objectives and policies of the Trustees' Statement of Investment Principles (SIP) dated December 2023 have been implemented.

It also includes the Trustees' 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 Trustees, 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. In this Statement, references to the "**Trustees**" are to the individuals and/or corporate person(s) duly appointed as trustee(s) for the Amalgamated Metal Corporation Pension Scheme at the relevant time.

Investment objectives of the Scheme

The Trustees' objectives for setting the investment strategy of the Scheme have been set broadly with regard to the Scheme's Statutory Funding Objective set out in the Statement of Funding Principles.

The Trustees' primary objectives are set out on page 2 of the SIP and are as follows:

- To provide appropriate security for all beneficiaries.
- To achieve long-term growth in the assets, taking into account contributions from the Company, sufficient to provide the benefits from the Scheme.
- To achieve an appropriate balance between risk and return with regards to the cost to the Scheme and the security of the benefits.

The Trustees appreciate that these objectives are not necessarily mutually exclusive.

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

Review of the SIP

The Trustees did not review the Scheme's SIP during the year to 31 December 2025. The SIP will be reviewed at least once in every three years or following any material change in investment policy.

The Trustees have a policy on financially material considerations relating to Environmental, Social, and Governance (ESG) issues. In addition, the Trustees have 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 Trustees' SIP.

Investment managers and funds in use

The Trustees' strategic asset allocation for the Scheme as at the start of the year is set out in the Appendix to the SIP and is as follows:

Asset Class	Target Allocation	Control Range
Global equities	10.0%	0.0% – 20.0%
Floating rate credit	35.0%	25.0% – 45.0%
Fixed interest short and medium duration credit	23.0%	13.0% – 33.0%
Fixed interest long duration credit	24.0%	14.0% – 34.0%
Inflation linked credit	5.0%	0.0% – 10.0%
Cash	3.0%	1.0% – 5.0%
Total	**100.0%**	

In order to implement the strategic asset allocation, the Trustees invest in a range of pooled funds. The investment strategy in place at the start of the year, along with the allocation of the Scheme's total pooled fund assets invested in each fund, is shown in the table below.

Asset Class	Fund	Allocation
Equities	BlackRock Aquila Life UK Equity Index Fund	4.3%
Infrastructure equity	First Sentier Global Listed Infrastructure Fund	3.1%
Multi-asset credit	Janus Henderson Multi Asset Credit Fund	7.0%
	M&G Total Return Credit Investment Fund	6.9%
Secured finance	TwentyFour Monument Bond Fund	3.7%
	TwentyFour Enhanced Income ABS Fund	4.2%
	M&G Secured Lease Income Fund	5.5%
Corporate bonds	TwentyFour Corporate Bond Fund	7.3%
	Insight Maturing Buy and Maintain Funds	42.6%
Government bonds	L&G 2042 Gilt Fund	3.4%
	L&G 2046 Gilt Fund	6.9%
	Insight Funded Gilts 2041-2050 Fund	4.2%
Cash	BlackRock Aquila Life Cash Fund	0.9%
Total		**100.0%**

During the year, the Trustees made various changes to the investment managers and funds in use. These included the redemption of the First Sentier infrastructure equity and Janus Henderson multi-asset credit holdings, new investments in a range of property assets (namely Real Estate Investment Trusts (REITs)) via Barclays, and further investment in Insight's range of gilt and index-linked gilt funds.

The investment strategy in place at the end of the year, along with the allocation of the Scheme's total pooled fund assets invested in each fund, is shown in the table below.

Asset Class	Fund	Allocation
Equities	BlackRock Aquila Life UK Equity Index Fund	5.0%
Property (Barclays Real Estate Portfolio)	British Land Company plc	2.1%
	Londonmetric Property plc	3.1%
	Schroder Real Estate Investment Trust Limited	0.7%
Multi-asset credit	M&G Total Return Credit Investment Fund	1.8%
Secured finance	TwentyFour Monument Bond Fund	3.6%
	TwentyFour Enhanced Income ABS Fund	4.1%
	M&G Secured Lease Income Fund	5.0%
Corporate bonds	TwentyFour Corporate Bond Fund	7.0%
	Insight Maturing Buy and Maintain Funds	41.2%
Government bonds	L&G 2042 Gilt Fund	3.2%
	L&G 2046 Gilt Fund	6.5%
	Insight Funded Gilts 2031-2040 Fund	4.1%
	Insight Funded Gilts 2041-2050 Fund	4.1%
	Insight Funded Index-Linked Gilts 2051-2060 Fund	6.4%
Cash	BlackRock Aquila Life Cash Fund	2.1%
	Barclays Real Estate Portfolio cash holdings	0.0%
Total		**100.0%**

The strategic asset allocation shown in the SIP will be updated to reflect the Trustees' investment strategy in place at such time that the Trustees next review the SIP.

Investment governance

The Trustees are responsible for making investment decisions, and seek advice as appropriate from Broadstone Corporate Benefits Limited ('Broadstone'), as the Trustees' investment consultant.

The Trustees do not actively obtain views of the membership of the Scheme to help form their policies set out in the SIP as the Scheme is comprised of a diverse membership, which the Trustees expect to hold a broad range of views on ethical, political, social, environmental, and quality of life issues.

The Trustees have put in place strategic objectives for Broadstone, as the Trustees' investment consultant, as required by the Occupational Pension Schemes (Governance and Registration) (Amendment) Regulations 2022, which were set in December 2025. 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 Trustees receive performance reports on a quarterly basis from the Investment Managers, together with performance monitoring reports from Broadstone on a quarterly basis to ensure the investment objectives set out in their SIP are being met.

Trustees' policies

The table below sets out how, and the extent to which, the relevant policies in the Scheme's December 2023 SIP have been followed:

Requirement	Policy	Implementation of Policy
Kind of investments to be held	The Scheme may invest in quoted and unquoted securities of UK and overseas markets including equities, fixed interest and index-linked bonds, cash, and pooled investment vehicles considered appropriate for tax-exempt approved occupational pension schemes. The Trustees may also invest in derivatives to meet risk reduction objectives as defined in the 2012 Deed of Amendment and as advised by the Investment Consultant.	No deviation from this policy over the year to 31 December 2025. The Trustees consider all of the stated asset classes of investment to be suitable to the circumstances of the Scheme.
Target asset allocation	The Trustees have translated their objectives into a suitable strategic asset allocation benchmark for the Scheme. This strategic asset allocation is reviewed by the Trustees periodically and, in the event that circumstances arise which prejudice the suitability of the benchmark, is appropriately revised in consultation with the Investment Consultant. The Trustees are responsible for periodically reviewing both the asset allocation and the investment strategy of the Scheme, in consultation with the Investment Consultant.	No deviation from this policy over the year to 31 December 2025. The Trustees reviewed the asset allocation and investment strategy regularly during the year, and will ensure that any asset allocation changes will be shown in the SIP when it is next reviewed.
Balance between different kinds of investments	The Investment Managers will hold a mix of investments that correspond to the strategic benchmark. Within each major market each manager will maintain a diversified portfolio of stocks or funds through pooled vehicles.	No deviation from this policy over the year to 31 December 2025. The L&G single-stock gilt funds only invest in a single UK government bond, however the Trustees consider these to be lower risk investments and the overall government bond exposure to be well-diversified across the Scheme's overall portfolio.

Requirement	Policy	Implementation of Policy
Delegation to Investment Managers	All day-to-day investment decisions are delegated to properly qualified and authorised fund managers of pension fund portfolios. Investment Management Agreements have been exchanged with the Investment Managers and are reviewed from time-to-time to ensure that the manner in which they make investments on the Trustees' behalf is suitable for the Scheme, and appropriately diversified.	No deviation from this policy over the year to 31 December 2025.
Realisation of investments	In the event of an unexpected need to realise all or part of the assets of the portfolio, the Trustees require the Investment Managers to be able to realise the Scheme's investments in a reasonable timescale by reference to the market conditions existing at the time the disposal is required, and subject to the best interests of the Scheme. The majority of assets are not expected to take an undue time to liquidate.	No deviation from this policy over the year to 31 December 2025. The Scheme's portfolio is predominantly invested in daily or weekly-traded assets and the Trustees consider sufficient liquidity to be available.
Performance Benchmarks and Objectives	The UK equity fund used during the year is passively managed and has an objective to track the performance of a market benchmark over time. The infrastructure equity, multi-asset credit, non-maturing corporate bond, and cash funds used during the year are actively managed, and the Investment Managers have set performance objectives to achieve returns in line with, or in excess of, a market benchmark. The underlying Real Estate Investment Trusts held in the property portfolio during the year do not have formal market benchmarks. The trusts aim to generate income and provide capital growth through active management of an underlying portfolio of real estate assets. The secured finance funds used during the year are actively managed but do not have formal market benchmarks. The funds aim to generate income, whilst comparing returns to cash or inflation. The 'maturing buy and maintain' corporate bond funds used during the year are actively managed, and have an objective to capture the yield on a diversified portfolio of predominantly investment grade corporate bonds, whilst minimising the risk of default losses. The funds do not have a formal benchmark. The single stock government bond funds used during the year each invest in a single gilt issued by the UK Government, whilst the maturity profile government bond funds invest in a range of gilts maturing over a defined period. The funds are expected to provide a gross of fees return in line with the total return on their respective specific underlying securities.	The funds' performance benchmarks and objectives (as applicable) were reviewed on a quarterly basis over the year to 31 December 2025. There were no changes to the funds' performance benchmarks and objectives over the year.

Requirement	Policy	Implementation of Policy
Financially and Non-Financially Material Considerations	The Trustees' policies on financially and non-financially material considerations are set out on page 4 of the SIP, and in full below.	No deviation from this policy over the year to 31 December 2025 (see below).
Engagement and Voting Rights	The Trustees' policy is to delegate responsibility for engaging and monitoring investee companies to the Investment Managers and they expect the Investment Managers to use their discretion to maximise financial returns for members and others over the long term. The Trustees' policy is to delegate responsibility for the exercise of rights (including voting rights) attaching to investments to the Investment Managers and to encourage the managers to exercise those rights. The Investment Managers are expected to provide regular reports for the Trustees detailing their voting activities.	No deviation from this policy over the year to 31 December 2025 (see below).
Additional Voluntary Contributions ('AVCs')	The Scheme holds funds accumulated in respect of AVCs separately from the assets backing defined benefits, with Standard Life, Utmost Life and Pensions, Prudential, and L&G.	No deviation from this policy over the year to 31 December 2025.

Financially and non-financially material considerations

The Trustees expect their Investment Managers, where appropriate, to have taken account of financially material considerations, including ESG factors as part of their investment analysis and decision-making process.

The Trustees have reviewed the Investment Managers' policies in respect of financially material considerations and are satisfied that they are consistent with the above approach.

The Trustees have a fiduciary duty to consider their approach to the stewardship of the investments, to maximise financial returns for the benefit of members and beneficiaries over the long term. In exercising this duty, the Trustees monitor the investments through regular assessment of performance supplemented, as appropriate, by engagement and/or voting through their Investment Managers.

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

Asset Class	Active/Passive	Trustees' Views
Equities	Passive	The Trustees acknowledge 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 Trustees expect the Investment Manager to take ESG considerations into account by engaging with companies that form the index, and by exercising voting rights on these companies.
Infrastructure equity (part year only)	Active	The Trustees expect the Investment Managers to take financially material ESG factors into account, given the active management style of the funds and the ability of the managers to use their discretion to generate higher risk-adjusted

Property (part year only)	Active	returns. The Trustees also expect their Investment Managers to engage with the underlying investee companies and exercise voting rights held for these companies, where possible.

Asset Class	Active/Passive	Trustees' Views
Multi-asset credit	Active	The Trustees expect the Investment Managers to take financially material ESG factors into account, given the active management style of the funds and the ability of the managers to use their discretion to generate higher risk-adjusted returns. The Trustees also expect their Investment Managers to engage with the underlying investee companies, where possible, although they appreciate that fixed income assets within each portfolio do not typically attract voting rights.
Secured finance	Active	
Corporate bonds	Active	
Government bonds	Passive	The Trustees believe 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 Trustees consider that the financial interests of the Scheme members are their first priority when choosing investments. The Trustees believe that these interests will be best served by investing in companies who follow appropriate ESG policies because, in the absence of such policies, the medium to long term success of such companies may be compromised. The Trustees have decided not to canvas the opinions of members on such matters but will consider representations made by them.

Voting rights

During the year, the Trustees invested in pooled investment funds with the Investment Managers, and they acknowledge that this limited their ability to directly influence the Investment Managers. In particular, all voting activities have been delegated to the Investment Managers, as the Trustees are unable to vote on the underlying holdings, given the pooled nature of the Scheme's investments.

However, the Trustees periodically meet with their 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 Trustees. As part of this, the Trustees will seek to challenge their Investment Managers on these matters where they think this is in the best interests of members.

Out of the funds held by the Trustees over the year, the BlackRock Aquila Life UK Equity Index Fund and First Sentier Global Listed Infrastructure Fund contain publicly listed equity holdings. These funds have voting rights attached to the underlying equities held within the funds, and the Trustees have delegated these voting rights to the managers, where each manager sets its own voting policy.

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

Fund	Resolutions Voted On	Resolutions Voted:		
		For	Against	Abstained
BlackRock Aquila Life UK Equity Index Fund	9,695	97%	3%	-
First Sentier Global Listed Infrastructure Fund	691	87%	9%	4%

Information regarding proxy voting, for each manager the Scheme invested with during the year in a fund that has voting rights, is shown below:

- **BlackRock** use Institutional Shareholders' Service's (ISS's) Proxy Exchange voting platform to vote on resolutions electronically. In addition, BlackRock uses Glass Lewis' services to support research and analysis. Whilst ISS and Glass Lewis provide research globally, BlackRock also subscribes to market-specific research providers, including the Institutional Voting Information Service in the UK.
- **First Sentier** utilise the proxy voting services of Glass Lewis, and their recommendations are considered within First Sentier's decision-making process for casting votes.

Significant votes

The Trustees have requested details of the significant votes made on their behalf by each manager of a fund the Scheme invested in during the year 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.

The Trustees believe the following are examples of significant votes undertaken on their behalf over the Scheme year:

Significant Vote 1	
Investment Manager	BlackRock
Company	Shell plc
Date of vote	20 May 2025
Percentage of portfolio invested in Company at date of vote	BlackRock did not provide this information.
Resolution	Request company disclosure whether and how its demand forecast for Liquefied Natural Gas (LNG), LNG production and sales targets, and new capital expenditure into natural gas assets are consistent with climate commitments, including target to reach net zero emissions.

Why significant	BlackRock may determine that a vote is significant based on the potential financial impact on clients, the level of anticipated interest across their clients in the vote, the complexity of the issue, or the context within which the vote is made, amongst other things. BlackRock intend to vote on all proposals to advance their clients' financial interests, consistent with their investment objectives and their fiduciary duty as an asset manager.
Voting decision	Voted Against
Manager comments	*"The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosure. [There is] no demonstrable economical benefit to shareholders.* *Generally, BlackRock supports the vote recommendations of the board of directors and management. When we determine it is in our clients' financial interests to convey concern to companies through voting, we may do so in two forms: we might not support the election of directors or other management proposals, or we might not support management's voting recommendation on a shareholder proposal. In some cases, companies may request an engagement after a shareholder meeting to provide additional clarity.* *We value the opportunity to listen to company leadership, which enhances our understanding of their business models, ensuring that our proxy voting decisions are based on a comprehensive view on company practices and priorities.* *In these conversations, we do not direct companies on how they should manage their business. That responsibility lies with management, with input from the board."*
Vote outcome	Resolution Failed

Significant Vote 2	
Investment Manager	First Sentier
Company	Atlas Arteria
Date of vote	8 May 2025*
Percentage of portfolio invested in Company at date of vote	First Sentier Global Listed Infrastructure Fund: 2.4%
Resolution	Election of Directors
Why significant	First Sentier consider this vote significant as they believe using voting rights to highlight management underperformance when it is identified is important for pushing for improvement and ultimately shareholder value.
Voting decision	Voted Against
Manager comments	*"Vote against re-election of Board members who had previously approved the acquisition of the Chicago Skyway asset, on the view that the transaction destroyed shareholder capital. We will continue to lobby and engage with companies to promote good governance practices."*

Vote outcome	Resolution Passed

*The Scheme redeemed its assets within the fund on 9 January 2025, and consequently there were no examples of significant votes made by First Sentier during the year whilst the Scheme held assets with them. An example of a significant vote is provided here to illustrate the types of considerations First Sentier make in applying their voting policy.

Engagement activities

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

- **BlackRock** engaged with Noodles & Company, a US-based restaurant chain. Their engagement was held in advance of a shareholder meeting to gain insight into the board's oversight of, and management's approach to, material climate-related risks and opportunities, including how these align with the interests of BlackRock and their clients as long-term minority investors. In addition, BlackRock sought to weigh the importance of enhanced disclosure of climate-related data versus the need to allow management to maintain focus on improving the company's financial footing.

  The agenda of the company's Annual General Meeting (AGM) included a shareholder proposal requesting that the company disclose its current greenhouse gas emissions, establish and publish targets for measurably reducing them, and report on progress for meeting those targets. BlackRock noted that at the time of the AGM, Noodles & Company was in a challenging financial position. Its stock price had fallen over 80% in the prior three years in conjunction with falling revenues, a net loss over its previous financial year, and a sharp increase in long-term debt. In addition, the company had recently experienced a leadership change with a new CEO named in March 2024.

  Ultimately, BlackRock did not support the shareholder proposal. Based on insights gained through engagement, Blackrock determined that the financial cost of providing the requested disclosures (which are broadly adopted throughout the wider restaurant industry) outweighed the informational benefit to investors, given the company's financial position. Instead, BlackRock took the approach that it was in their clients' best interests for the board and management to focus on executing their strategic turnaround plan and bolstering the company's capacity for sustained earnings growth.

- **First Sentier** engaged with a producer of bicycle components, fishing tackle, and rowing equipment, following an alert they received in relation to allegations of exploitation of over 200 Nepalese migrant workers in Malaysia within the company's supply chain. The engagement searched for clarity on the situation and the steps taken to resolve any wrongdoing. The alleged exploitation included abusive and threatening behaviour, unlawful salary deductions, high recruitment fees (equivalent to around seven months' salary), and unpaid suspensions.

  During their engagement, the company confirmed that the media reports were accurate, and advised that it had launched their own investigation into the supplier. First Sentier learned that, following the conclusion of the investigation and pressure applied to the supplier, any missed income was repaid and interest on loans taken to meet recruitment fees was reimbursed.

  The company emphasised their commitment to First Sentier to supporting human rights throughout their supply chain, and was in the process of implementing a system to monitor and identify potential human rights issues. The manager intends to remain engaged with the company to monitor the reduction in the risk of human rights abuses within its supply chain and associated disclosures.

- Within the **Barclays Real Estate Portfolio, Londonmetric** regularly engaged with Merlin Entertainments, one of the largest occupiers of the properties held, including fund assets such as Alton Towers, Thorpe Park, Warwick Castle, and Heide Park (Germany).
  One such engagement led Londonmetric employees to attend a site visit to Thorpe Park to meet with the Park's management, aiming to gain a better understanding of Merlin's business and its plan to develop the asset. Londonmetric report that during the visit, Merlin re-enforced the structural drivers towards hospitality and their consumers' desire to prioritise 'memories and days out'. Merlin continues to invest in its assets with a proactive capital investment plan as well as upgrades to the amenity to draw a broader catchment and demographic.

  Londonmetric note that monthly sustainability meetings are held with Merlin. At Thorpe Park, in line with Merlin's 2030 ambition of reaching carbon neutrality for some types of emissions, degasification initiatives have been implemented, including the installation of air source heat pumps, electric point-of-use water heaters, and on-site solar power generation. At Warwick Castle, the manager learned that an embodied carbon assessment was undertaken on a newly developed hotel, which was certified 'Very Good' under the Building Research Establishment Environmental Assessment Model (BREEAM).

- **Janus Henderson** engaged with a US-based energy company in response to their poor health and safety record, with the aim of gaining a better understanding of the company's health and safety management system, and to discuss the strategies they have put in place to enhance safety.

  Janus Henderson met with company executives, and noted that the company had undertaken a comprehensive evaluation to identify the issues behind the recent safety incidents, and had implemented several corrective measures. These corrective measures include linking executive remuneration to safety performance, and enhancing reporting protocols (including immediate notification to Company Directors and the CEO of safety incident reports).

  Janus Henderson noted that based on the changes made by the company, it has moved from lagging its peers to potentially leading, mitigating operational, legal and reputational risk. Moving forward, Janus Henderson will continue to monitor the company's safety record, and re-engage should there be any further recurrence of poor health and safety performance.

- **M&G** engaged with UK water company, Anglian Water Services Financing plc, aiming to encourage improvement in the company's biodiversity disclosures following its identification as failing to meet the MSCI's 'Do No Significant Harm' biodiversity criteria.

  To identify ways to remediate the issues raised by MSCI, M&G undertook internal research alongside an assessment against Nature Action 100's benchmark indicators. As a result, the company was asked to provide an updated and more comprehensive Biodiversity Policy, detailing their approach to several issues including reducing the impact of operations on biodiversity, programmes to protect ecosystems, and managing deforestation.

  Following their engagement, M&G learned that Anglian Water acknowledged the MSCI's decision and penalties linked to their transparency, though believe they uphold a commitment to ethical practices and openness. Furthermore, the company clarified that operations impacting endangered species are regulated by the Environment Agency, and are necessary for essential service provision. They indicated that achieving significant environmental benefits would require further investment.

M&G went on to learn that as a result of the impact of COVID-19 and strategic restructuring, Anglian Water postponed updates to its biodiversity strategy in favour of broader environmental goals. The company also highlighted difficulties in meeting sustainable regulation demands, and confirmed that they are exploring narrative disclosures to better articulate their environmental initiatives. M&G understand that the company is hopeful that the manager's requests are feasible and that future disclosures will provide the additional information requested regarding their environmental impacts.

- **TwentyFour** engaged with Banco Santander to review lending criteria ahead of their latest consumer loan securitisation, following a deterioration in collateral performance of their consumer loan book. The engagement aimed to ensure that an appropriate balance was being struck between sufficiently supporting borrowers in times of difficulty and improving the performance of the loan book.

  TwentyFour reported that Santander acknowledged the underperformance, which was driven by a relaxation of standards for 'pre-approved' consumer loans, associated with a commercial objective to attract more business to the bank. Beyond pre-approved loans, Santander explained that cost of living pressures and wider macroeconomic conditions had placed pressure on consumers in Spain, contributing to weaker performance.

  TwentyFour learned that in response to these issues the bank has increased minimum internal credit scores within its consumer loan methodology, and have made adjustments to their risk appetite and lending criteria, to improve performance. Santander reiterated their flexible approach to lending, highlighting the agility of their credit model and lending standards. TwentyFour note they were disappointed with performance, relative to some peers, and communicated these concerns with the company. The manager goes on to report they were satisfied with the subsequent tightening in credit criteria and understand the lag inherent in the performance data for securitisations. TwentyFour confirmed that they will continue to engage with the bank and monitor the issue.

- **Insight** engaged with the Australian government to discuss their climate transition strategy, aiming to aid the reduction of climate-related risks associated with sovereign bonds. The engagement has run over multiple years and has focused on several climate-related issues including sovereign emissions disclosure, green bond frameworks, climate adaptation planning, sector decarbonisation pathways, and climate transition.

  In 2025, the agenda included discussion with the Department of Climate Change, the Environment, Energy and Water (DCEEW), and Treasury, focusing on ensuring Australia's plans to meet the goals of the Paris Climate Agreement reflect the strongest possible level of ambition and credibility. During their engagement, Insight note they were able to leverage and highlight the need for alignment with best practices for sector decarbonisation roadmaps on decision-usefulness, links to policy certainty and stability, and clarity around financing mechanisms. This engagement targeted outcomes of investors being provided further transparency, granularity, and quality of disclosure, to help them assess whether the Australian government is serious about delivering on its climate goals. The engagement remains ongoing, and Insight note that the Australian government were due to publish their 2035 climate transition targets in late 2025.

- **L&G** engaged with Microsoft to encourage greater transparency, stronger governance, and more robust risk management practices related to Artificial Intelligence (AI) and human rights. L&G believe Microsoft holds significant influence over how AI is integrated into the global economy through its software products and cloud services. L&G hold the view that companies like Microsoft should be transparent in their use of AI and their risk management processes.

They also consider that, given the scale of the company's global cloud and digital operations, the human rights risks across its operations and value chain are significant.

In late 2025, L&G met with the company ahead of their Annual General Meeting (AGM) to discuss shareholder resolutions that had been filed in relation to AI, data governance, and human rights. The meeting aimed to understand the company's approach to these issues and the measures it has put in place to manage the associated 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. Microsoft has amended its internal risk classification process for projects, including clarifying which types of projects require additional human rights due diligence. L&G view these changes positively. L&G will continue to monitor progress in AI governance and related processes, and intend to hold future engagements with the company on these topics.

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

Signed: ______________________ **Date:** 30/07/2026 GMT

Signer ID: 3AKQFTFW8U...

On behalf of the Trustee of the Amalgamated Metal Corporation Pension Scheme