

European Automotive Components Group Pension Scheme Implementation Statement for the year ended 31 March 2026

Purpose

This Implementation Statement provides information on how, and the extent to which, the Trustees of the European Automotive Components Group Pension Scheme ("the Scheme") have followed their policy in relation to the exercising of rights (including voting rights) attached to the Scheme's investments, and engagement activities during the year ended 31 March 2026 ("the reporting year"). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

Background

During 2019, the Trustees received training on Environmental, Social and Governance ("ESG") issues from their Investment Adviser, XPS Investment ("XPS") and discussed their beliefs around those issues. This enabled the Trustees to consider how to update their policy in relation to ESG and voting issues.

The Scheme's Statement of Investment Principles (SIP) was updated and signed in March 2026 to reflect strategic decisions made by the Trustees to update and align the Scheme's strategic investment allocations to its low dependency investment allocation. No changes were made to the Trustees' ESG, voting or engagement policies as part of this update.

The Trustees' policy on ESG and stewardship

The Trustees believe that there can be financially material risks relating to ESG issues. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme's investment managers. The Trustees require the Scheme's investment managers to take ESG and climate change risks into consideration within their decision-making, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

The Trustees have delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme's investments to the investment managers and encourage them to engage with investee companies and vote whenever it is practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments.

In order to ensure sufficient oversight of the engagement and voting practices of their managers, the Trustees may periodically meet with their investment managers to discuss engagement which has taken place. The Trustees will also expect their investment adviser to engage with the managers from time to time as needed and report back to the Trustees on the stewardship credentials of their managers. The Trustees will then discuss the findings with the investment adviser, in the context of their own preferences, where relevant. This will include considering whether the manager is a signatory to the UK Stewardship Code. The Trustees recognise the Code as an indication of a manager's compliance with best practice stewardship standards.

Manager selection exercises

One of the main ways in which this updated policy is expressed is via manager selection exercises: the Trustees seek advice from XPS on the extent to which their views on ESG and climate change risks may be taken into account in any future investment manager selection exercises.

During the reporting year, there have been no such manager selection exercises.

Ongoing governance

The Trustees, with the assistance of XPS, monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustees' requirements as set out in this statement. Further, the Trustees have set XPS the objective of ensuring that any selected managers reflect the Trustees' views on ESG (including climate change) and stewardship.

During the reporting year, the Trustees commissioned a report from XPS on the extent to which ESG considerations are incorporated into the investment processes of the investment manager organisations appointed to the Scheme. The Trustees recognise that the level of ESG integration within the investment processes is dependent on the asset class in question.

The report was discussed with the Trustees in October 2025. One of the areas considered by the report was stewardship, which relates to influencing a company in which the Scheme is ultimately invested via the funds held within the Scheme's portfolio. Companies can be influenced through meaningful engagement and using voting rights to drive long term positive change in their policies and practices. The report rated each investment manager organisation in this area and on ESG matters overall. The Trustees concluded that the ESG capabilities of the investment managers were satisfactory for the Scheme overall. ESG issues will be kept under review as part of the quarterly monitoring process and the Trustees will communicate their concerns with the relevant investment manager organisations when, for example, they present at meetings.

Beyond the governance work currently undertaken, the Trustees believe that their approach to, and policy on, ESG matters will evolve over time based on factors including developments within the industry. In particular, whilst the Trustees have not, to date, introduced specific stewardship priorities, they will monitor the results of those votes deemed by the managers to be most significant in order to determine whether specific priorities should be introduced and communicated to the managers.

Adherence to the Statement of Investment Principles

During the reporting year the Trustees are satisfied that they followed their policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree.

Voting activity

The main asset class where the investment managers will have voting rights is equities. The Scheme has specific allocations to public equities, and investments in equities will also form part of the strategy for the diversified growth fund in which the Scheme invests.

As the Scheme invests in pooled funds, the Trustees acknowledge that they cannot directly influence the policies and practices of the companies in which the pooled funds invest. They have therefore delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme's investments to the investment managers.

The Trustees have confirmed this approach to be appropriate for the Scheme's investments. The information below is the investment managers' activity in relation to voting.

This voting information has been provided by the investment managers. The Trustees consider votes to be significant on the basis they are linked to key ESG issues including, but not limited to, climate change, other climate issues such as natural capital, executive remuneration, governance, independence, modern slavery or other factors such as the size of the holding.

Where the manager has provided a selection of significant votes, the Trustees have reviewed the rationale for significant votes provided by the managers and are comfortable with the rationale provided, and that it is consistent with their policy. The Trustees, with the help of XPS, have considered the information the investment managers have been able to provide on significant voting, and have deemed the below information as most relevant.

Disclaimer: Neither XPS nor the Trustees have vetted these votes. These summaries have been provided by the investment manager(s) and any reference to “our”, “we” etc. is from the investment manager’s perspective.

Legal and General Investment Management
Investment Manager Client Consultation Policy on Voting
We undertake regular consultations with asset owners. These are important opportunities to provide our clients with assurance and knowledge, as well as to receive direct feedback on their experiences and expectations. We continue to review these client responses to determine the level of overlap between our policies and the expectations of clients in developing future engagement topics and voting policies. We have worked with fintech firm Tumelo to run client feedback loops that have been gradually expanded to cover a broader representation of our client base. This system helps establish a two-way engagement that enables us to better understand consumer views and encourages savers to become more engaged with their investments. In the vast majority of meetings, we were able to determine an alignment between our votes and those placed by our clients via Tumelo’s platform.
Investment Manager Process to determine how to Vote
Our voting decisions are guided by policies that are researched and fine-tuned every year. They incorporate specific market policies that allow for local nuances to align with best practices. Over many years we have developed a granular custom voting policy with specific voting instructions driven by our expectations. These instructions apply to all markets globally, with minimum best practice standards that we believe all companies should observe, irrespective of local regulations or practices. In addition, we have also set country-specific expectations for those markets in which we adopt a differentiated stance. All our custom voting policies are developed in accordance with our publicly disclosed position on good governance and sustainability-related criteria in our guideline documents and country-specific policies. We retain the ability in all markets to override any voting decisions that are based on our custom voting policy. This may happen when a company has provided additional insight that allows us to apply a qualitative overlay to our assessment. We regularly monitor the votes cast on our behalf to ensure they are executed in accordance with our policy intentions. We also undertake additional quality checks on short-notice vote instructions and rejected votes.
How does this manager determine what constitutes a 'Significant' Vote?
In determining significant votes, we take into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance for asset managers (https://www.plsa.co.uk/Portals/0/Documents/Policy-Documents/2020/IS-Asset-Managers-Template.pdf). This includes but is not limited to: • High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny; • Significant client interest for a vote; • Vote as a result of a direct or collaborative engagement; • Vote linked to an engagement campaign, in line with our global stewardship themes. We provide information on significant votes in the format of detailed case studies in our quarterly engagement reports and annual active ownership publications. Additionally, we publicly disclose all vote decisions made on behalf of our clients. This information is updated on a daily basis and with a lag of one day after a shareholder meeting is held. We also provide the rationale for all votes cast against management, including votes of support to shareholder resolutions. This information can be found at: https://vds.issgovernance.com/vds/
Does the manager utilise a Proxy Voting System? If so, please detail

Votes are cast according to our instructions, guided by our voting policies and effected through an electronic voting platform called 'ProxyExchange', which is managed by Institutional Shareholder Services (ISS). We have developed a granular custom voting policy with specific voting instructions driven by our expectations.

In parallel to applying our custom voting policy, we use the voting information services of Institutional Shareholder Services (ISS) and receive research reports for all companies in our equity portfolios. We undertake quarterly performance management reviews with ISS in which we discuss issues such as timeliness, the quality of their research and the application of our voting policy. During these meetings, we receive delivery statistics and discuss changes to team resources. We deliberate on specific instances where our expectations have not been met and review possible solutions to avoid future repetition. We escalate issues to senior individuals at ISS where necessary. We also have regular meetings with ISS to discuss the implementation and evolution of our policies, as part of our process to ensure that our voting decisions remain aligned to market best practices and evolving regulations.

Voting information

Legal and General Investment Management - Dynamic Diversified Fund

The manager voted on 99.91% of resolutions out of 107,354 eligible votes.

The manager voted against management on 23.71% of the resolutions which they voted.

Top 5 Significant Votes during the Period

Company	Date of Vote	Size of fund holdings	Voting Subject	How did the Investment Manager vote	Result
Microsoft Corporation	05/12/2025	N/A	Resolution 1f: Elect Director Satya Nadella	Against	Pass (94%)

Why the vote was deemed significant:

Thematic - Board Leadership: L&G considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO.

Where voted against the company, was this communicated:

L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

Rationale:

Joint Chair/CEO: A vote against is applied as L&G expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.

Implication:

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

Shell Plc	20/05/2025	N/A	Resolution 22: Request Company Disclose Whether and How Its: Demand Forecast For LNG;	Against	Fail (20.6%)
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			LNG Production And Sales Targets; And New Capital Expenditure In Natural Gas Assets; Are Consistent With Climate Commitments, Including Target To Reach Net Zero Emissions By 2025		
Why the vote was deemed significant: Pre-declaration: This shareholder resolution is considered significant. We recognise the underlying merit of this resolution, after careful consideration, we have made the decision to vote against. This decision is underpinned by a series of direct and constructive engagements with Shell's leadership. Through these discussions, we received clear commitments that the company will enhance its reporting in line with L&G's expectations specifically, providing detailed disclosures on stranded asset risks and financial resilience related to Shell's growing exposure to liquefied natural gas ('LNG'). These gaps were key reasons we were unable to support the company's climate transition strategy at its 2024 AGM. Following a detailed analysis of the company's disclosures, we believe Shell's current reporting provides a basis for investors to consider alignment with various climate outcomes, contributing to the broader objectives of the resolution. More information on L&G's Asset Management business' pre-declaration can be found here: https://blog.landg.com/categories/esg-and-long-term-themes/our-voting-intentions-for-2025/ Where voted against the company, was this communicated: L&G's Asset Management business publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics. Rationale: Shareholder resolution - Climate change: While we recognise the intent behind Resolution 22, we have decided to vote against it following careful consideration. This decision follows a series of constructive engagements with Shell's leadership, during which the company committed to improving disclosures on stranded asset risks and financial resilience related to its LNG operations. We acknowledge meaningful progress in Shell's reporting, which now provides a clearer basis for assessing climate-related risks. In light of these developments, we believe the resolution's key objectives are being addressed through ongoing company actions. Implication: L&G's Asset Management business will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.					
Consolidated Edison, Inc.	19/05/2025	N/A	Resolution 1a: Elect Director Timothy P. Cawley	Against	Pass (91.0%)

Why the vote was deemed significant:

Thematic - Board Leadership: L&G's Asset Management business considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO.

Where voted against the company, was this communicated:

L&G's Asset Management business publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

Rationale:

Joint Chair/CEO: A vote against is applied as L&G expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.

Implication:

L&G's Asset Management business will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.

Realty Income Corporation	13/05/2025	N/A	Resolution 1c: Elect Director Reginald H. Gilyard	Against	Pass (94.4%)
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Why the vote was deemed significant:

Thematic - Diversity: L&G's Asset Management business views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

Where voted against the company, was this communicated:

L&G's Asset Management business publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

Rationale:

Average board tenure: A vote against is applied as L&G expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.

Diversity: A vote against is applied as L&G expects a company to have at least one-third of women on the board.

Board mandates: A vote against is applied because we have concerns regarding the time commitment required to manage all board positions and how this may impact their ability to remain informed and effectively contribute to board discussions.

Implication:

L&G's Asset Management business will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.

Alphabet Inc.	06/06/2025	N/A	Resolution 1d: Elect Director John L. Hennessy	Against	Pass (83.3%)
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Why the vote was deemed significant:

Thematic - Diversity: L&G's Asset Management business views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

Where voted against the company, was this communicated:

L&G's Asset Management business publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

Rationale:

Board balance - Independence: A vote against is applied to the (re-)election of a non-independent director due to lack of independence on the board.

Independence: A vote against is applied as L&G expects the Chair of the Nominations/Governance Committee to have served on the board for no more than 12 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background.

Average board tenure: A vote against is applied as L&G expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.

Diversity: A vote against is applied as L&G expects a company to have at least one-third of women on the board.

Independence: A vote against is applied as L&G expects the Chair of the Board to have served on the board for no more than 12 years and the board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.

Independence - Board balance: A vote against is applied because the board does not comprise of a majority of independent directors.

Shareholder rights: A vote against is applied because L&G supports the equitable structure of one-share-one-vote. We expect companies to move to a one-share-one-vote structure or provide shareholders a regular vote on the continuation of an unequal capital structure.

Implication:

L&G's Asset Management business will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.

Voting information

Legal and General Investment Management - World Equity Index Fund

The manager voted on 99.98% of resolutions out of 35,913 eligible votes.

The manager voted against management on 19.44% of the resolutions which they voted.

Top 5 Significant Votes during the Period

Company	Date of Vote	Size of fund holdings	Voting Subject	How did the Investment Manager vote	Result
Microsoft Corporation	05/12/2025	N/A	Resolution 1f: Elect Director Satya Nadella	Against	Pass (94%)

Why the vote was deemed significant:

Thematic - Board Leadership: L&G considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO.

Where voted against the company, was this communicated:

L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

Rationale:

Joint Chair/CEO: A vote against is applied as L&G expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.

Implication:

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

Alphabet Inc.	06/06/2025	N/A	Resolution 1d: Elect Director John L. Hennessy	Against	Pass (83.3%)
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Why the vote was deemed significant:

Thematic - Diversity: L&G's Asset Management business views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

Where voted against the company, was this communicated:

L&G's Asset Management business publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

Rationale:

Board balance - Independence: A vote against is applied to the (re-)election of a non-independent director due to lack of independence on the board.

Independence: A vote against is applied as L&G expects the Chair of the Nominations/Governance Committee to have served on the board for no more than 12 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background.

Average board tenure: A vote against is applied as L&G expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.

Diversity: A vote against is applied as L&G expects a company to have at least one-third of women on the board.

Independence: A vote against is applied as L&G expects the Chair of the Board to have served on the board for no more than 12 years and the board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.

Independence - Board balance: A vote against is applied because the board does not comprise of a majority of independent directors.

Shareholder rights: A vote against is applied because L&G supports the equitable structure of one-share-one-vote. We expect companies to move to a one-share-one-vote structure or provide shareholders a regular vote on the continuation of an unequal capital structure.

Implication: L&G's Asset Management business will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.					
Visa Inc.	27/01/2026	N/A	Resolution 6: Provide Right to Act by Written Consent	For	Fail (33%)
Why the vote was deemed significant: High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received. Where voted against the company, was this communicated: L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics. Rationale: Shareholder Resolution - Shareholder rights: A vote FOR this proposal is warranted given that the ability to act by written consent would enhance shareholder rights. Implication: L&G will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.					
Mastercard Incorporated	24/06/2025	N/A	Resolution 7: Oversee and Report on a Racial Equity Audit	For	Fail (11.5%)
Why the vote was deemed significant: Thematic - Diversity: L&G's Asset Management business views diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf. Where voted against the company, was this communicated: L&G's Asset Management business publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics. Rationale: Shareholder Resolution Diversity: A vote in favour is applied as we support such information and risk management approach to Diversity. Implication: L&G's Asset Management business will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.					
AbbVie Inc.	09/05/2025	N/A	Resolution 5: Adopt Simple Majority Vote	For	Fail (49.0%)

Why the vote was deemed significant:

High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.

Where voted against the company, was this communicated:

L&G's Asset Management business publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

Rationale:

Shareholder Resolution - Shareholder rights: A vote in favour is applied as reducing the supermajority vote requirement will improve minority shareholder rights.

Implication:

L&G's Asset Management business will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.

Please note, L&G were unable to provide information for the size of holdings related to each company and therefore within the above voting information this section has been labelled as 'N/A'.