

# Wyeth Group Pension and Life Assurance Scheme (1997) (the “Scheme”)

Annual Implementation Statement for the Year to 31 December 2023

June 2024



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# Section 1

## Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles (“SIP”) produced by the Trustee has been followed during the year running from 01 January 2023 to 31 December 2023 (the “**Scheme Year**”). This statement has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 (as amended) and the guidance published by the Pensions Regulator.

The statement is based on, and should be read in conjunction with, the relevant version of the SIP that was in place for the Scheme Year, the latest of which dated as at April 2022.

The following Section of this statement sets out the investment objectives of the Scheme and changes which have been made to the SIP during the Scheme Year, and the extent to which, the policies in the Defined Benefit (“DB”) Section and Defined Contribution (“DC”) Section of the SIP have been followed, respectively.

**The Trustee can confirm that all policies in the SIP have been followed in the Scheme Year.**

A copy of the SIP is available at <https://www.wyethpensiondirectory.co.uk/>

The last Sections of this statement include information on the engagement and key voting activities of the underlying investment managers within each Section of the Scheme.

# Section 2

## Statement of Investment Principles

### Investment Objectives of the Scheme

The Trustee believes it is important to consider the policies in place in the context of the objectives it has set.

#### **DB Section**

The objectives for the **DB Section of the Scheme** specified in the SIP are as follows:

The primary objective of the DB Section is to invest the Scheme's assets in the best interest of the members and beneficiaries and in the case of a potential conflict of interest in the sole interest of the members and beneficiaries to ensure pension obligations can be met as and when they are due. The Trustee has invested the majority of the Scheme's assets in bulk annuity contracts with Just and Aviva. The contracts are buy-in policies. In addition to the buy-in policies, there is a small balance in a BlackRock Liquidity Fund, as well as cash in the Trustee Bank account, which will be used to meet remaining liabilities.

The Trustee has given the annuity providers and BlackRock full discretion when undertaking engagement activities in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code. Further details of this can be found in the providers' respective ESG policies:

Just <https://www.justgroupplc.co.uk/about-us/our-business/esg>

Aviva <https://www.aviva.co.uk/business/workplace-pensions/sme/pensions-for-employers/investment-options/>

Blackrock <https://www.blackrock.com/corporate/literature/publication/blk-esg-investment-statement-web.pdf>

## DC section

The objectives for the **DC Section of the Scheme** specified in the SIP are as follows:

- To establish a default strategy which will offer a high-quality solution appropriate for the majority of members saving into the DC Section.
- Alongside the default strategy, provide a range of self-select funds to meet the diversity of member needs throughout their working lives.
- To provide both the default strategy and the range of self-select funds at a competitive price, thus allowing members to benefit from retaining a higher share of investment growth on their savings.
- To implement and deliver an attractive and compelling communication and engagement strategy that reflects the needs of members, specially taking into account the nature of the Scheme and the investment arrangements that are provided.
- To explore, with the key stakeholders, the ability to make accessible to members the flexibilities in relation to DC savings that are now available.
- To put in place the necessary governance framework that will allow the ongoing suitability of the DC Section, including the suitability of the investment arrangements, to be monitored over time.

## Review of the SIP

During the Scheme Year, no reviews or amendments were made to the current SIP. Therefore, the SIP dated 30 April 2022 remains in effect.

During the first quarter of 2024, the Trustee reviewed the SIP and made some amendments in order to be consistent with Regulations that will be implemented during 2024. These modifications included updates in the SIP Trustee's policy in relation to illiquid assets. The SIP has been approved by the Trustees but is awaiting approval from the Company.

## Assessment of how the policies in the SIP have been followed for the Scheme Year

The information provided in this section highlights the work undertaken by the Trustee during the year, and longer term where relevant, and sets out how this work followed the Trustee's policies in the SIP (dated April 2022), relating to the DB Section and DC Section of the Scheme.

**In summary, it is the Trustee's view that the policies in the SIP have been followed during the Scheme Year.**

# Investment Mandates

## Securing compliance with the legal requirements about choosing investments

### Policy

As required by the legislation, in considering appropriate investments for the Scheme, the Trustee has obtained and considered the written advice of a suitably qualified investment consultant, Mercer Limited (“Mercer”). The advice received and arrangements implemented are, in the Trustee’s opinion consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended).

DB	DC
<p><b>How has this policy been met over the Scheme Year?</b></p> <p>As a result of analysis and subsequent advice from the investment adviser, the Scheme holds two buy-in policies, with Just and Aviva. There were no changes to the investment strategy over the period.</p>	<p><b>How has this policy been met over the Scheme Year?</b></p> <p>The last formal Triennial Investment Strategy Review was prepared and presented to the Trustee in the second half of 2023 This included considering the components of the default strategy and alternative lifestyle arrangements available to members. The Trustees agreed to closely observe the Diversified Growth Fund which had delivered poorer performance over recent periods, and consider further in 2024.</p> <p>Also during the Scheme Year, it was agreed that the Trustee will be transferring DC only members to a Master Trust arrangement. This transition occurred in April 2024.</p> <p>The Trustee has set Investment Consultant objectives for Mercer, who provides information annually on the work completed in line with these objectives.</p> <p>Following the move of the DC only members to a Master Trust in April 2024, the Trustees will be reviewing their Investment Strategy in the second half of 2024.</p>

## Realisation of Investments

### Policy

The Trustee's administrators will realise assets following member requests on retirement or earlier where required. As detailed in the SIP, the Trustee considers the liquidity of the investment in the context of the likely needs of members.

DB	DC
<b>Policy</b> Further details are set out in the following sections of the SIP: <ul style="list-style-type: none"><li>• Objectives and Policy (SIP Section 3.1)</li><li>• Day to Day Management (SIP Section 3.4)</li></ul> <b>How has this policy been met over the Scheme Year?</b> In general the Scheme's investment managers have discretion in the timing of realisations of investments and in considerations relating to the liquidity of those investments within parameters stipulated in the relevant appointment documentation and pooled fund prospectuses.  The DB Section has bulk annuity contracts with Just and Aviva, which account for the vast majority of the Scheme's DB assets. The annuity providers are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and are registered in the United Kingdom. The Trustee also holds a number of insured annuity contracts.  The Trustee invests the remaining DB assets in a pooled liquidity fund with BlackRock (and a Trustee Bank account). This is a low-risk fund, with a primary objective to perform in line with short term cash rates which is commensurate with the Trustee's own objective.	<b>Policy</b> Further details are set out in the following sections of the SIP: <ul style="list-style-type: none"><li>• Objectives (SIP Section 2.1)</li><li>• Day to Day Management of the Assets (SIP Section 2.4)</li><li>• Overall Aims and Objectives (Appendix A section A.2)</li></ul> <b>How has this policy been met over the Scheme Year?</b> The Trustee receives an administration report on a quarterly basis to confirm that core financial transactions are processed within SLAs and regulatory timelines. As confirmed in the Chair's Statement, the Trustee is satisfied that all requirements were met throughout the year.  All funds utilised by the DC Section are daily dealt pooled investment vehicles, accessed by an insurance contract and should be realisable based on member demand.  There were no liquidity concerns arising in respect of the DC Section's investment fund holdings over the Scheme Year.

# Environmental, Social and Governance (“ESG”)

**Financial and non-financial considerations and how those considerations are taken into account in the selection, retention and realisation of investments**

## **Policy**

The Trustee's policy in relation to Responsible Investment and Corporate Governance is set out in sections 4.3 of the SIP.

*The Trustee considers financially material considerations in the selection, retention and realisation of investments. Within the funds, consideration of such factors, including environmental, social and governance factors, is delegated to the investment manager.*

*Investment managers are expected to evaluate these factors, including climate change considerations, exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.*



## DB and DC

### How has this policy been met over the Scheme Year?

The Pension Schemes Act 2021 introduced legislation requiring specified pension schemes to ensure there is effective governance with respect to the effects of climate change. Occupational pension schemes with £5 billion or more in assets are required to have in place effective governance, strategy, risk management, and accompanying metrics and targets for the assessment and management of climate risks and opportunities from 1 October 2021, aligned with the Task Force on Climate-related Disclosures (“TCFD”) framework.

The Trustee has delegated responsibility for the selection, retention, and realisation of investments to their investment managers and accordingly, the Trustee seeks to manage the risks and opportunities associated with these ESG factors by selecting industry leaders in investment management who are committed to the Principles for Responsible Investment (“UNPRI”) (as they apply to the sector in which the manager invests or the strategy pursued by the manager) and against criteria which include ESG considerations. ESG and the level of integration will differ across asset classes and by investment manager.

The Trustee does not require the Scheme’s investment managers to take non-financial matters into account in their selection, retention and realisation of investments.

### DB Section

The Scheme’s SIP includes the Trustee’s policy on Environmental, Social and Governance (‘ESG’) factors, stewardship and Climate Change. This policy sets out the Trustee’s beliefs on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship. The Trustee believes that ESG factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. However, given that the only invested assets of the Scheme are in a liquidity fund, the Trustee is limited in its ability to integrate ESG into the investment process.

### DC Section

The DC investment performance report is reviewed by the Trustee on a quarterly basis – this includes ratings (both general and specific ESG) from the Investment Consultant. Where rated by Mercer (the Investment Consultant), all of the DC managers remained highly rated during the Scheme Year. Mercer periodically reports any change in its ESG ratings to the Trustee on an ongoing basis and makes recommendations to the Trustee, as appropriate. During 2023 there were no ESG rating changes.

ESG ratings are also monitored as part of the annual Value for Members Assessment in respect of the DC Section.

## Voting and Engagement Disclosures

**The exercise of the rights (including voting rights) attaching to the investments and undertaking engagement activities in respect of the investments** (including the methods by which, and the circumstances under which, the Trustee's would monitor and engage with relevant persons about relevant matters).

### Policy

*The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to the Scheme's investments to the investment managers.*

*Further details are set out in Section 4.3 and Section 6 of the SIP, which apply to both the DB and DC Sections of the Scheme. In addition, it is the Trustee's policy to obtain reporting on voting and engagement and to periodically review the reports to ensure the policies are being met.*

### DB and DC

#### How has this policy been met over the Scheme Year?

During 2023, voting and engagement summary reports from the Scheme's investment managers were provided to the Trustee for review to ensure that they were aligned with the Trustee's policy. The summary reports include examples for the DC section of engagement activity undertaken by the Scheme's investment managers with investments in equities, a summary of voting activity and a sample of the most significant votes cast on behalf of the Trustee by these investment managers.

The Trustee recognises the importance of being a responsible owner of capital. It believes it is important that there is engagement on ESG matters with investments held on behalf of Scheme. The Trustee expects its appointed investment managers to carry out this engagement on its behalf and will seek to appoint investment managers whose approach to engagement is consistent with the Trustee beliefs. The Scheme's investment managers use proxy voting services, with more detail present below.

More information on Engagement and Voting on behalf of the Scheme can be found in Sections 3 and 4.

# Monitoring the Investment Manager

## Incentivising asset managers to align their investment strategies and decisions with the Trustee's policies

### Policy

The Trustee's policy in relation to investments to be held is set out in section 5 of the SIP. *Managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class for which they are selected. As the Trustee invests in pooled investment vehicles it accepts that it has no ability to specify the risk profile and return targets of the manager, but appropriate mandates can be selected to align with the overall investment strategy.*

DB	DC
<p><b>How has this policy been met over the Scheme Year?</b></p> <p>Within the DB Section, the Trustee is comfortable with the manager's likelihood to achieve the expected return and risk characteristics required for the asset class for which they are selected.</p>	<p><b>How has this policy been met over the Scheme Year?</b></p> <p>The Trustee regularly discusses the continued appointment of the managers on a quarterly basis and is happy that the contractual arrangements in place continue to incentivise the managers to make decisions based on medium to long-term financial and non-financial performance. Some mandates are actively managed and the managers are incentivised through remuneration and pre agreed performance targets (an appointment will be reviewed following periods of sustained underperformance). The Trustee is pro-active in monitoring and will be responsive if required.</p>

## Evaluation of asset managers' performance and remuneration for asset management services

### Policy

*The Trustee's policy is set out in section 5 of the SIP, which applies to the DB and DC Sections of the Scheme.*

DB	DC
<b>How has this policy been met over the Scheme Year?</b> <p>The investment manager is aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage. If the Trustee is dissatisfied, then they will look to replace the manager.</p>	<b>How has this policy been met over the Scheme Year?</b> <p>The Trustee receives investment manager performance reports on a quarterly basis, which present performance information over three months, one year, three years, five years and since inception. The Trustee reviews the absolute performance, relative performance against a suitable index used as the benchmark, and against the underlying manager's stated target performance (over the relevant time period) on a net of fees basis. Whilst, as previously mentioned, the Trustee's focus is on long-term performance, it also takes shorter-term performance into account. Additionally, the Trustee reviews the net performance returns for all funds members are invested in as part of preparing the annual Chair's Statement.</p> <p>If an underlying manager is not meeting performance objectives, or their investment objectives for the fund have changed, the Trustee may review the suitability of the manager and change managers where required. The Trustee also considers their Investment Consultant's views of the investment manager, and is comfortable that the longer term performance and forward-looking capabilities of the Fund managers remained suitable.</p>

## Monitoring portfolio turnover costs

### Policy

*The Trustee's policy is set out in Section 5.7 of the SIP*

DB	DC
<b>How has this policy been met over the Scheme Year?</b> <p>As noted in the SIP, the Trustee does not explicitly monitor portfolio turnover costs with respect to the DB Section of the Scheme given the underlying investment arrangements.</p>	<b>How has this policy been met over the Scheme Year?</b> <p>The Trustee has received the annual Value for Members report from its investment consultant, Mercer, confirming portfolio turnover costs. This is provided on an annual basis. The Trustee does not have an overall portfolio turnover target for the Scheme.</p> <p>In addition, the DC fund transaction costs, using the 'slippage cost methodology' (as defined in the COBS 19.8 of the FCA Handbook), are disclosed in the annual Chair's Statement. The transaction costs for each fund covers the buying, selling, lending and borrowing of the underlying securities in the fund by the investment manager. An investment manager can also factor in anti-dilution mechanisms into the total transaction costs. The Trustee is required to assess these costs for value on an annual basis. However, , the Trustee notes a number of challenges in assessing these costs:</p> <ul style="list-style-type: none"><li>- No industry-wide benchmarks for transaction costs exist.</li><li>- Explicit elements of the overall transaction costs are already taken into account when investment returns are reported, so any assessment must also be mindful of the return side of the costs.</li></ul>

## The duration of the arrangements with asset managers

### Policy

*There is no set duration for the manager appointments as set out in Section 5.9 of the SIP. However, the appointment is regularly reviewed as to its continued suitability and could be terminated either because the Trustee is dissatisfied with the managers' ongoing ability to deliver the mandate promised or because of a change of investment strategy by the Trustee.*

DB	DC
<b>How has this policy been met over the Scheme Year?</b>  There is no set duration for the manager appointment. However, the appointment is regularly reviewed as to its continued suitability and could be terminated either because the Trustee is dissatisfied with the manager's ongoing ability to deliver the mandate promised or because of a change of investment strategy by the Trustee.	<b>How has this policy been met over the Scheme Year?</b>  All the funds are open-ended. The DC Section's funds have no set end date for the arrangement. The DC Section's fund range and default investment option are reviewed on at least a triennial basis. An underlying manager's appointment may be terminated if it is no longer considered optimal nor have a place in the default strategy or general fund range.

# Strategic Asset Allocation

## Kinds of investments to be held, the balance between different kinds of investments and expected return on investments

DB	DC
<p data-bbox="114 539 215 571"><b>Policy</b></p> <p data-bbox="114 603 1117 715">The Trustee's policy on the kinds of investments to be held and the balance between different kinds of investments can be found under the following sections of the SIP:</p> <ul data-bbox="114 742 678 813" style="list-style-type: none"><li data-bbox="114 742 678 774">• Objectives and Policy (SIP Section 3.1)</li><li data-bbox="114 778 658 813">• Investment Strategy (SIP Section 3.3)</li></ul>	<p data-bbox="1122 539 1223 571"><b>Policy</b></p> <p data-bbox="1122 603 2125 794">As outlined in section 2.2 of the SIP, the Trustee makes available a range of funds and lifestyle strategy options which it believes provide appropriate strategic choices for members' different saving objectives, risk profiles and time horizons. Members themselves determine the fund(s) in which they choose to invest.</p> <p data-bbox="1122 818 2125 1129">Members who do not indicate a preference are invested in the default option which includes lifestyle towards taking their benefits at retirement via income drawdown. In addition, the DC Section of the Scheme has a legacy default option which was designed for a typical member who intends to access their benefits via annuity purchase at retirement. Members' assets are de-risked as they approach retirement. More information on the default strategy is included in Appendix A – Statement of Investment Principles – Default Options.</p>

**DB****How has this policy been met over the Scheme Year?**

There were no changes to the investment strategy over the year but the Trustee is comfortable with the current risk/return profile and that aligns with their goals.

**DC****How has this policy been met over the Scheme Year?**

Within the DC Section, the default investment option was subject to its formal triennial review in Q4 2023. The adequacy of the investments in place were reviewed (fund type, management style and asset allocations) as part of this exercise, and, following member demographic analysis and market reviews, the Trustee remains satisfied with the previous update of the default lifestyle strategy to target Drawdown. It was concluded that this is still suitable for the Scheme's members.

Over the Scheme Year, the Trustee received investment performance reports on a quarterly basis for all of the funds within the fund range. This included fund performance against benchmarks over both short and longer-term periods. Investment performance is reviewed by the Trustee at the quarterly DC Committee meetings. During the Scheme Year the investments remained consistent with the policies and objectives as set out in the SIP.

During 2023, some funds had underperformed over a few quarters, and the Trustees considered whether to replace the Fund's in question. However, due to the overall performance of the Scheme and the continued rating from their investment consultant, the Trustees decided to monitor this Fund and consider as part of the 2024 investment strategy review.



## Risks, including the ways in which risk are to be measured and managed

DB	DC
<b>Policy</b> <p>The Trustee recognises a number of risks involved in the investment of the assets of the DB Section and that the choice and allocation of investments can help to mitigate these risks. Details of these risks and how they are measured and managed can be found under the following section of the SIP:</p> <ul style="list-style-type: none"><li>• Risk Management (SIP Section 3.2)</li></ul> <p>The Trustee considers both quantitative and qualitative measures for a number of risks on an ongoing basis when deciding investment policies, strategic asset allocation, and the choice of asset classes, funds, and asset managers.</p> <b>How has this policy been met over the Scheme Year?</b> <p>The principal risk facing the Trustee and the Scheme's members is that Just and Aviva may default on their obligations under the annuity contracts to meet all future benefits (as contracted). Before entering into the contracts with Just and Aviva, the Trustee obtained and carefully considered professional advice regarding the financial strength of Just and Aviva and concluded that the risk was acceptably low.</p> <p>The Trustee also received updates from its Investment Consultant on developments concerning the Scheme's DB investment manager and annuity providers as required.</p>	<b>Policy</b> <p>The Trustee considers risk (both investment and operational) from a number of perspectives in relation to the self-select funds and the default investment option as detailed in section 2.3 of the SIP.</p> <b>How has this policy been met over the Scheme Year?</b> <p>As detailed in the risk table in the SIP, the Trustee considers both quantitative and qualitative measures for these risks when deciding investment policies, strategic asset allocation, the choice of fund managers / funds / asset classes.</p> <p>The Scheme maintains a risk register of the key risks, including the investment risks. This rates the impact and likelihood of the risks and summarises existing mitigations and additional actions.</p> <p>During 2023, the Trustee has continuously monitored the risk register. The risk register for all three schemes have been amalgamated for the purpose of ease during reviews. Law Debenture also ensured that the risk registers accommodate for risks associated with the transition to MasterTrust.</p>

# Section 3

## Engagement Activity by the Scheme's Investment Managers

The following are examples of engagement activity undertaken by the Scheme's investment managers.

DB	DC
Given the nature of the DB Scheme's holdings there are no relevant engagement activities.	<p>The Trustee recognises the importance of being a responsible owner of capital. It believes it is important that there is engagement on ESG matters with investments held on behalf of Scheme. The Trustee would usually expect its appointed investment managers to carry out this engagement on its behalf and will seek to appoint investment managers whose approach to engagement is consistent with the Trustee beliefs. The Scheme's investment managers use proxy voting services, with more detail present below.</p> <p><b>LGIM's</b> Investment Stewardship team uses Institutional Shareholder Services, Inc. (ISS) 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM, and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, LGIM have put in place a custom voting policy with specific voting instructions.</p> <p><b>BlackRock</b> subscribes to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis. BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams – Americas ("AMRS"), Asia-Pacific ("APAC"), and Europe, Middle East and Africa ("EMEA") - located in seven offices around the world. The analysts with each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines.</p> <p><b>Insight</b> uses Minerva Analytics analyses any resolution against Insight-specific voting policy templates which will determine the direction of the vote. Minerva Analytics monitors company meeting agendas and items to be voted on. Minerva reviews each vote against Insight's specific criteria and provides a recommendation for each item. Insight votes in line with the recommendations of the proxy voting agent and documents where it makes a voting decision against the recommendation. The rationale for, abstaining or voting against the voting recommendation is retained on the Minerva platform on a case-by-case basis.</p>

## DB

The Trustee has delegated their voting rights to the investment manager. Where applicable, the investment manager is expected to provide voting summary reporting on a regular basis, at least annually. The Scheme's voting rights are exercised by the investment manager (and the annuity providers) in accordance with their own corporate governance policies and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code (the Code). It is important to note that neither the Sterling Liquidity assets with BlackRock, nor the underlying assets managed by the annuity providers are invested in equities as at the date of this document.

For the DB section, the Trustee does not use the direct services of a proxy voter. Therefore, given the nature of the underlying assets, voting activity does not apply. The Trustee defines a significant vote as one that is linked to the Scheme's stewardship priorities/themes. A vote could also be significant for other reasons, e.g. due to the size of holding. Given the nature of the DB Scheme's holdings, this is unlikely to be a material consideration for the Trustee.

## DC

The following funds contain an allocation to equities.

Self-Select Range	Default Investment Funds
<ul style="list-style-type: none"><li>- Aegon BlackRock World (ex-UK) Equity Index Fund</li><li>- Aegon HSBC Islamic Global Equity Index Fund</li><li>- Aegon BlackRock Emerging Markets Equity Index Fund</li><li>- Aegon BlackRock UK Equity Index Fund</li><li>- Aegon LGIM Future World Global Equity Index Fund</li><li>- Irish Life Indexed Global Equity Fund</li><li>- Irish Life Consensus Fund</li></ul>	<ul style="list-style-type: none"><li>- Pfizer Group Global Equity Fund</li><li>- Pfizer Group Diversified Growth Fund</li><li>- Pfizer Group Pre-Drawdown Fund</li></ul> <p>The underlying equity components for the Pfizer Group Global Equity Fund are as follows:</p> <ul style="list-style-type: none"><li>o Aegon BlackRock MSCI Currency Hedged World Index Fund</li><li>o Aegon BlackRock Emerging Markets Equity Index Fund</li><li>o Aegon LGIM Future World Global Equity Index Fund</li><li>o Aegon LGIM Future Word Emerging Markets Equity Index Fund</li></ul> <p>The underlying equity components for the Pfizer Group Diversified Growth Fund are:</p> <ul style="list-style-type: none"><li>o Aegon BlackRock DC Diversified Growth Fund</li><li>o Insight Broad Opportunities Fund</li></ul> <p>The underlying equity components for the Pfizer Group Pre-Drawdown Fund are:</p> <ul style="list-style-type: none"><li>o Aegon LGIM Retirement Income Multi-Asset</li></ul>

# Section 4

## Voting Activity during the Scheme year

To ensure voting behaviour is consistent with the Trustee beliefs and stewardship priorities, as well as, the Scheme's investment objectives, within equity mandates, the Trustee believes that investment managers should seek to vote on 100% of resolutions. However, the Trustee recognises that some votes will be more significant than others based on their likely financial materiality. The Trustee views the votes on the following as matters that would be a significant vote;

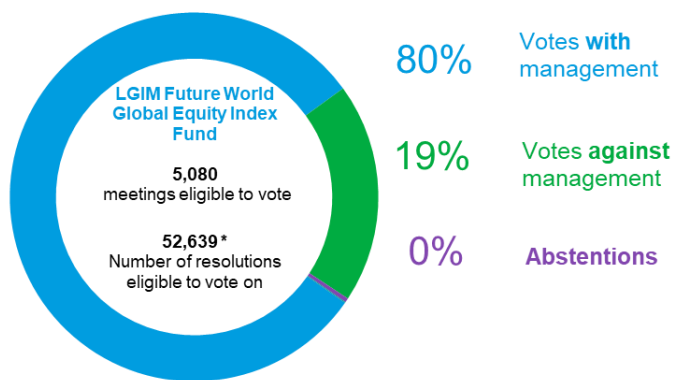
- (i) Any matter when they relate to one of a scheme's 10 largest holdings of each of the default strategy funds that hold more assets in absolute terms
- (ii) Shareholder resolutions on climate related policies and activities that would result in significant biodiversity loss or Company proposals that would be at odds with the expectations of the UK Corporate Governance Code (to the extent that compliance would be reasonable in the market in question). This would include, but is not limited to, matters of excessive or inappropriate executive remuneration; issues relating to board make up (including Diversity Equity and Inclusion (DE&I), lack of term limits and lack of chair independence) and ineffective audits.

Managers have provided examples of significant votes across the funds previously noted as containing equity. It is not possible to disclose all the information received in this statement. Therefore, examples of voting activity to include in this statement were included focusing on the areas detailed previously mostly focusing on climate change and governance priorities. These votes were selected from the Scheme's 10 largest holdings within each of the default strategy funds, where information was available, with more sample examples being shared for funds that hold more assets in absolute terms.

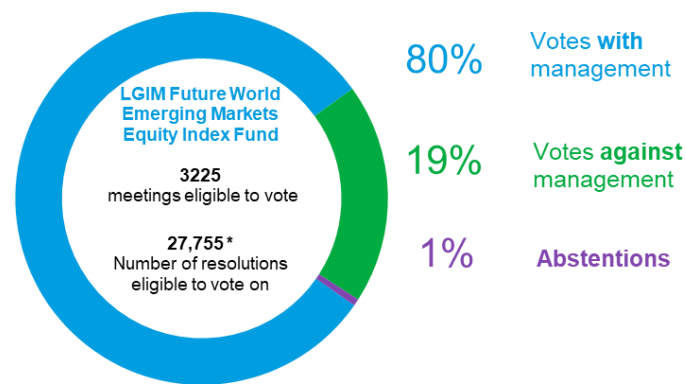
## DC

Set out below is a summary of voting activity for this reporting period relating to the relevant strategies in the DC Section of the Scheme. Votes “**for / against** management” assess how active managers are voting for and against management. **Purple** represents **abstention** from voting. Mandates where shareholder voting is not applicable are not included in the list below.

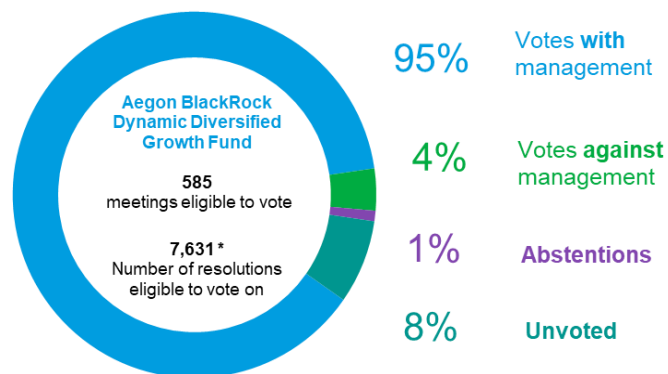
### Pfizer Group Global Equity and Diversified Growth Funds – Underlying Funds



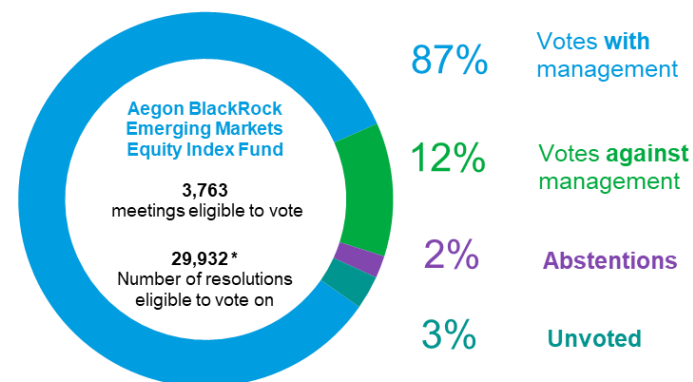
\*99.9% of resolutions voted on



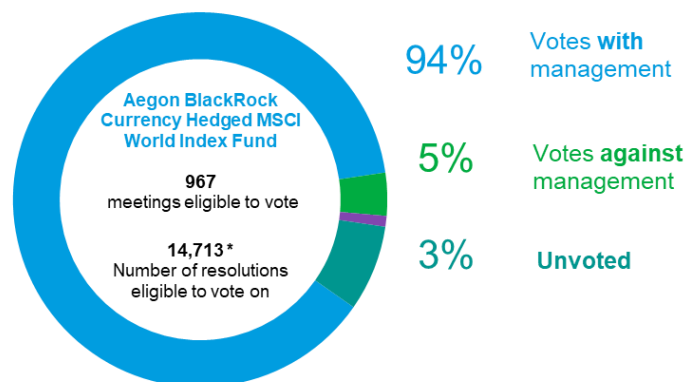
\*100.0% of resolutions voted on



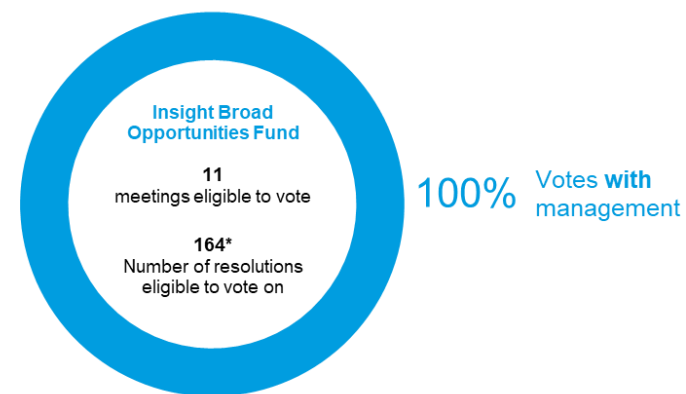
\*92.0% of resolutions voted on



\*97.0% of resolutions voted on

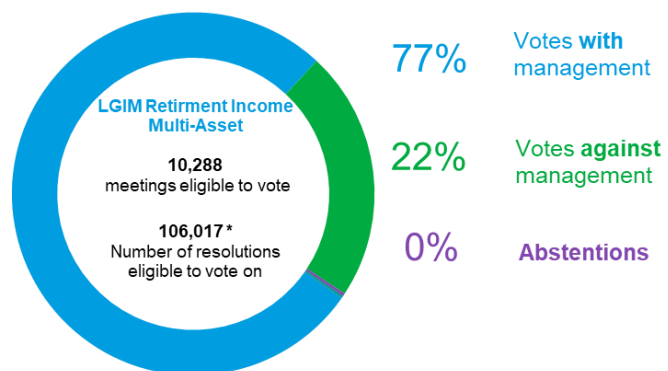


\*97.0% of resolutions voted on

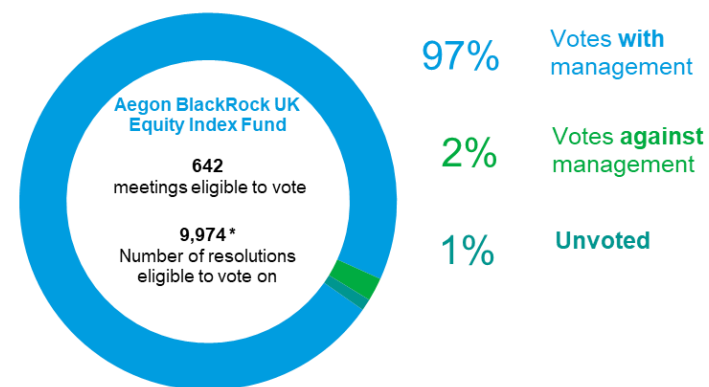


\*100.0% of resolutions voted on

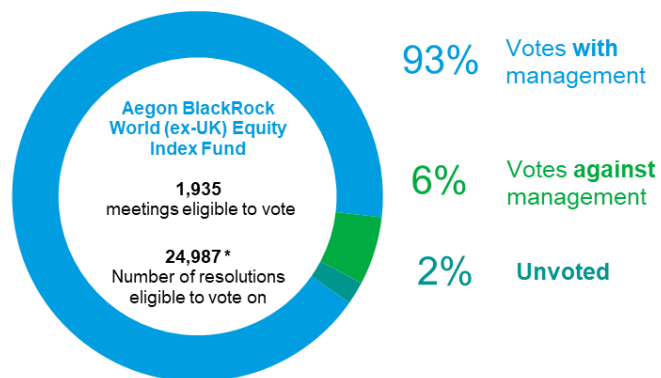
## Self-Select Funds



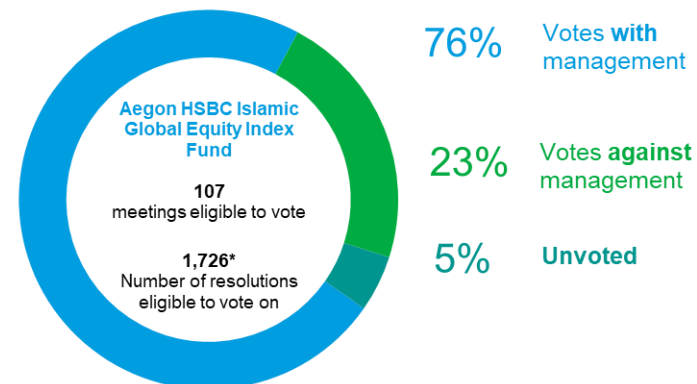
\*99.8% of resolutions voted on



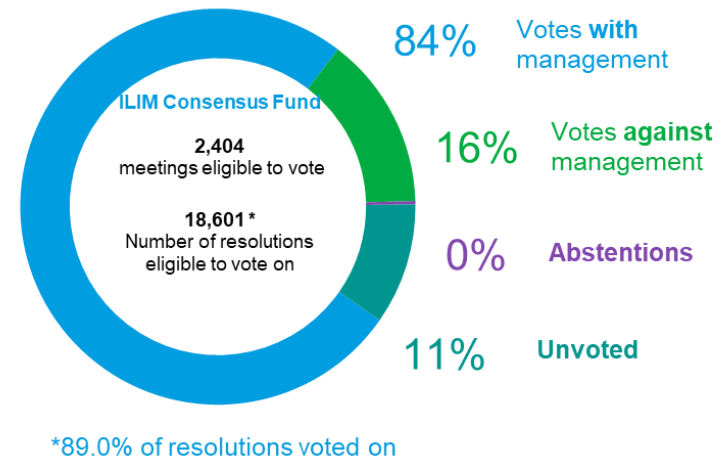
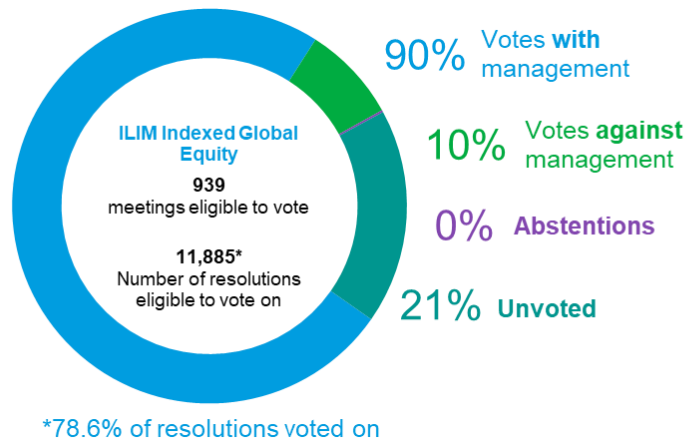
\*99.0% of resolutions voted on



\*98.0% of resolutions voted on



\*95.0% of resolutions voted on



Source: Managers. Figures may not total 100% due to a variety of reasons.



## Most significant votes

✗ Resolution not passed      ✓ Resolution passed

Fund	Portion of the fund (%)	Company	Date of vote	How the Manager voted	Where the manager voted against management, was the intent communicated ahead of the vote?	Rationale of Manager vote	Final outcome following the vote	Why Vote is Significant
LGIM Future World Global Equity Index Fund	1.34	Amazon.com, Inc.	24 May 2023	Voted in <b>favour</b> of the Median and Adjusted Gender/Racial Pay Gaps. Voted against management recommendation.	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.	A vote in favour is applied as LGIM expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. This is an important disclosure so that investors can assess the progress of the company's diversity and inclusion initiatives. Board diversity is an engagement and voting issue, as we believe cognitive diversity in business – the bringing together of people of different ages, experiences, genders, ethnicities, sexual orientations, and social and economic backgrounds – is a crucial step towards building a better company, economy and society.	✗	The Trustee has deemed votes related to <b>diversity</b> to be a significant vote.
Aegon BlackRock Dynamic	0.21			Voted <b>against</b> of the Report on	BlackRock endeavor to communicate to companies when they	A vote against is applied as BlackRock believes the company already provides sufficient		The Trustee has deemed votes related

Fund	Portion of the fund (%)	Company	Date of vote	How the Manager voted	Where the manager voted against management, was the intent communicated ahead of the vote?	Rationale of Manager vote	Final outcome following the vote	Why Vote is Significant
Diversified Growth Fund				Efforts to Reduce Plastic Use.	intend to vote against management, either before or just after casting votes in advance of the shareholder meeting.	disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures.		to <b>climate change</b> to be a significant vote.
LGIM Future World Global Equity Index Fund	0.88	JPMorgan Chase & Co.	16 May 2023	Voted in <b>favour</b> of the Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets. Voted against management recommendation.	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.	LGIM generally support resolutions that seek additional disclosures on how they aim to manage their financing activities in line with their published targets. The detailed information on how a company intends to achieve the 2030 targets they have set and published to the market (the 'how' rather than the 'what', including activities and timelines) can further focus the board's attention on the steps and timeframe involved and provides assurance to stakeholders. The onus remains on the board to determine the activities and policies required to fulfil their own ambitions, rather than investors imposing restrictions on the company.	✗	The Trustee has deemed votes related to <b>climate change</b> to be a significant vote.
LGIM Retirement Income Multi-Asset Fund	0.16	Shell Plc	23 May 2023	Voted <b>against</b> the approval of the Shell Energy Transition	LGIM publicly communicates its vote instructions on its website the day after the company	A vote against is applied, though not without reservations. Shell acknowledges the substantial progress made by the company in	✓	The Trustee has deemed votes related to <b>climate</b>

Fund	Portion of the fund (%)	Company	Date of vote	How the Manager voted	Where the manager voted against management, was the intent communicated ahead of the vote?	Rationale of Manager vote	Final outcome following the vote	Why Vote is Significant
				Progress. Voted against management recommendation.	meeting, with a rationale for all votes against management. It is LGIM's policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.	meeting its 2021 climate commitments and welcome the company's leadership in pursuing low carbon products. However, Shell remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5C trajectory.		<b>change</b> to be a significant vote.
LGIM Retirement Income Multi-Asset Fund	0.15	Tencent Holdings Limited	17 May 2023	Voted <b>against</b> the election of Jacobus Petrus (Koos) Bekker as Director. Voted against management recommendation.	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM's policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.	A vote against is applied as LGIM expects the Committee to comprise of independent directors.	✓	The Trustee has deemed votes related to <b>climate change</b> and <b>board composition</b> to be a significant vote.
LGIM Future World Emerging Markets Equity Index Fund	3.5							
LGIM Future World Emerging Markets Equity Index Fund	0.75	Wuxi Biologics (Cayman) Inc.	27 May 2023	Voted <b>against</b> the election of Ge Li as Director. Voted against	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale	A vote against is applied as LGIM expects a company to have a diverse board, including at least one woman. LGIM expect companies to increase female	✓	The Trustee has deemed votes related to <b>diversity</b> to be a

Fund	Portion of the fund (%)	Company	Date of vote	How the Manager voted	Where the manager voted against management, was the intent communicated ahead of the vote?	Rationale of Manager vote	Final outcome following the vote	Why Vote is Significant
				management recommendation.	for all votes against management. It is LGIM's policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.	participation both on the board and in leadership positions over time.		significant vote.
iShares Emerging Markets Equity Index Fund	0.07	Banco de Chile SA	23 March 2023	Voted <b>against</b> the election of Andronico Luksic Craig as Director	BlackRock endeavor to communicate to companies when they intend to vote against management, either before or just after casting votes in advance of the shareholder meeting.	A vote against has been applied as the nominee serves on an excessive number of public company boards, which BlackRock believe raises substantial concerns about the director's ability to exercise sufficient oversight on this board.	✓	The Trustee has deemed votes related to <b>board composition</b> to be a significant vote.
Aegon BlackRock MSCI Currency Hedged World Index Fund	-	Glencore Plc	26 May 2023	Voted <b>against</b> the approval of the 2022 Climate Report	BlackRock endeavor to communicate to companies when they intend to vote against management, either before or just after casting votes in advance of the shareholder meeting.	A vote against has been applied as BlackRock believe this proposal is not in the best interest of shareholders.	✓	The Trustee has deemed votes related to <b>board composition</b> to be a significant vote.

Source: Managers. Voting activity is not applicable for the Insight Broad Opportunities Fund.

*Additional Notes:*

*A) For all LGIM funds reported above:*

- LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as LGIM's engagement is not limited to shareholder meeting topics.*
- LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.*

*B) BlackRock did not provide detailed information on the size of the holdings for the Aegon BlackRock MSCI Currency Hedged World Index Fund.*