

# Engagement Policy Implementation Statement (“EPIS”)

## The BRE and LPC Pension Scheme (the “Scheme”)

### Scheme Year End – 30 September 2025

The purpose of the EPIS is for us, the Trustees of the BRE and LPC Pension Scheme, to explain what we have done during the year ending 30 September 2025 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Scheme’s investments have been followed during the year; and
2. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services, and the ‘most significant’ votes cast over the reporting year.

### Our conclusion

**Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.**

In our view, most of the Scheme’s material investment managers were able to disclose good evidence of voting and engagement activity, and the activities completed by our managers align with our stewardship expectations.

We delegate the management of some of the Scheme’s assets to Aon Investments Limited (“AIL”). We believe the activities completed by AIL to review the underlying managers’ voting and engagement policies, and activities align with our stewardship expectations. We believe our voting rights have been implemented effectively on our behalf.

## How voting and engagement policies have been followed

The Scheme is invested entirely in pooled funds, and so the responsibility for voting and engagement is delegated to the Scheme's investment managers, which is in line with the policies set out in our SIP. We reviewed the stewardship activity of the material investment managers carried out over the Scheme year and in our view, most of the investment managers were able to disclose good evidence of voting and engagement activity. More information on the stewardship activity carried out by the Scheme's investment managers can be found in the following sections of this report.

Over the reporting year, we monitored the performance of the Scheme's investments on a bi-annual basis and received updates on important issues from our investment adviser, AIL. In particular, we received bi-annual Environmental, Social and Governance ("ESG") ratings from AIL for the funds the Scheme is invested in where available.

During the year, we received further training on climate change, in compliance with the Funding and Investment section of the General Code. The training helped us to further our understanding of climate-related risks and opportunities whilst identifying which risks the Scheme's assets are most exposed to.

We also reflected on the Scheme's policy documents over the year and updated the Scheme's Responsible Investment ("RI") policy to reflect our and the Company's latest positive views on sustainability and low carbon. In addition, we updated our RI policy to include climate change as a key ESG issue, we updated our monitoring activities in line with the General Code requirements and we updated the Scheme's key engagement themes to include deforestation and inequality in line with the Scheme's managers' engagement activities over the year.

The Scheme's stewardship policy can be found in the SIP:  
<https://bregroup.com/documents/d/bre-group/bre-lpc-sip-december-2025-1>

### What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental Social Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

*Source: UN PRI*

## AIL's engagement activity

We invest some of the Scheme's assets in AIL's Active Diversifiers (Hedge Funds) Strategy and Diversified Liquid Credit Strategy. These are fund of funds arrangements, where AIL selects the underlying investment managers on our behalf.

We delegate monitoring of ESG integration and stewardship of the underlying managers to AIL. We have reviewed AIL's latest annual Stewardship Report and we believe it shows that AIL is using its resources to effectively influence positive outcomes in the funds in which it invests.

Over the year, AIL held several engagement meetings with many of the underlying managers in its strategies. AIL discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the investment managers. AIL provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

Over the year, AIL engaged with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations.

AIL also successfully renewed its signatory status to the 2020 UK Stewardship Code, which is a voluntary code established by the Financial Reporting Council that sets high standards on stewardship for asset owners, investment managers and service providers.

## Our manager's voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. We believe that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Scheme's investments is an important factor in deciding whether a manager remains the right choice for the Scheme.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Scheme's equity-owning investment manager to responsibly exercise its voting rights.

### Voting statistics

The table below shows the voting statistics for the Scheme's only material fund with voting rights for the year to 30 September 2025.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
Schroders - Diversified Growth Fund	17,332	94.8%	10.2%	0.1%

Source: Manager. Please note that the 'abstain' votes noted above are a specific category of vote that has been cast, and are distinct from a non-vote.

### Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Scheme's material equity manager uses proxy voting advisers.

Manager	Description of use of proxy voting advisers (in the manager's own words)
Schroders	Glass Lewis (GL) act as our one service provider for the processing of all proxy votes in all markets. GL delivers vote processing through its Internet-based platform Viewpoint. Schroders receives recommendations from GL in line with our own bespoke guidelines, in addition, we receive GL's Benchmark research. This is complemented with analysis by our in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.

Source: Manager.

### Significant voting example

To illustrate the voting activity being carried out on our behalf, we asked the Scheme's material equity investment manager to provide an example of what it considers to be the most significant votes in relation to the Scheme's fund. A sample of this significant vote can be found in the appendix.

#### Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues.

Source: UN PRI

#### Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

## Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Scheme's material managers. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e. is not necessarily specific to the funds invested in by the Scheme.

Funds	Number of engagements		Themes engaged on at a fund/firm level
	Fund level	Firm level	
BGO - UK Secured Lending Fund III	24	<i>Not provided</i>	Environment - Climate Change; Natural Resource Use/Impact; Pollution, Waste Social - Human and Labour Rights; Human Capital Management Governance - Board effectiveness - Independence or Oversight
DRC - UK Whole Loan Fund	20	150	Environment - Climate change; Natural resource use/impact Social - Conduct, Culture and Ethics, Human and labour rights Governance - Board effectiveness – Other; Leadership - Chair/CEO Strategy, Financial & Reporting - Capital Allocation; Financial Performance; Reporting; Strategy/Purpose
Schroders - Diversified Growth Fund	1,550	4,713	Governance - Executive Remuneration Strategy, Financial & Reporting - Strategy/Purpose Environment - Climate Alignment; Climate Risk, Oversight; Nature-Related Risk
Underlying managers of AIL's Active Diversifiers Strategy:			
Arrowstreet - ESG Global Equity Long/Short Fund*	<i>Not provided</i>	159	Environment - Water Quality; Water Security Social - Human and Labour Rights; Community Relations Governance - Business Ethics
Caius Capital - International Fund	>30	>30	Governance - Board Effectiveness - Other; Leadership - Chair/CEO Strategy, Financial & Reporting - Strategy/Purpose; Financial Performance
Man Group - Alternative Risk Premia*	<i>Not provided</i>	66	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights; Human Capital Management Governance - Remuneration, Board effectiveness – Diversity Strategy, Financial and Reporting - Risk management
Marshall Wace - ESG TOPS Fund*	<i>Not provided</i>	<i>Not provided</i>	Environment - Climate Change; Natural Resource Use/Impact
Underlying managers of AIL's Diversified Liquid Credit Strategy:			
Aegon - European ABS Fund	115	422	Environment - Climate Change Social - Social; Human and Labour Rights Governance - Governance Other - General Disclosure
AXA - Short Duration Carbon Transition Fund	58	550	Environment - Climate Change; Natural Resource Use/Impact Social - Human Capital Management; Human and labour rights

Source: Managers.

\*The following managers did not provide fund level themes; themes provided are at a firm-level:

- Arrowstreet
- Man Group
- Marshall Wace

## Data limitations

At the time of writing, the following managers did not provide all the information we requested:

- Marshall Wace, Arrowstreet and Man Group did not provide all of the engagement information requested. This is because the assets managed by these managers are held tactically over a short period of time and/or indirectly through derivative exposures, meaning that engagement is less applicable to these assets given the long-term nature of engagements.
  - Marshall Wace provided limited engagement information but did provide detailed illustrative examples of its engagement activity at a firm level and stated that the manager undertakes engagement initiatives at the firm rather than strategy level.
  - Arrowstreet and Man Group provided detailed engagement information at a firm level only.
- BGO did not provide engagement numbers at firm-level. The manager does not currently track total number of firm-level engagements or the breakdown by outcome

This report does not include commentary on the Scheme's investments in Schroders Liability Driven Investments or cash because of the limited materiality of stewardship to these asset classes. Further, this report does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Scheme's assets that are held as AVCs.

## Appendix – Significant Voting Example

In the table below is an example of a significant vote as provided by the Scheme’s material equity-owning manager. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below, in managers’ own words:

<b>Schroders - Diversified Growth Fund</b>	<b>Company name</b>	Cintas Corporation
	<b>Date of vote</b>	29 October 2024
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	<i>Not provided</i>
	<b>Summary of the resolution</b>	Shareholder Proposal Regarding GHG Targets and Alignment with the Paris Agreement
	<b>How you voted?</b>	Votes supporting resolution
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	<i>Not provided</i>
	<b>Rationale for the voting decision</b>	Support for this proposal is merited as shareholders would benefit from the company publishing a transition plan and further disclosure around how it plans to achieve its long-term targets. We believe how we have voted is in the best financial interests of our clients' investments.
	<b>Outcome of the vote</b>	Fail
	<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	<i>Not provided</i>
	<b>On which criteria have you assessed this vote to be most significant?</b>	<i>Not provided</i>

Source: Manager.