

Marston's PLC Pension and Life Assurance Scheme – Annual Engagement Policy Implementation Statement

Introduction

This statement sets out how, and the extent to which, the Engagement Policy in the Statement of Investment Principles ('SIP') produced by the Trustee, has been followed during the year to 30 September 2024. This statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 (as amended) and the guidance published by the Pensions Regulator.

Investment Objectives of the Scheme

The Trustee believes it is important to consider the engagement policies in place in the context of the investment objectives they have set.

The Trustee's principal objective, included in the SIP, is for the Scheme to achieve a fully funded status on the Technical Provisions basis in a reasonable timeframe.

In seeking to achieve this principal objective, the Trustee also considers a number of secondary objectives:

- First, the Trustee seeks to invest funds in order to meet the current and future benefits which the Scheme provides; these include investment of Employer contributions.
- Second, it is an objective to achieve growth in the value of investments greater than the growth of liabilities over the long term. This requires an investment approach which invests in return seeking assets but at the same time aims to protect against changes in the value of liabilities. The Trustee aims to achieve this by holding a diversified portfolio of growth fixed income and defensive assets including annuity contracts as well as receiving support from the Employer.
- Third, benchmarks and targets are established for each asset class, as set out in the IPID.

The Trustee has agreed that the long-term funding and investment objective for the Scheme is to target becoming fully funded on the Technical Provisions basis (gilts + 0.5% p.a.).

The Trustee will hold investments a diversified portfolio of growth fixed income investments such as equities, corporate bonds, government bonds and derivatives in order to deliver the required expected returns in a risk controlled way. The Trustee will also invest in annuity contracts (buy-in policies) to reduce liability risks including longevity risk.

Over the 12 months to 30 September 2024, the Scheme disinvested from the Ruffer Absolute Return mandate and invested proceeds in the BlackRock Buy and Maintain Credit mandate. The Insight DGF mandate (IBOF) was also terminated in order to fund a new Secured Finance mandate with Insight.

Assessment of how the policies in the SIP have been followed for the year to 30 September 2024

The information provided in the following section highlights the work undertaken by the Trustees during the year, and longer term where relevant, and sets out how this work followed the Trustees' policies in the SIP.

The strategic benchmark has been determined using appropriate economic and financial assumptions from which expected risk/return profiles for different asset classes have been derived. These assumptions apply at a broad market level and are considered to implicitly reflect all financially material factors.

Policies in relation to the Scheme's investment strategy, day-to-day management of the assets, and associated risks

Please refer to Sections 5, 6, and 7 of the SIP for the Scheme's policies around its investment strategy, the day to day management of the assets, and the associated risks.

The Trustee's investment strategy is to invest in a diversified range of investments that will deliver the expected return required to meet the above objectives and to support the Technical Provisions discount rate whilst being expected to improve the funding level over time.

The Trustee will hold a diversified portfolio of growth income investments in order to deliver the required expected returns in a risk controlled way. The Trustee will also invest in annuity contracts (buy-in policies) to reduce liability risks including longevity risk.

The Scheme's investment consultant supplies the Trustee with the following on a quarterly basis for each of the Fund's investments:

- Investment returns and performance commentary;
- Updates and developments, if applicable, for each manager and fund;
- A Manager Research rating;
- An ESG rating.

The Trustee uses Trustee meetings to ask questions of the investment consultant, and will also invite managers to present directly to the Trustee from time to time.

The Trustee recognises risk (both investment and operational) from a number of perspectives in relation to the investments held within the Scheme. As detailed in Section 5 of the SIP, the Trustee considers both quantitative and qualitative measures for these risks when deciding investment policies, strategic asset allocation, and the choice of fund managers.

As the Fund invests in pooled investment vehicles, with the exception of the LDI mandate, the Trustee accepts that they have no ability to specify the risk profile and return targets of the manager, but believe that appropriate mandates can be selected to align with the overall investment strategy.

The Trustee recognises the need to hold investment managers and advisers to account. Whilst the day-to-day management of the Scheme's assets are delegated to the Investment Managers, all other investment decisions including strategic asset allocation and selection and monitoring of Investment Managers is based on advice received from the Investment Consultant. Mercer Limited has been appointed for this purpose.

In December 2019, the Trustee put in place investment objectives for its Investment Consultancy Provider, Mercer, and its performance will be reviewed on a regular basis. The objectives may be revised at any time but will be reviewed at least every three years, and after any significant change to the Scheme's investment strategy and objectives. In July 2023 the Trustee reviewed the existing objectives and concluded that they remained fit for purpose.

The intention of these objectives is to ensure the Trustee is receiving the support and advice it needs to meet its investment objectives. The objectives set cover both short and long term objectives across strategy, monitoring, compliance and regulation, client servicing and relationship management and member engagement and communications.

Policy on ESG, Stewardship and Climate Change

The following work was undertaken during the year relating to the Trustee's policy on ESG factors, stewardship and climate change, and sets out how the Trustee's engagement and voting policies were followed and implemented during the year.

The Scheme's SIP includes the Trustee's policy on Environmental, Social and Governance ('ESG') factors, stewardship and climate change. This policy sets out the Trustee's beliefs on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship. This was last reviewed in March 2024.

The strategic asset allocation was reviewed over the one-year period, during which the Trustee agreed to disinvest from Ruffer and reinvest the proceeds into the BlackRock Buy and Maintain Credit mandate. Additionally, the Insight DGF mandate (IBOF) was terminated to fund a new Secured Finance mandate with Insight in order to reduce risk and improve cashflow generation.

The SIP and IPID were updated to incorporate the revised strategic asset allocation. The Trustee keeps their policies under regular review with the SIP subject to review at least triennially.

In 2021, the Trustee received an ESG benchmarking report from their investment consultant, which sets out how the Scheme's investments compare from an ESG perspective versus the wider universe of managers/funds that Mercer research within the relevant asset classes. The results of this ESG peer group analysis showed that all of the Scheme's investment managers score higher than average when compared against the wider universe of managers within each asset class, from an ESG perspective (with the exception of the LDI mandate which does not currently have an ESG rating due to the underlying assets held in this mandate). Additionally, the Trustee undertook additional investment training provided by their investment consultant on responsible investment with the purpose to expand Trustee's knowledge, targeting ESG integration and climate change risk mitigation for the Scheme. ESG ratings were also considered when Insight were appointed for the new mandate over 2024.

The Trustee believes that good stewardship and environmental, social and governance ("ESG") issues may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration. The Trustee has given the Investment Managers full discretion when evaluating ESG issues, including climate change considerations, and in exercising rights and stewardship obligations attached to the Scheme's investments.

The Trustee considers how ESG, climate change and stewardship is integrated within investment processes in appointing new investment managers and monitoring existing investment managers, through the use of ESG ratings provided by the Scheme's investment consultant.

The investment consultant's performance report is reviewed by the Trustee on a quarterly basis – this includes ratings (both general and specific ESG). All of the managers remained generally highly rated during the year. Where managers may not be highly rated from an ESG perspective the Trustee continues to monitor. When implementing a new manager the Trustee considers the ESG rating of the manager. The investment performance report includes how each investment manager is delivering against their specific mandates.

Voting and Engagement Activity

The Trustee requested that the investment managers confirm compliance with the principles of the UK Stewardship Code. All managers confirmed that they are signatories of the current UK Stewardship Code and submitted the required reporting to the Financial Reporting Council in order to be on the first list of signatories for the UK Stewardship Code 2020 that took effect on 1 January 2021.

Following the DWP's consultation response and outcome regarding Implementation Statements on 17 June 2022, updated Guidance was produced which was effective for all scheme year ends on or after 1 October 2022. The most material change is that the Statutory Guidance provides an update on what constitutes a "significant vote". The updated Guidance requires trustees to include a description of what they believe to be a significant vote within the Implementation Statement. The voting information is also expected to include details explaining why each vote was categorised as most significant, what the vote was, and why the manager voted in the way it did.

Following this, the Trustee has considered the following areas of focus for the Scheme:

- Votes relating to top holdings: Votes relating to a given mandate's 10 largest holdings;
- Votes relating to the topic of climate change;
- Votes relating to board governance topics including diversity and inclusion.

To be deemed a "most significant" vote, the vote needs to be one of the mandates' 10 largest holdings at the relevant year end date, and be related to one of the topics specified above (climate change or board governance). The Trustee will keep this definition under consideration based on emerging themes within internal discussions and from the wider industry.

During the year, there were no changes to the voting process, however the Scheme had no exposure to listed equities at year end, with only indirect exposure to equities through the Ruffer and Insight diversified growth mandates, which were both terminated over the period. The Scheme's investment managers are now primarily fixed income based where there are few/no voting rights, however managers will still engage with companies on ESG matters.

Where applicable, investment managers are expected to provide voting summary reporting on a regular basis where applicable, at least annually.

As part of this monitoring, the Trustee will engage with the Scheme's investment managers where appropriate to understand the activity undertaken in relation to these topics.

The Scheme's investment managers engaged with companies over the year on a wide range of different issues including Environmental, Social and Governance factors. This included engaging with companies on climate change to ensure that companies were making progress in this area and better aligning themselves with the wider objectives on climate change in the economy (i.e. those linked to the Paris agreement). The Scheme's managers provided examples of instances where they had engaged with companies they were invested in/about to invest in which resulted in a positive outcome. These engagement initiatives are driven mainly through regular engagement meetings with the companies that the managers invest in. The resolutions are often co-filed by a number of investors who indicate or not their support for the resolution to the company's management. Summaries provided by the investment managers are set out below:

BlackRock

At the 30 September 2024 year end, the Scheme held only fixed income investments with BlackRock. As an investor in fixed income, it is important to note that there is more limited scope for engagement (relative to equity investors that can vote on resolutions etc.), however we have included wording from BlackRock below in regards to their engagement and reporting policies within this area.

Blackrock believes that effective disclosure can lead to real change in how companies are managed for the benefit of all stakeholders. Their Investment Stewardship team is a key partner for all investment teams at BlackRock. Their Investment Stewardship efforts, including their direct engagement and voting activities, encourage companies to deliver long-term, sustainable growth and returns for their clients.

Partnership across teams at BlackRock ensures they can leverage insights and knowledge, and bring the voice of all stakeholders, including corporate bond holders, to the table.

BlackRock's footprint in the fixed income markets also means that they have substantial opportunity to engage with sovereigns and debt management offices, issuers of securitized bonds, rating agencies, index providers as well as partnering with their public policy teams regarding ESG regulation, policy, and disclosure. BlackRock can also play a role in promoting awareness, disclosure, fostering debate, and highlighting risks, across various financial market participants.

Engagement is core to BlackRock's stewardship program as it helps them assess a company's approach to governance, including the management of relevant environmental and social factors.

BlackRock Investment Stewardship's (BIS) Engagement Priorities reflect the five themes on which they most frequently engage companies, where they are relevant, as these can be a source of material business risk or opportunity. As such, they may impact companies' ability to deliver the long-term financial returns on which their clients depend to meet their investing goals. The vast majority of BIS' work is focused on corporate governance. In BlackRock's experience, sound governance is critical to the success of a company, the protection of investors' interests, and long-term financial value creation.

BIS' work aligns with BlackRock's fiduciary responsibilities as an asset manager to always act in their clients' best financial interests. BIS takes a constructive, long-term approach to engagement with companies and focuses on the drivers of risk and financial value creation in their business models. Engagement is core to BlackRock's stewardship efforts as it provides them with the opportunity to improve their understanding of a company's business model and

the risks and opportunities that are material to how they create financial value, including business relevant sustainability-related risks and opportunities.

Engagement is core to BlackRock's stewardship program as it helps them assess a company's approach to governance, including the management of relevant environmental and social factors. To that end, they conduct more than 3,500 engagements a year on a range of ESG issues likely to impact their client's long-term economic interests.

BIS' Engagement Priorities for 2024 are consistent with those from prior years as they continue to reflect the corporate governance norms:

- corporate governance norms, that in our view, drive long-term financial value. Board quality and effectiveness – Quality leadership is essential to performance. Board composition, effectiveness, diversity and accountability remain top priorities.
- Strategy, purpose and financial resilience – A purpose driven long-term strategy, underpinned by sound capital management, supports financial resilience.
- Incentives aligned with value creation – Appropriate incentives reward executives for delivering sustainable long-term value creation.
- Climate and natural capital – Business plans with targets to advance the transition to a low-carbon economy. Managing natural capital dependencies and impacts through sustainable business practices
- Company impacts on people – Sustainable business practices create enduring value for key stakeholders – employees, customers, suppliers and communities

The priorities outlined above are aligned with the firm's commitment to make sustainability BlackRock's standard for investing and to support the goal of net zero greenhouse gas emissions by 2050 or sooner.

BlackRock has as an ESG Capital Markets working group, including investment professionals globally across fixed income asset and capital markets, specifically focused on driving innovation and diversifying issuance in ESG oriented fixed income securities, working directly with issuers and dealers to expand issuance across sectors and market new concepts. They have been a signatory of the UN Principles of Responsible Investment (UN PRI) since 2008 and as such make sure that ESG factors are incorporated and adhered to in their approach to investment and engagement.

BlackRock are also a founding member of the Task Force on Climate-related Financial Disclosures (TCFD) and since 2017 have been working to increase the transparency of their climate related disclosures. BlackRock joined the Climate Action 100+ in January 2020, a group which engages with companies to improve climate disclosure and align business strategy with the goals of the Paris Agreement, taking a global approach to combating climate change.

Insight

Insight's aim to build a better future for their clients. To achieve this, they work to support stable and resilient social, environmental and economic systems and efficient, well-managed financial markets. These, in turn, will help them to achieve their clients' target investment outcomes. Insight believe integrating ESG issues into their investment processes, and in their dialogue with issuers and other stakeholders, supports better investment decisions and can have the potential to help clients achieve their desired outcomes. They have provided the following wording in relation to the firm's engagement activities:

“As a leader in investment management, Insight understands that we must demonstrate the highest standards of accountability and transparency in our stewardship programme. We have an unwavering commitment to stewardship. We believe effective stewardship includes taking clients’ needs into account and working for the benefit of all stakeholders. Given Insight’s business focus on risk management, liability driven investment (LDI) and fixed income, for clients with very long-term investment horizons, our activity looks different when compared to the activity of many of our peers in the investment management industry, which focus largely on equities. We aim for transparency across all our activities and collaborate with stakeholders where we believe we can maximise the impact of our engagement.

Engagement with issuers is a key part of our credit analysis and monitoring and complements our approach to responsible investment. As a matter of policy, all our credit analysts regularly meet with issuers to discuss ESG related and non-ESG related issues. Given the size and depth of our credit analyst resource, one of the key inputs into our ESG analysis is the direct information which we receive from companies via engagements that take place. We also have a dedicated stewardship programme, which includes our prioritised ESG engagement themes. Our prioritised themes for this year are climate change, water management, and diversity and inclusion. We use a research-led approach to identify the worst performers to initiate targeted engagement to encourage change across each of these themes.

We are focussed on driving positive change throughout the market at both an individual issuer level and also market wide, as evidenced by our membership to an extensive list of working groups and initiatives outlined on the next sheet. In particular, our involvement with Climate Action 100+: the world's largest investors unite for change, which aligns investor engagement to encourage the world's largest carbon emitting companies to take action on climate change.”

Over the reporting period Insight engaged with 567 entities and had a total of 2409 engagements.

M&G Investments

M&G as an asset manager are committed to achieving carbon net zero investment portfolios by 2050, across their total assets under management, and to align with keeping global warming to 1.5°C.

They aim to become carbon net zero by 2030 across their corporate operations. The impact of their corporate emissions is relatively small compared to that of their investment portfolios, but they aim to lead by example and therefore have set themselves net zero targets, aligned with the Paris Agreement.

Their journey towards their net zero target has four main tracks:

- Engaging with investees to ensure they have science based, carbon transition plans aligned with the goals of the Paris Agreement.
- Engaging with clients and customers to encourage a move towards Paris-alignment of mandates and fund objectives.
- Increasing capital directed to climate solutions, companies and projects.
- Transitioning portfolios, or if unsuccessful, divesting.

Their new Net Zero Investment Framework (NZIF) draws on their work as a member of the Paris Aligned Investor Initiative and the Institutional Investor Group on Climate Change (IIGCC) to establish actions, metrics and methodologies to enable them to decarbonise their portfolios, reduce climate-related risk and allocate more to climate solutions. They do not take

a linear approach to decarbonisation because this can create unintended consequences: such as incentivising divestment to pass the problem onto someone else, and missing out on transition related opportunities. They believe that encouraging intensive emitters to put in place robust transition plans and invest in climate solutions is a more responsible and effective approach.

M&G has complied with various Climate regulation such as TCFD and SFDR, and has made necessary disclosures in fund documentation and websites.

M&G has also provided the Trustee with their approach to engagement in relation to the Illiquid Credit Strategies in which the Scheme invests, which is set out below:

- *“For private assets, where due to their illiquid nature we typically hold them until maturity, the majority of engagement is conducted during the initial due diligence phase and forms an important part of our initial credit assessment.*
- *Due diligence is typically carried out before investing to determine the borrower’s ability to repay and the quality of the assets to provide the required risk-adjusted returns over the long term allowing time for engagement on ESG issues prior to new issuance. This is important as it places greater emphasis on getting the initial due diligence right and therefore assessing all material financial and non-financial (ESG) risks.*
- *Material ESG risks are flagged as part of the M&G ESG scorecard process during the due diligence phase (and then on an ongoing basis). The scorecard, which is based on the SASB materiality framework, enables the fund managers to identify ESG laggards in each sector and therefore provides the ability to assess non-financial risks specific to each company.*
- *For climate data and to overcome the reporting gaps in the private world, we have developed an in-house estimation tool with a view to monitoring and encouraging reduction in direct and indirect carbon emissions over time. If there is no company disclosure, our estimation model uses inputs (sector, revenue, number of employees) and employs machine-learning - based on a databank of some 3,000 listed companies - to derive Scope 1 & 2 estimates. Our carbon estimation tool has enabled fund managers to identify those companies most exposed to transition risk and act accordingly, for example through targeted engagement. Our ability to quantify a company’s exposure to transition risk through reporting on carbon emissions has also aided the investment process.*
- *During the year we have also onboarded a third party data provider to enhance our data pool and provide even more accurate and reliable figures for ESG metrics and coverage.*
- *While we consider it essential to include ESG issues in our investment analysis, we do not make investment decisions based solely on our ESG views. Rather, investment decisions are made after giving appropriate consideration to all factors that influence an investment’s risk or return.”*

Ruffer

Ruffer define responsible investment as the integration of ESG considerations throughout their research and investment processes, security selection and portfolio construction. They consider engagement essential to delivering on their stewardship objectives.

Ruffer became a signatory to the Principles for Responsible Investment (PRI) in January 2016 in order to demonstrate their commitment to integrating ESG into their investment approach.

Ruffer is also a signatory to the Net Zero Asset Managers initiative and as such has targets for the equity portfolio of portfolio. The objective is real world emissions reductions without constraining the portfolio from investing in industries that will be necessary for the climate transition. Thus Ruffer targets focus on the alignment of investee companies with the appropriate net zero pathway and emission intensity reduction, rebased for portfolio changes.

Ruffer believes that engagement is an effective tool for achieving meaningful change, and they are committed to engaging with companies on a wide range of topics. They encourage management to adopt appropriate policies, activities and disclosure in line with established best practices. They engage issuers through a combination of targeted individual discussions and collaborative investor initiatives. Ruffer prioritises engagement where they have identified material financial, reputational or regulatory risks. Interactions typically involve a combination of face-to-face meetings, video calls, telephone calls and written communication.

When an ESG issue is identified, Ruffer will usually raise it directly with investor relations, sustainability experts, company management or executive or non-executive directors.

In some instances, Ruffer believe collaboration with other investors may be the most productive way to achieve the desired outcome, particularly if their concerns are shared or individual engagement has not been successful. Collaborative engagement can also provide a platform to engage on wider sector, regulatory and policy matters with investors and other stakeholders. Decisions to collaborate on company specific matters are judged case-by-case by the Committee, with input from the Responsible Investment team, Research Analysts and Portfolio Managers.

It is Ruffer's policy to vote on Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) resolutions, including shareholder resolutions as well as corporate actions.

The Trustee has delegated their voting rights to the investment managers.

Investment managers are asked to provide voting summary reporting on a regular basis.

When the investment managers present at Trustee meetings, the Trustee asks the investment managers to highlight key voting activity and the impact on the portfolio.

The Trustee does not use the direct services of a proxy voter.

As the Scheme now only holds credit based investments, it is noted that the level of voting is lower than for equity based investment strategies, as such, the Trustee has decided to focus on engagement activity rather than voting for reporting. The Trustee will consider the size of any holding in reporting significant votes.

Over the last 12 months, some of the key engagement activity on behalf of the Trustee was as follows:

BlackRock

Engagement is core to BlackRock's stewardship program as it helps them assess a company's approach to governance, including the management of relevant environmental and social factors. In the 2023-24 proxy year, BIS held more than 3,500 engagements with 2,400+ unique companies in 47 markets. Engagement may also inform our voting decisions for those clients who have given BlackRock authority to vote on their behalf. In case of concerns, BlackRock typically raise these through dialogue with board members and management teams first.

Additionally, BlackRock provided examples of where they have engaged with a company. We show one of these examples below:

- Saras SpA - BlackRock Investment Stewardship (BIS) has engaged with Saras SpA, an Italian energy company, regarding its climate-related disclosures over several years. At the April 2024 Annual General Meeting (AGM), BIS did not support the election of management's proposed slate of directors due to ongoing concerns about the company's insufficient climate-related disclosures. Compared to its industry peers, Saras has not provided adequate information for investors to evaluate its strategies related to climate risks and opportunities, particularly in the context of transitioning to a low-carbon economy.

BIS has previously expressed similar concerns in its voting decisions during the AGMs of 2021, 2022, and 2023, indicating a consistent pattern of dissatisfaction with Saras' transparency on climate issues. The company's controlled shareholding structure may hinder its responsiveness to investor feedback.

Despite these challenges, BIS remains committed to engaging with Saras to encourage improved disclosure regarding material climate-related risks and opportunities. If the company fails to adequately respond to shareholder feedback, BIS plans to continue expressing its concerns through voting actions as necessary.

Insight

Insight highlighted the bellow engagement during the year in reference to the Scheme's holdings:

- Polus is a CLO (Collateralised Loan Obligation) manager. Engagement with Polus began in Q4 2023, prompted by a new CLO issue introduced by the firm. Ruffer's CLO ESG framework identified Polus's ESG score as being in the bottom 10% of its investment universe, indicating a significant opportunity for engagement. Ruffer engaged with the originator to encourage them to amend the terms of the new issue.
- Polus agreed to amend the deal terms and introduce appropriate changes to their documentation. As a result, the amended deal scored in the top quartile for ESG framework under Insight's proprietary methodology. The adjustments led to the originator revising the language in their CLO documentation to implement formal ESG Conduct-Based Exclusions, ensuring that each obligor is assessed and remains compliant with the UN Global Compact's 10 principles, International Labour Organisation Conventions, OECD Guidelines for Multinational Enterprises, and UN Guiding Principles on Business and Human Rights.

Ruffer

Ruffer highlighted the bellow engagement during the year in reference to the Scheme's holdings:

- Ryanair's leadership in the aviation industry underpins Ruffer's investment, as Ruffer believe the company can leverage its size and financial flexibility to support the transition to a low-carbon economy. In late 2023, Ruffer engaged with Ryanair to discuss its sustainable aviation fuel (SAF) initiatives and the validation of its emissions targets by the Science Based Targets Initiative (SBTi). Ruffer

encouraged the company to improve transparency by disclosing SAF uplift figures and lifecycle carbon intensity.

- Ryanair aims for SAF to constitute 12.5% of its fuel by 2030, with agreements in place covering 75% of this target. This ambitious goal aligns with the EU's sustainable fuel mandate, which requires a 6% uplift by 2030. The company is collaborating with SAF producers to secure supply and reduce costs while taking advantage of EU incentives.
- Ruffer supports the SBTi and encourages companies to set science-based emissions reduction targets. Ryanair is actively involved in developing guidance for the aviation sector and has submitted its targets for validation, although the process has been slow. The company is also researching SAF lifecycle intensity in partnership with Trinity College Dublin. Ruffer believe Ryanair's proactive approach to SAF and emissions reductions positions it well to enhance its competitive advantage during the energy transition.

M&G Investments

M&G had provided the below engagement during the year in reference:

- Advania is encouraged to consolidate its ESG strategy across the group due to varied progress among its business units, stemming from its decentralised model. As of May 2024, only Sweden and Iceland had approved SBTi commitments, representing 51% of gross profits, with inconsistencies in ESG reporting across units. M&G has engaged with Advania to promote alignment and support the development of a cohesive ESG strategy. Management is willing to encourage this alignment while respecting unit autonomy and is exploring group-wide KPIs. Norway has since committed to SBTi, but the UK and Denmark are progressing more slowly. Ongoing engagement with management aims to support a more unified ESG strategy across Advania.