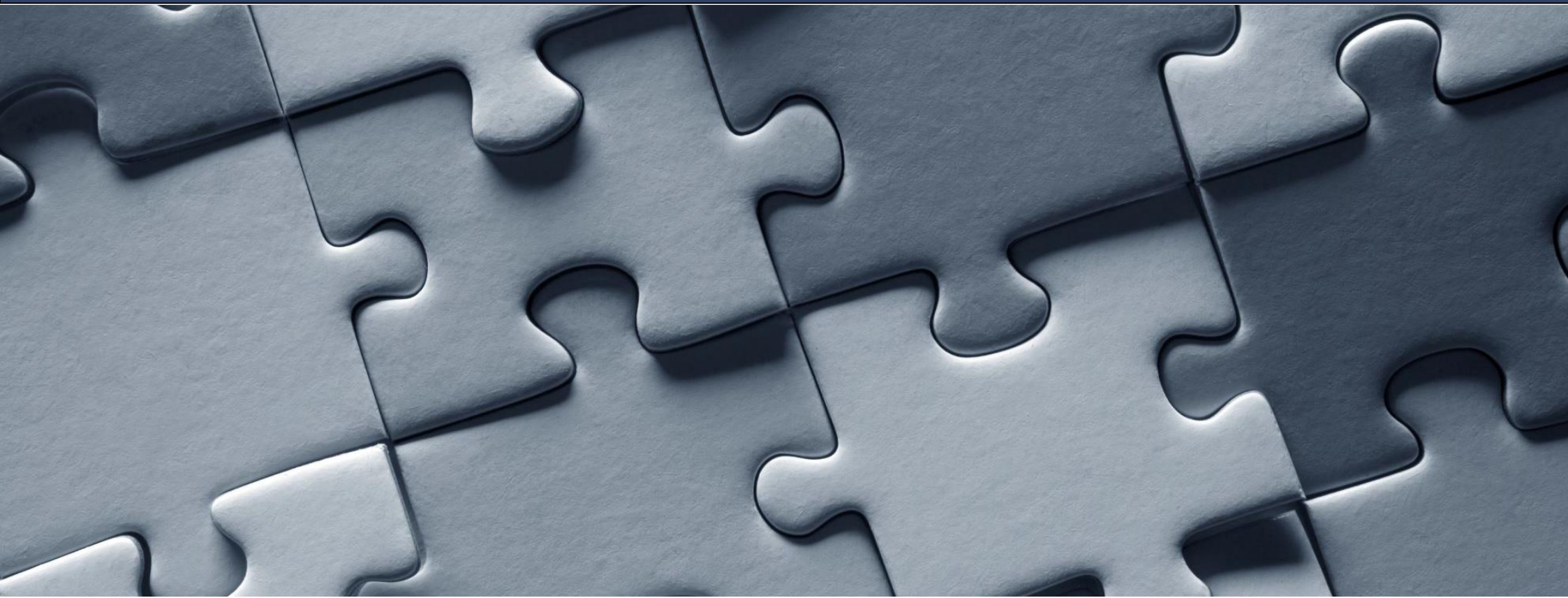
Statement of Investment Principles

For the Places for People Group Retirement Benefit Scheme

Effective from: 24 April 2025



1. Introduction

This Statement of Investment Principles ("SIP") has been produced by the Trustee of the Places for People Group Retirement Benefit Scheme (the "Scheme").

It sets out our policies on various matters governing investment decisions for the Scheme, which is a Defined Benefit ("DB") Scheme.

This SIP replaces the previous SIP dated May 2023.

This SIP has been prepared after obtaining and considering written advice from LCP, our investment adviser, whom we believe to be suitably qualified and experienced to provide such advice. The advice considered the suitability of investments including the need for diversification given the circumstances of the Scheme and the principles contained in this SIP.

We have consulted with the relevant employer in producing this SIP.

We will review this SIP from time to time and will amend it as appropriate. Reviews will take place without delay after any significant change in investment policy and at least once every three years.

This SIP contains the information required by legislation, and also considers the Pension Regulator's guidance on investments.

We have produced a separate SIP addendum document, which details further background and other matters relevant to the Scheme's investments, but which are not required to be included in the SIP.

2. Investment objectives

The primary objective for the Scheme is to ensure that the benefit payments are met as they fall due. In addition to this primary objective, we have the following objectives:

- that the expected return on the Scheme's assets is maximised whilst managing and maintaining investment risk at an appropriate level.
- that the Scheme should be fully funded on a technical provisions basis (ie the asset value should be at least that of its liabilities on this basis). The Trustee is aware that there are various measures of funding, and has given due weight to those considered most relevant to the Scheme.
- that the Scheme has a long-term journey plan in place, including a secondary funding target (which has been agreed with the Company) which is designed to help it achieve full funding between 31 March 2028 and 31 March 2033 on a self-sufficiency basis. Progress against this long-term journey plan is assessed and reported on a regular basis.

3. Investment strategy

With input from our advisers and in consultation with the employer, we reviewed the investment strategy in December 2024, considering the objectives described in Section 2.

The investment strategy is shown in the following table.

Asset class	Strategic allocation
Global equities	14.0%
Asset-backed securities ("ABS")	12.5%
Short duration buy and maintain credit	35.0%
Liability driven investment ("LDI") and money market cash	38.5%
Target interest rate and inflation hedging (gilts +0.3% pa self-sufficiency basis)	Broadly in line with the funding level

Our policy is to target the maximum expected return level subject to ensuring the level of investment risk is appropriate to reflect the Scheme's circumstances. We believe that the strategy above meets this objective.

There is no formal rebalancing policy. We monitor the asset allocation from time to time. If material deviations from the strategic allocation occur, we will consider with our advisers whether it is appropriate to rebalance the assets.

As the Scheme matures over time, we intend to de-risk the investment strategy to reflect the change in the liability profile (ie switching from growth to matching assets).

We have a leverage management plan in place which sets out the assets directly available to support the Scheme's LDI arrangements and the approach that is expected to be taken with regards to selling down any other assets to support the LDI arrangements. We review and update the plan periodically.

4. Considerations in setting the investment arrangements

When deciding how to invest the Scheme's assets, it is our policy to consider a range of asset classes, taking account of the expected returns and risks associated with those asset classes, as well as our beliefs about investment markets and which factors are most likely to impact investment outcomes.

We take an integrated approach when assessing risk and reviewing the investment strategy. In particular we take account of: the employer covenant, contributions, funding targets, liability profile (including interest rate and inflation sensitivities and the extent to which they are hedged) and the level of expected return and risk now and as the strategy evolves.

The primary ways that we manage investment risk is via diversification, ensuring we receive professional written advice prior to making any material investment decision, and our ongoing monitoring and oversight of the investments. For the Scheme investment risk is measured using "Value at Risk". Further details of specific risks (for example equity risk, credit risk and currency risk) and how we measure and manage those risks is set out in Part 2 of the SIP addendum.

In setting the strategy it is our policy to consider:

- our investment objectives, including the target return required to meet these;
- the circumstances of the Scheme, including the profile of the benefit cash flows (and the ability to meet these in the near to medium term), the funding level, and the strength of the employer covenant;
- the need for appropriate diversification between different asset classes to manage investment risk and ensure that both the overall level of investment risk and the balance of individual asset risks are appropriate; and
- the overall best interests of members and beneficiaries.

We also consider other factors that we believe to be financially material over time horizons relevant to the funding of the Scheme's benefits, including environmental, social and governance ("ESG") factors and the risks and opportunities relating to climate change.

Our key investment beliefs, which influence the setting of the investment arrangements, are as follows:

- asset allocation is the primary driver of long-term returns;
- costs may have a significant impact on long-term performance and therefore obtaining value for money from the investments is important;
- investment managers who can consistently spot and profitably exploit market opportunities are difficult to find, and therefore passive management is usually better value;
- risk-taking is necessary to achieve return, but not all risks are rewarded. Equity, credit, and illiquidity are the primary rewarded risks. Risks that do not have an expected reward should generally be avoided, hedged, or diversified;
- ESG factors should be considered when making investment decisions, and managers may be able to improve risk-adjusted returns by doing this;
- climate change is a financially material systemic issue that presents risks and opportunities for the Scheme over the short, medium and long term; and
- voting and engagement are important and can create long term value which is in the best interest of Scheme members and therefore we encourage managers to improve their voting and engagement practices.

5. Implementation of the investment arrangements

Before investing in any manner, we obtain and consider proper written advice from our investment adviser as to whether the investment is satisfactory, having regard to the need for suitable and appropriately diversified investments.

We have signed agreements with the investment managers setting out the terms on which the portfolios are to be managed.

Details of the investment managers are set out in the separate SIP addendum.

We have limited influence over managers' investment practices because all the Scheme's assets are held in pooled funds, but we encourage our managers to improve their practices within the parameters of the fund they are managing.

Our view is that the fees paid to the investment managers, and the possibility of their mandate being terminated, ensure they are incentivised to provide a high quality service that meets the stated objectives, guidelines, and restrictions of the funds that they manage. However, in practice managers cannot fully align their strategy and decisions to the (potentially conflicting) policies of all their pooled fund investors in relation to strategy, long-term performance of debt/equity issuers, engagement, and portfolio turnover.

It is our responsibility to ensure that the managers' investment approaches are consistent with our policies before any new appointment, and to monitor and to consider terminating any arrangements that appear to be investing contrary to our policies. We expect investment managers to make decisions based on assessments of the longer term performance of debt/equity issuers, and to engage with issuers to improve their performance (or where this is not appropriate to explain why). We assess this when selecting and monitoring managers.

We evaluate investment manager performance over both shorter and longer term periods as available. In general, the duration of a manager's appointment will depend on strategic considerations and the outlook for future performance. If a manager is not meeting its performance objectives, we will consider alternative arrangements.

Our policy is to evaluate each of our investment managers by considering performance, the role it plays in helping to meet our overall long-term objectives, taking account of risk, the need for diversification and liquidity. Each manager's remuneration, and the value for money it provides, is assessed in light of these considerations.

We recognise that portfolio turnover and associated transaction costs are a necessary part of investment management. Since the impact of these costs is reflected in performance figures used in our assessment of the investment managers, we do not explicitly monitor portfolio turnover. We expect our investment consultant to incorporate portfolio turnover and resulting transaction costs as appropriate in its advice.

6. Realisation of investments

We instruct disinvestments as required for benefit payments and other outgoings. Our preference is for investments that are readily realisable but recognise that achieving a well-diversified portfolio may mean holding some investments that are less liquid. In general, our policy is to use cash flows to rebalance the assets towards the strategic asset allocation, and also receive income from some of the portfolios where appropriate.

7. Financially material considerations and non-financial matters

We consider how ESG considerations (including but not limited to climate change) should be addressed in the selection, retention, and realisation of investments, given the time horizon of the Scheme and its members.

We influence the Scheme's approach to ESG and other financially material factors through our investment strategy and manager selection decisions. We expect all of our investment managers to take account of financially material factors (including climate change and other ESG factors) within the parameters of the mandates they are set. We seek to appoint managers that have the skills and processes to do this, and review how the managers are taking account of these issues in practice.

We encourage our managers to improve their ESG practices, although acknowledge that we have limited influence over managers' investment practices where assets are held in pooled funds and that the parameters of some pooled funds may limit the scope for significant incorporation of ESG factors.

Within each asset class, we considered investment options that give increased weight to ESG factors. We have chosen to invest the equity allocation in a passively managed fund that tracks an index with reduced exposure to climate-related risks and increased exposure to climate-related opportunities.

We do not consider matters that are purely non-financial in nature (ie matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) in the selection, retention, and realisation of investments.

8. Voting and engagement

We recognise our responsibilities as owners of capital, and believe that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments and are in the best interests of our members.

We seek to appoint investment managers that have strong stewardship policies and processes, reflecting the principles of the UK Stewardship Code 2020 issued by the Financial Reporting Council.

We have delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement with relevant persons such as issuers of debt and equity, stakeholders and other investors about relevant matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks and ESG factors. We expect the managers to undertake voting and engagement in line with their stewardship policies, considering the long-term financial interests of investors.

As all of our investments are held through managers or pooled funds we do not monitor or engage directly with issuers or other holders of debt or equity.

We monitor managers' activities in relation to ESG factors, voting and engagement on a regular basis. We seek to understand how they are implementing their stewardship policies in practice to check that their stewardship is effective and aligned with our expectations.

We have selected some priority ESG themes to provide a focus for our monitoring of investment managers' voting and engagement activities. We review the themes regularly and update them if appropriate. We communicate these stewardship priorities to our managers and also confirm our more general expectations in relation to ESG factors, voting and engagement.

If our monitoring identifies areas of concern, we will engage with the relevant manager to encourage improvements.

Addendum to the Statement of Investment Principles

For the Places for People Group Retirement Benefit Scheme (the "Scheme")

Effective from: 24 April 2025

This addendum to the Statement of Investment Principles ("SIP") for the Scheme has been produced by the Trustee of the Scheme. It sets out a description of various matters which are not required to be included in the SIP, but which are relevant to the Scheme's investment arrangements.



Part 1:
Investment governance, responsibilities, decision-making and fees

We have decided on the following division of responsibilities and decision making for the Scheme. This division is based upon our understanding of the various legal requirements placed upon us and our view that the division of responsibility allows for efficient operation and governance of the Scheme overall. Our investment powers are set out within the Scheme's governing documentation.

1. Trustee

Our responsibilities include:

- setting the investment strategy, in consultation with the employer;
- setting investment policies, including those relating to financially material factors and the exercise of rights and engagement activities in respect of the investments;
- putting effective governance arrangements in place and documenting these arrangements in a suitable form;
- monitoring, reviewing, engaging with and replacing investment managers, investment advisers, actuary, and other service providers;
- monitoring the exercise of investment powers that we have delegated to the investment managers and monitoring compliance with Section 36 of the Pensions Act 1995 (as amended);
- communicating with members as appropriate on investment matters, such as our assessment of our effectiveness as a decision-making body, the policies regarding responsible ownership and how such responsibilities have been discharged; and
- reviewing the SIP and modifying it as necessary.

2. Investment managers

The investment managers' responsibilities include:

- managing the portfolios of assets according to their stated objectives, and within the guidelines and restrictions set out in their respective investment manager agreements and/or other relevant governing documentation;
- taking account of financially material considerations (including climate change, and other Environmental, Social and Governance ("ESG") considerations) as appropriate in managing the assets;
- exercising rights (including voting rights) attaching to investments and undertaking engagement activities in respect of investments;
- providing regular information concerning the management and performance of their respective portfolios, including information on voting and engagement undertaken; and
- having regard to the provisions of Section 36 of the Act insofar as it is necessary to do so.

The custodians of the portfolios are responsible for safe keeping of the assets and facilitating all transactions within the portfolios.

3. Investment adviser

The investment adviser's responsibilities include:

- advising on how material changes within the Scheme's benefits, membership, and funding position may affect the manner in which the assets should be invested;
- advising on and monitoring liability hedging and collateral management;
- advising on the selection, and review, of the investment managers, incorporating its assessment of the nature and effectiveness of the managers' approaches to financially material considerations (including climate change and other ESG considerations); and
- assisting us with reviews of this SIP.

4. Fee structures

The provision of investment management and advisory services to the Scheme results in a range of charges to be met, directly or indirectly, by deduction from the Scheme's assets. We have agreed terms with the Scheme's actuarial and investment advisers, under which work undertaken is charged for by an agreed fixed fee or on a "time-cost" basis.

The investment managers receive fees calculated by reference to the market value of assets under management.

The fee structure used in each case has been selected with regard to existing custom and practice, and our view as to the most appropriate arrangements for the Scheme, and we keep the fee structures under review.

5. Performance assessment

We are satisfied that there are adequate resources to support our investment responsibilities, and that we have sufficient expertise to carry out our role effectively. It is our policy to assess the performance of the Scheme's investments, investment providers and professional advisers from time to time. We will also periodically assess the effectiveness of our decision-making and investment governance processes and will decide how this may then be reported to members.

6. Working with the sponsoring employer

When reviewing matters regarding the Scheme's investment arrangements, such as the SIP, we seek to give due consideration to the employer's perspective. Whilst the requirement to consult does not mean that we need to reach agreement with the employer, we believe that better outcomes will generally be achieved if we work with the employer collaboratively.

Part 2:
Policy towards risk

1. Risk capacity and appetite

Risk capacity is the maximum level of risk that we consider to be appropriate to take in the investment strategy. Risk appetite is how much risk we believe is appropriate to take in order to meet the investment objectives. Taking more risk is expected to mean that those objectives can be achieved more quickly, but it also means that there is a greater likelihood that the objectives are missed, in the absence of remedial action.

When assessing risk and reviewing the investment strategy, we consider:

- the strength of the employer covenant and how this may change over time;
- the agreed journey plan and employer contributions;
- the Scheme's long-term and shorter-term funding targets;
- the Scheme's liability profile, its interest rate and inflation sensitivities, and the extent to which these are hedged;
- the Scheme's cash flow and target return requirements; and
- the level of expected return and expected level of risk (as measured by Value at Risk ("VaR")), now and as the strategy evolves.

Following implementation of the Scheme's current investment strategy, as at 2 April 2025, the Scheme's 1 year 95% Value at Risk was estimated to be around £12m. This means that there is estimated to be a 1 in 20 chance that the Scheme's funding position will worsen by around £12m or more, compared to the expected position, over a one year period. When deciding on the current investment strategy, we believed this level of risk to be appropriate given the Scheme's objectives.

2. Approach to managing and monitoring risks

There are different types of investment risk that are important to manage, and we monitor these on a regular basis. These include, but are not limited to:

Risk of inadequate returns

A key objective is that the assets produce a sufficient long-term return in excess of the liabilities, and we have set an appropriate target return for the assets accordingly. There is a risk that the return experienced is not sufficient. This risk has been considered in setting the investment strategy.

Risk from lack of diversification

This is the risk that failure of a particular investment, or the general poor performance of a given investment type (eg equities), could materially adversely affect the Scheme's assets. We believe that the Scheme's are adequately diversified between different asset classes and within each asset class. This was a key consideration when determining the Scheme's investment arrangements.

Equity risk

We believe that equity risk is a rewarded investment risk, over the long term. We consider exposure to equity risk in the context of the Scheme's overall investment strategy and believe that the level of exposure to this risk is appropriate.

Credit risk

The Scheme is subject to credit risk because it invests in bonds via pooled funds. This risk is managed by only investing in pooled funds that have a diversified exposure to different credit issuers, and having a limited exposure to bonds rated below "investment grade".

Currency risk

Whilst the majority of the currency exposure of the Scheme's assets is to Sterling, the Scheme is subject to currency risk because some of the Scheme's investments are held in overseas markets. We consider the overseas currency exposure in the context of the overall investment strategy and believe that it diversifies the strategy and is appropriate.

Interest rate and inflation risk

The Scheme's assets are subject to interest rate and inflation risk because some of the Scheme's assets are held in bond funds and Liability Driven Investment ("LDI") funds. However, the interest rate and inflation exposure of the Scheme's assets provides protection against (hedges) part of the corresponding risks associated with the Scheme's liabilities. Given that this should reduce the volatility of the funding level, we believe that it is appropriate to manage exposures to these risks in this manner.

Investment manager risk

This is the risk that an investment manager fails to meet its investment objectives. Prior to appointing an investment manager, we receive written professional advice, and we will typically undertake a manager selection exercise. We monitor the investments regularly against their objectives and receive ongoing professional investment advice as to their suitability.

Climate-related risks

Climate change is a source of risk, which could be financially material over both the short and longer term. This risk relates to the transition to a low carbon economy, and the physical risks associated with climate change (eg extreme weather). We seek to appoint investment managers who will manage this risk appropriately, and we monitor how this risk is being managed in practice.

Other environmental, social and governance (ESG) risks

ESG factors are sources of risk, which could be financially material over both the short and longer term. These include risks relating to unsustainable or socially harmful business practices, and unsound corporate governance. We seek to appoint investment managers who will manage these risks appropriately and monitor how these risks are being managed in practice.

Illiquidity/marketability risk

This is the risk that the Scheme is unable to realise assets to meet benefit cash flows as they fall due, or that the Scheme will become a forced seller of assets in order to meet benefit payments. We are aware of the Scheme's cash flow requirements and believe that this risk is managed by maintaining an appropriate degree of liquidity across the Scheme's investments and by investing in income generating assets, where appropriate.

Counterparty risk

This is the risk that one party to a contract (such as a derivative instrument) causes a financial loss to the other party by failing to discharge a contractual obligation.

This risk applies in particular for those contracts that are traded directly between parties, rather than traded on a central exchange.

In particular, Columbia Threadneedle makes use within its fund of derivative and gilt repos contracts and this fund is used to match efficiently a portion of the Scheme's liabilities. Counterparty risk is managed within the fund through careful initial selection and ongoing monitoring of trading counterparties, counterparty diversification and a robust process of daily collateralisation of each contract, to ensure that counterparty risk is limited, as far as possible, to one day's market movements.

Collateral adequacy risk

The Scheme is invested in leveraged LDI arrangements to provide hedging protection against adverse changes in interest rates and inflation expectations. From time to time, depending on market movements, additional cash may need to be invested in the LDI portfolio in order to support a given level of leverage. Collateral adequacy risk is the risk that the cash required to maintain the hedging protection is not available for use within the LDI portfolio within the required timeframe. A possible consequence of this risk materialising is that the Scheme's liability hedging could be reduced, potentially leading to a worsening of the Scheme's funding level.

To mitigate this risk, the Trustee has a leverage management plan in place, which is reviewed and updated periodically. This sets out clearly the assets directly available to support the Scheme's LDI arrangements and the approach that is expected to be taken with regards to selling down any other assets to support the LDI arrangements.

Other non-investment risks

We recognise that there are other non-investment risks faced by the Scheme. We take these into consideration as far as practical in setting the investment arrangements.

Examples include:

- longevity risk (risk that members live, on average, longer than expected); and
- sponsor covenant risk (risk that, for whatever reason, the sponsoring employer is unable to support the Scheme as anticipated).

Both investment and non-investment risks can lead to the funding position materially worsening. We regularly review progress against the funding target.

Part 3:
Investment manager arrangements

Details of the investment managers are set out below.

Legal & General Investment Management ("LGIM") – global equities

The Scheme invests in global equities via a pooled fund called the LGIM Low Carbon Transition Developed Markets Equity Index Fund.

- The objective of this fund is to perform in line with the Solactive L&G Low Carbon Transition Developed Markets Index within +/- 0.6% pa for two years out of three.
- The fund is structured as a unit-linked life insurance policy and is daily dealing. It is open-ended and is unlisted.

LGIM is responsible for custody of the assets of the fund. The Scheme does not have a direct relationship with the custodian.

TwentyFour Asset Management ("TwentyFour") – asset-backed securities ("ABS")

The Scheme invests in ABS via a pooled fund called the TwentyFour Monument Bond Fund.

- The objective of the fund is to provide an attractive level of income relative to prevailing interest rates whilst maintaining a strong focus on capital preservation.
- The fund is structured as an Open Ended Investment Company (OEIC) and is daily dealing. It is open-ended and is unlisted.

TwentyFour is responsible for arranging the custody of the assets of the fund. The Scheme does not have a direct relationship with the custodian.

Columbia Threadneedle Investments ("CTI") – short duration buy and maintain credit, LDI and money market cash

The Scheme invests in short duration buy and maintain credit via a pooled fund called the Global Low Duration Credit Fund.

- The objective of the fund is to deliver a total return commensurate with investment in low duration non-government bonds and other similar assets.
- The fund does not have a formal benchmark; however, the fund informally benchmarks against low duration gilt and credit indices.

The Scheme invests in LDI and money market cash via a range of pooled funds. The name and objectives of these funds is set out in the table below.

Fund name	Target
CTI Real Dynamic LDI Fund and CTI Short Profile Real Dynamic LDI Fund	To provide a hedge against real rate liabilities.
CTI Nominal Dynamic LDI Fund	To provide a hedge against nominal rate liabilities.
CTI Sterling Liquidity Fund	GBP SONIA (Sterling Overnight Index Average)

The CTI short duration buy and maintain credit, LDI and money market cash funds are structured as Luxembourg Fonds Commun de Placement and are daily dealing. The funds are open-ended and is unlisted.

CTI is responsible for custody of the assets of the funds. The Scheme does not have a direct relationship with the custodian.

Part 4:
Monitoring and engaging with managers on voting and engagement

This section sets out our effective system of governance ("ESOG") in relation to stewardship. This includes monitoring the voting and engagement activities that our investment managers undertake on our behalf, engaging with them regarding our expectations in relation to stewardship, and encouraging improvements in their stewardship practices. We will review this ESOG periodically, and at least triennially.

On a regular basis, typically once a year, we will also undertake an own risk assessment ("ORA") which assesses how well our ESOG is working and whether any changes should be made.

Stewardship priorities

We have selected some priority themes to provide a focus for our monitoring of investment managers' voting and engagement activities. We will review them regularly and update them if appropriate. Our current priorities are climate change and business ethics.

We chose these priorities because they are market-wide areas of risk that are financially material for the investments and can be addressed by good stewardship. Therefore, we believe it is in our members' best interests that our managers adopt strong practices in these areas.

We will write to our investment managers regularly to notify them of our stewardship priorities and remind them of our expectations of them in relation to responsible investment – ie ESG considerations, climate change, voting and engagement.

Manager selection

We aim to appoint investment managers that have strong responsible investment skills and processes. We therefore favour investment managers who are signatories to the Principles for Responsible Investment, the UK Stewardship Code as well as the Net Zero Asset Managers Initiative.

When selecting new managers, we consider our investment adviser's assessment of potential managers' capabilities in this area. If we meet prospective managers, we usually ask questions about responsible investment, focusing on our stewardship priorities.

Manager monitoring

We receive information regularly to enable us to monitor our managers' responsible investment practices and check how effective they're being.

This information includes metrics such as our investment adviser's responsible investment grades for each manager, whether they are signatories to responsible investment initiatives, and (where available) carbon emissions data for our mandates.

Annual responsible investment review

Each year, the Trustee Board undertakes a more comprehensive review of our managers' responsible investment practices. This includes our investment adviser's qualitative responsible investment assessments for each manager, a summary of the managers' voting and engagement policies including in relation to our stewardship priorities, and summary statistics for their voting and engagement over the previous year where available.

Ongoing cycle of manager engagement

Given that responsible investment is rapidly evolving, we expect most managers will have areas where they could improve. We therefore aim to have an ongoing dialogue with our managers to clarify our expectations and encourage improvements.

We review the information outlined above to identify any concerns, for example where the managers' actions are not aligned with our views. Where there are concerns, we typically seek further information through our investment adviser. If a concern is confirmed, we will consider what further action is appropriate/intend to take the following steps:

1. We define clearly what the issue is, the objective(s) for the engagement and the target date(s) for achieving those objective(s);
2. We contact the manager to raise the concern and set out our expectations in relation to the issue;
3. We aim to agree an improvement plan with the manager with target date(s) for achieving engagement objectives;

4. We review periodic progress reports as the plan is implemented. This may include inviting the manager to one of our regular meetings to discuss the issue;
5. As appropriate we may seek to escalate the concern with a more senior individual at the manager; and
6. If our concerns are not addressed, we might reduce the allocation to that mandate or replace the manager.

The Trustee Board reviews progress on the engagements on a regular basis and agrees any next steps.

Implementation statement including most significant votes

Following the end of each Scheme year, we prepare a statement which explains how we have implemented our voting and engagement policies during the year. We publish it online for our members to read.

In the statement, we describe how our managers have voted on our behalf during the year, including the most significant votes cast. The Trustee Board selects these votes from a set of significant votes compiled by our investment adviser from those provided by our managers. In doing so, we have regard to:

- whether it relates to one of our stewardship priorities;
- the potential financial impact of the vote;
- any potential impact of the vote on our investor rights or influence;
- the size of our holding; and
- whether the vote was high-profile or controversial.

Implementation Statement, covering 1 April 2025 to 31 March 2026 (the "Scheme Year")

The Trustee of the Places for People Group Retirement Benefit Scheme (the "Scheme") is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed the voting and engagement policies in its Statement of Investment Principles ("SIP") during the Scheme Year. This is provided in Section 1 below.

The Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, Trustees (including the most significant votes cast by Trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 3 below.

In preparing the Statement, the Trustee has had regard to the guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions ("DWP's guidance") in June 2022.

1. Introduction

The SIP was reviewed and updated during the Scheme Year in April 2025. However, no changes were made to the Trustee's policy on voting and engagement.

The Trustee has, in its opinion, followed the Scheme's voting and engagement policies during the Scheme Year.

2. Voting and engagement

The Trustee has delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. However, the Trustee takes ownership of the Scheme's stewardship by monitoring and engaging with managers as detailed below.

As part of its advice on the selection and ongoing review of the investment managers, the Scheme's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to voting and engagement.

Following the introduction of DWP's guidance, the Trustee has set stewardship priorities to focus engagement with its investment managers on specific Environmental, Social and Governance ("ESG") factors. The Trustee's stewardship priorities are Climate Change and Business Ethics.

The Trustee has selected these priorities as key market-wide risks and areas where it believes that good stewardship and engagement can improve long-term financial outcomes for the Scheme's members. These priorities have been communicated to the Scheme's investment managers and remain unchanged since last year.

The Trustee invites the Scheme's investment managers to present at Trustee meetings, seeing each manager approximately once every two years.

In March 2026, the Trustee reviewed The Pensions Regulator's stewardship guidance to ensure that the Trustee's stewardship approach remains appropriate in light of rising regulatory expectations. The Trustee also reviewed LCP's assessment of L&G's stewardship processes and a summary of LCP's engagement with L&G.

The Trustee is conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustee aims to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

3. Description of voting behaviour during the Scheme Year

All the Trustee's holdings in listed equities are within a pooled fund and the Trustee has delegated to its investment manager the exercise of voting rights. Therefore, the Trustee is not able to direct how votes are exercised and the Trustee itself has not used proxy voting services over the Scheme Year. However, the Trustee monitors managers' voting and engagement behaviour on an annual basis and challenges managers where their activity has not been in line with the Trustee's expectations.

In this section we have sought to include voting data in line with the Pensions and Lifetime Savings Association (PLSA) guidance, PLSA Vote Reporting template and DWP's guidance, on the Scheme's funds that hold equities, namely the L&G Low Carbon Transition Developed Markets Equity Index Fund.

We have omitted the Scheme's other investment funds on materiality grounds since they do not hold any equities, nor invest in any assets which had voting opportunities during the period. Additionally, we have also omitted the Baillie Gifford Diversified Growth Fund as the Trustee disinvested from the fund on 1 April 2025.

a. Description of the voting processes

For assets with voting rights, the Trustee relies on the voting policies which its manager has in place.

Legal & General Investment Management ("L&G")

L&G undertakes regular consultations with asset owners. It uses these to provide its clients with assurance and knowledge, as well as to receive direct feedback on its experiences and expectations. L&G continues to review these client responses to determine the level of overlap between its policies and the expectations of clients in developing future engagement topics and voting policies. It has worked with fintech firm Tumelo to run client feedback loops that have been gradually expanded to cover a broader representation of its client base. This system helps establish a two-way engagement that enables it to better understand consumer views and encourages savers to become more engaged with its investments. In most meetings, L&G was able to determine an alignment between its votes and those placed by its clients via Tumelo's platform.

L&G's voting decisions incorporate specific market policies that allow for local nuances to align with best practices. It has a custom voting policy with specific voting instructions driven by its expectations. These instructions apply to all markets globally, with minimum best practice standards that it believes all companies should observe, irrespective of local regulations or practices. In addition, L&G has also set country-specific expectations for those markets in which it adopts a differentiated stance. All its custom voting policies are developed in accordance with its publicly disclosed position on good governance and sustainability-related criteria in its guideline documents and country-specific policies. It retains the ability in all markets to override any voting decisions that are based on its custom voting policy. This may happen when a company has provided additional insight that allows it to apply a qualitative overlay to its assessment.

L&G regularly monitors the votes cast on its behalf to ensure they are executed in accordance with its policy intentions. It also undertakes additional quality checks on short-notice vote instructions and rejected votes.

Votes are cast according to L&G's instructions, guided by its voting policies and effected through an electronic voting platform called 'ProxyExchange', which is managed by Institutional Shareholder Services (ISS). It has developed a custom voting policy with specific voting instructions driven by its expectations.

In parallel to applying its custom voting policy, L&G uses the voting information services of Institutional Shareholder Services (ISS) and receives research reports for all companies in its equity portfolios. It undertakes quarterly performance management reviews with ISS in which it discusses issues such as timeliness, the quality of ISS's research and the application of its voting policy. During these meetings, it receives delivery statistics and discusses changes to team resources. It deliberates on specific instances where its expectations have not been met and reviews possible solutions to avoid future repetition, escalating to senior individuals at ISS where necessary. It also has regular meetings with ISS to discuss the implementation and evolution of its policies to ensure voting decisions remain aligned to market best practices.

Summary of voting behaviour

A summary of voting behaviour over the Scheme year is provided in the table below.

	L&G
Fund name	Low Carbon Transition Developed Markets Equity Index Fund
Total size of fund at end of the Scheme year (£m)	£3.0bn
Value of Scheme assets at end of the Scheme year (£m / % of total Scheme holdings)	£24.4m / 14%
Number of equity holdings at end of the Scheme year	1,327
Number of meetings eligible to vote	1,500
Number of resolutions eligible to vote	21,136
% of resolutions voted	100.0%
Of the resolutions on which voted, % voted with management*	77.9%
Of the resolutions on which voted, % voted against management*	21.7%
Of the resolutions on which voted, % abstained from voting*	0.4%
Of the meetings in which the manager voted, % with at least one vote against management	75.5%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	17.2%

*The combined percentages of the votes for, against and abstained from management should sum to 100%. This might not be the case due to rounding.

b. Most significant votes

Commentary on the most significant votes over the Scheme Year, from the Scheme's asset managers who hold listed equities (ie L&G), is set out below. The Trustee has reported on the significant votes that were most relevant to its stewardship priorities.

Mitsubishi UFJ Financial Group, Inc., June 2025.

- **Relevant stewardship priority:** Climate Change
- **Vote cast:** For (against management)
- **Outcome of the vote:** Fail
- **Summary of resolution:** Amend Articles to Add Provision on Disclosure of Financial Risk Audit by Audit Committee
- **Rationale for the voting decision:** Despite L&G noting the Company has existing disclosures regarding its oversight of climate change risk management, L&G considers that there is room for further information on the oversight of risk controls within the Company's audit report. L&G believes that increased disclosures around the Audit Committee's assessment of the adequacy of these processes would help the Company and its Board in placing the appropriate focus on such risk assessments and the related resources and expertise required.
- **Approximate size of the mandate's holding at the date of the vote:** 0.25%
- **The reason why the manager considered this vote to be "most significant":** This closely resembles a resolution from 2024 AGM season, reflecting continued concerns over limited progress despite notable shareholder support in the previous year. L&G continues to believe that decarbonisation of the banking sector and its clients is essential to protecting value and promoting growth through the opportunities presented by the climate transition, aiming towards achieving the goals of the Paris Agreement.
- **Was the vote communicated to the company ahead of the vote:** No*

- **Next steps:** L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

National Australia Bank Limited, December 2025

- **Relevant stewardship priority:** Climate change
- **Vote cast:** For (with management)
- **Outcome of the vote:** N/A (proposal was withdrawn)
- **Summary of resolution:** Approve Strategy to Eliminate Financed Deforestation
- **Rationale for the voting decision:** L&G expects companies to be taking sufficient action on the key issue of climate and nature. Disclosure of a strategy to eliminate financed deforestation in line with credible frameworks such as the Accountability Framework Initiative (AFI) would provide shareholders with visibility on governance, targets, client expectations, controls, and escalation pathways for this financially material risk. L&G acknowledges that none of the big four Australian banks has yet set a formal no-deforestation commitment, and National Australia Bank has enhanced elements of its risk processes. However, a clear, board-overseen strategy and disclosure is considered beneficial for shareholders.
- **Approximate size of the mandate's holding at the date of the vote:** 0.20%
- **The reason why the manager considered this vote to be "most significant":** L&G considers this vote to be significant as it is applied under its engagement program on deforestation, targeting companies in high-risk sectors.
- **Was the vote communicated to the company ahead of the vote:** No*
- **Next steps:** L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Alphabet Inc, June 2025.

- **Relevant stewardship priority:** Business ethics
- **Vote cast:** Against (against management)
- **Outcome of the vote:** Pass
- **Summary of resolution:** Elect Director John L. Hennessy
- **Rationale for the voting decision:** L&G voted against the re-election of a non-independent director due to lack of independence on the board, average board tenure, diversity, board balance and shareholder rights. L&G expects the Chair of the Nominations/Governance Committee to have served on the board for no more than 12 years to maintain independence and a balance of relevant skills, experience, tenure, and background. L&G expects a company to have at least one-third of women on the board. L&G expects the board to comprise of a majority of independent directors. L&G supports the equitable structure of one-share-one-vote and expects companies to move to a one-share-one-vote structure or provide shareholders a regular vote on the continuation of an unequal capital structure.
- **Approximate size of the mandate's holding at the date of the vote:** 1.40%
- **The reason why the manager considered this vote to be "most significant":** L&G views gender diversity as a financially material issue for its clients, with implications for the assets they manage.
- **Was the vote communicated to the company ahead of the vote:** No*
- **Next steps:** L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

**L&G does not generally communicate its voting decisions ahead of shareholder meetings. Its voting disclosures are published after meetings and show votes that have already been cast, rather than advance intentions. In limited and exceptional circumstances, L&G may communicate an intended vote directly to a company ahead of a meeting, usually for significant or escalatory issues as part of engagement. These pre-meeting communications are case-specific, private, and not disclosed publicly.*