

The Pension and Life Assurance Plan of the Royal College of General Practitioners – year to 31 March 2025

Implementation Statement

Overview

The Trustee of The Pension and Life Assurance Plan of the Royal College of General Practitioners (“the Trustee” and “the Plan” respectively) have prepared this implementation statement in compliance with the governance standards introduced under The Occupational Pension Plans (Investment and Disclosure) (Amendment) Regulations 2019.

Its purpose is to demonstrate how the Trustee has followed the policy on voting, stewardship and engagement as set out in the Plan’s Statement of Investment Principles (“SIP”), signed in October 2024. This statement covers the period 1 April 2024 to 31 March 2025.

The Trustee is aware that the Employer has set its own ethical policy and the Trustee takes this policy into account when making investment decisions for the Plan. However, the Plan’s assets are held in pooled investment funds (via the Mobius Life investment platform) and the day-to-day management of these investments (including the responsibility for voting and engaging with companies) is delegated to the fund managers of those pooled investment funds (the “Fund Managers”).

The Fund Managers of the pooled investment funds as at 31 March 2025 were Legal & General Investment Management (“LGIM”), Partners Group (“Partners”), BNY Mellon Investment Management (“BNYM”), M&G Investments (“M&G”) and Columbia Threadneedle Investments (“CT”).

As Trustee of the Plan’s assets, we are responsible for the selection and retention of these funds. Reviewing the voting and engagement activities, for which we include details below, is an important exercise to help us ensure they remain appropriate and are consistent with the Fund Managers’ stated policies in this regard.

We are satisfied with the voting and engagement activities of the Fund Managers, and in particular, that the Fund Managers are using their position as stakeholder to engage constructively with investee companies; however, we will engage with them should we have any concerns about the voting and/or engagement activities carried out on our behalf.

The Trustee had no cause to challenge the Fund Managers’ voting and/or engagement activities during the year to 31 March 2025.

The Trustee has developed and continues to review an ESG Policy (which should be read in conjunction with section 7 of the Statement of Investment Principles) that sets out the Trustee’s ESG investment principles. The purpose of the ESG Policy is to document the Trustee’s ESG beliefs, summarise the ESG policies of their investment managers and help to ensure that the Trustee’s ESG policies are aligned with the College Trustee’s own Ethical Investment Policy where relevant and practical to do so. The College Trustee’s Ethical Investment Policy was adopted to ensure that its investments do not conflict with its aims. The Charity’s ethical investment policy precludes direct or indirect investment in companies that generate more than 10% of revenues from alcohol, tobacco-related business activities, adult entertainment services, weapons systems and gambling-related business activities.

The College Trustee's Ethical Investment Policy also precludes investments in companies which:

- have an ICB sector classification of Oil & Gas producers and a sub-sector classification either of Integrated Oil & Gas or of Exploration & Production;
- have an ICB sector classification of Mining and a sub-sector classification of Coal;
- manufacture cluster munitions systems, components or delivery platforms;
- manufacture landmines;
- are involved in the production of depleted uranium weapons, ammunition or armour; or
- manufacture biological or chemical weapons

As it is not possible for individual investors to impose constraints on the investment policy of pooled funds, the Trustee has adopted the following approach:

- to select from a broader range of funds and to assess, at the point of appointment, how likely it is that a prospective new fund investment may conflict with these requirements. It must be accepted, however, that the fund manager would not be constrained to comply with any specific restrictions. In this sense, the College Trustee's ESG policy would be a "target" rather than a strict requirement.

Changes to investment strategy

During the year to 31 March 2025, the Trustee made changes to the investment strategy and these are detailed in the Investment section of this report and summarised below.

During November 2024 the Trustee reviewed the investment strategy and agreed to reduce the exposure to leveraged LDI funds in favour of new passive gilt funds, namely the LGIM Over 15 Years Gilts Index Fund and the LGIM All-Stocks Index-Linked Gilts Index Fund. The exposure to the non-sustainable versions of the absolute return bonds was also removed in favour of the sustainable versions of the funds.

As at the Plan's year end, the new strategic asset allocation for the Plan was as follows; growth assets 15% (equities 10%, market driven diversified growth 3% and private markets 2%), absolute return bonds 12.5%, multi asset credit 12.5% , protection assets (LDI) 25.5% and passive gilts 34.5%.

All of the changes to the investment strategy detailed above were based on advice received from the Trustee's investment consultant.

Voting and engagement

Details on voting and engagement activities provided by LGIM, Partners, BNYM, M&G and CT are set out below. In order to produce this statement, we have asked the Fund Managers a series of questions about their policies, actions and for examples relating to their voting and engagement activities. We have then reviewed these and summarised their responses for the purposes of this statement.

LGIM have provided information relating to the Dynamic Diversified Fund and MSCI World SRI Index, Partners have provided information relating to the Generations Fund, as these funds hold equities for which the Fund Managers have voting rights.

The BNYM Global Dynamic Bond Fund (Responsible) and M&G Sustainable Total Return Credit Fund do not hold equities and given that bonds do not confer voting rights, there was no voting carried out in

relation to these funds. However, BNYM and M&G do undertake engagement activities in respect of their bond holdings and we have included examples below.

The CT Nominal and Short-Profile Real Dynamic LDI Funds do not hold equities and given that the investments do not confer voting rights, there was no voting carried out in relation to these funds. However, CT do undertake engagement activities with counterparty banks on relevant issues, where applicable, and we have included an example below.

No voting was carried out in relation to the LGIM Gilt Funds.

LGIM - voting and engagement activities

The following is based on the information that LGIM have provided in response to our questions and provides an illustration as to how they co-ordinate their voting and engagement activities with companies.

“LGIM’s voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients.

All decisions are made by LGIM’s Investment Stewardship team and in accordance with our relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents, which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures our stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

LGIM’s Investment Stewardship team uses ISS’s ‘ProxyExchange’ electronic voting platform to electronically vote clients’ shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that we receive from ISS for UK companies when making specific voting decisions.

To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice.

We also believe public transparency of our vote activity is critical for our clients and interested parties to hold us to account. In determining significant votes, LGIM’s Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association consultation (PLSA).”

LGIM MSCI World Socially Responsible Investment Fund

LGIM were eligible to vote on 5,824 resolutions. They voted on 98.8% of these. Votes for: 78%, Against 22%, Abstained: <1%.

LGIM Dynamic Diversified Fund

LGIM were eligible to vote on 102,057 resolutions. They voted on 99.8% of these. Votes for: 77%, Against 22%, Abstained: <1%.

LGIM provided the following examples in response to our request to provide details of their most significant votes:

1. Shell Plc

Date: 21/05/2024

Resolution: Approve the Shell Energy Transition Strategy

Vote: Against

"We acknowledge the substantive progress the company has made in respect of climate related disclosure over recent years, and we view positively the commitments made to reduce emissions from operated assets and oil products, the strong position taken on tackling methane emissions, as well as the pledge of not pursuing frontier exploration activities beyond 2025. Nevertheless, in light of the revisions made to the Net Carbon Intensity (NCI) targets, coupled with the ambition to grow its gas and LNG business this decade, we expect the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050. In essence, we seek more clarity regarding the expected lifespan of the assets Shell is looking to further develop, the level of flexibility in revising production levels against a range of scenarios and tangible actions taken across the value chain to deliver customer decarbonisation. Additionally, we would benefit from further transparency regarding lobbying activities in regions where hydrocarbon production is expected to play a significant role, guidance on capex allocated to low carbon beyond 2025 and the application of responsible divestment principles involved in asset sales, given portfolio changes form a material lever in Shell's decarbonization strategy."

Outcome of the vote: Pass

Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?

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

Why is this vote "significant"?

"LGIM is publicly supportive of so called "Say on Climate" votes. We expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan."

2. Consolidated Edison, Inc

Date: 20/05/2024

Resolution: Elect Director Timothy P Cawley

Vote: Against

“A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.”

Outcome of the vote: Pass.

Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?

“LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.”

Why is this vote “significant”?

“LGIM 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.”

Partners Group - voting and engagement activities

The following is based on the information that Partners have provided in response to our questions on voting and engagement and provides an illustration as to how they co-ordinate their voting and engagement activities with companies.

“We are fully committed to investing our clients' capital in a responsible manner and integrate environmental, social and governance (ESG) factors, alongside commercial and financial factors, into our investment due diligence and ownership.

We believe that the integration of material ESG factors into our investment processes is a core part of our fiduciary duty to act in the best interests of our clients and their beneficiaries and has the potential to mitigate investment risk and enhance investment returns.

As a private markets investment manager, we integrate ESG factors throughout the investment process in all investment types (direct, primary and secondary) and asset classes (private equity, private debt, private infrastructure and private real estate). To ensure the systematic integration of ESG factors in this process, we have developed a Responsible Investment Policy and Methodology.

For each investment opportunity, our investment teams are required to identify and consider the relevant ESG factors during due diligence through our proprietary ESG Due Diligence Assessment. Partners Group's ESG & Sustainability team supports the investment teams in assessing the weight that should be given to these considerations and in identifying potential ESG risks and value creation opportunities.

During ownership, we initiate projects in our portfolio companies and assets to improve their performance in managing ESG factors and integrate reporting on their ESG performance into our annual Corporate Sustainability Report and quarterly client reporting.

Our voting is based on the internal Proxy Voting Directive. We hire services of Glass Lewis & Co, which is one of the leading global proxy voting service providers, and they have been instructed to vote in-line

with our Proxy Voting Directive. Wherever the recommendations for Glass Lewis, our proxy voting directive, and the company's management differ, we vote manually on those proposals.”

Partners Group Generations Fund

Partners Group have provided data covering the year to 30 June 2025. They were eligible to vote on 691 resolutions over this period. They voted on 100% of these. Votes for: 93%, Against 4%, Abstained: 3%.

“The Generations Fund focuses on private markets investments and has a diversified portfolio of over 150 investments across private equity, private debt, private real estate and private infrastructure. As the majority of the investments are in direct, or controlling, equity positions in these private market companies/assets, in principle Partners Group is able to exert much greater influence on the direction of the companies when compared to the voting rights of listed equity managers. Due to the controlling positions taken by Partners Group, it is their actions to embed and improve ESG credentials that are often more relevant than voting.

We have provided examples of the private markets investments in the Generations Fund. Private markets investments are the largest exposure within the fund and these are typically held directly, where Partners Group controls the board and therefore direction/strategy of the business. The Generation Fund's exposure in listed equity is usually <10%.”

Partners Group have provided the following example of a ‘significant vote’:

1. Velvet Care

Summary of the resolution: *“As we control the Board, please see below the ESG efforts of the portfolio company.”*

Rationale for voting decision: *“Velvet Care is a direct private equity investment in our portfolio of companies, where we invest directly to obtain control and influence over their operations.”*

Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?

“Since our investment in early 2024, our primary focus has been on establishing a robust governance framework to support Velvet Care’s long-term sustainable growth. Given our control position, we have worked closely with the company to refine its strategic direction, ensuring that sustainability considerations are embedded into decision-making and value creation efforts.

Our key initiatives have included strengthening board governance, formalizing sustainability oversight, and enhancing workforce engagement strategies. We have also prioritized aligning Velvet Care’s policies with global best practices, reinforcing commitments to ethical supply chain management and talent retention. This governance structure lays the foundation for future expansion while maintaining Velvet Care’s strong market position.

Going forward, we will continue supporting the company in scaling its workforce development initiatives and deepening sustainability integration across its operations, ensuring that Velvet Care remains well-positioned for sustainable, long-term value creation.”

Why is this vote “significant”? *“Size of holding in fund.”*

BNYM - engagement

The following commentary is based on the information that BNYM have provided in response to our questions on voting and engagement and illustrates how they co-ordinate their voting and engagement activities with companies. Newton is a subsidiary of BNYM and the entity that manages the Global Dynamic Bond Fund (Responsible).

“We believe the value of our clients’ portfolios can be enhanced by the application of good stewardship. This is achieved by engagement with investee companies and through the considered exercise of voting rights. Our understanding of a company’s fundamental business enables us to assess the appropriate balance between the strict application of corporate governance policies and taking into account a company’s unique situation.

We do not maintain a strict proxy voting policy. Instead, we prefer to take into account a company's individual circumstances, our investment rationale and any engagement activities together with relevant governing laws, guidelines and best practices. For the avoidance of doubt, all voting decisions are made by Newton.

It is only in the event of a material potential conflict of interest between Newton, the investee company and/or a client that the recommendations of the voting service used (Institutional Shareholder Services, or the ISS) will take precedence. It is also only in these circumstances when we may register an abstention given our stance of either voting in favour or against any proposed resolutions. The discipline of having to reach a position of voting in favour or against management ensures we do not provide confusing messages to companies.

Voting decisions take into account local market best practice, rules and regulations while also supporting our investment rationale. For example, when voting on the election of directors in Japan, we are unlikely to vote against a board chair should the board not be majority independent given that only recently the corporate governance code has recommended boards appoint independent directors. However, in the UK, where majority independent boards are well established and expected by investors, we are likely to vote against the chair and non-independent directors. This being said, we frequently vote against executive pay at US companies despite it being accepted US market practice of granting significant awards of free shares, as we believe executive pay should be aligned with performance.”

BNYM Global Dynamic Bond Fund (Responsible)

The fund does not hold equities and therefore does not have the same voting rights as some other funds. However, Newton’s engagement activities are undertaken for all the companies that they hold and so they also engage with the companies whose bonds are held in this fund.

There were 4 engagements over the year in relation to this fund. The majority of engagements were made regarding social topics.

The Trustees have reviewed Newton’s engagement activity in conjunction with their adviser, Cartwright, and the following has been identified as the most significant example of engagement from the perspective that it potentially has the biggest financial impact on the Scheme, as set out in the SIP.

BARCLAYS

Rationale for the engagement:

“Robust disclosures on the bank's client transition framework (CTF) including details around its scoring methodology including factors such as sub-targets used for sectoral assessment and material topics used for scoring are very crucial to help investors understand the effectiveness of its client transition framework. Further, robust disclosure on the bank's client engagement process, including major topics of discussion and expectation around best in class practices is useful for investors to understand how the bank's client transition framework is working in practice.

The transition of high-emitting clients is important for the bank because it helps in a phased approach to wind down financing fossil fuels while balancing the current energy needs.

High-emitting sectors face long-term structural challenges, transitioning these clients towards more sustainable practices can enhance their financial stability and in turn safeguard the bank's loan book and help the operating model remain resilient.”

What has been done?:

“Barclays has improved its CTF considerably over the years by providing information on its overall scoring methodology, governance structure and broad parameters it uses to assess clients. However, investors would gain more comfort if they understand the material parameters or risk indicators it uses to assess a specific sector.”

Takeaways:

- *“Barclays highlighted its overall approach to use the CTF to identify clients that need more help to transition and then seeks to engage with them.*

- *We highlighted we are appreciative of the direction of travel but conveyed some aforementioned points that would increase confidence in the CTF further.*

Barclays has improved its CTF considerably over the years by providing information on its overall scoring methodology, governance structure and broad parameters it uses to assess clients. While the bank has highlighted it engages with its clients, more disclosures around its engagement process with a focus on key topics of discussion and expectations around best in class practice would provide investors more comfort.

- *Barclays highlighted that it regularly reviews client's disclosures and actions on transition and engages with them if it feels it can add value, it seeks to work with them and help them transition in the long-term.*

- *We highlighted that the best in class practices or key topics it discusses without disclosing competitive information would be beneficial for shareholders to assess the bank's actions.”*

Outcome:

“We remain comfortable with the bank's overall approach to climate transition and our feedback was acknowledged by the bank to provide more disclosure on specific parameters or metrics used to analyze sub-sectors under the CTF and on its overall engagement process under the CTF.”

Next Steps:

“We will monitor the bank's update on its broader transition plan later this year and aim to engage again by early next year.”

M&G - engagement

The following commentary is based on the information that M&G have provided in response to our questions and illustrates how they co-ordinate their engagement activities with companies.

“Across all of our assets classes, M&G believes that ESG factors can have a material impact on long-term investment outcomes. Our goal is to achieve the best possible risk-adjusted returns for our clients, taking into account all factors that influence investment performance.

Alongside engagement with investee companies, active voting is an integral part of our investment approach. We believe exercising our vote adds value and protects the interests of our clients as shareholders. We often get asked by clients how we carry out our voting, as a number of asset managers just follow their proxy agents advice. We use the ISS voting platform to vote and we have built, with ISS, a custom voting service that reflects our public voting policy.

Given the limited upside and potential downside of fixed income investments, the focus of our ESG analysis is on understanding downside risks. Since ESG risks often develop over the longer term, and given our long-term investment approach, we believe it is essential to integrate ESG issues into our investment process. Our integrated approach to ESG is applied across all forms of fixed income including corporate bonds, government bonds, securitised debt, real estate debt, infrastructure debt, leveraged finance, direct lending and private placements.

Engagement with issuers is usually undertaken by our credit analyst team, with support when needed from the Corporate Finance and Stewardship team, since they have a clear and detailed understanding of the ESG issues affecting the credit quality of the issuers that they cover. Although bond holders normally have less influence than equity holders when engaging with companies, M&G considers it important to engage with fixed income issuers regarding material ESG issues in order to gain better understanding of ESG risks, and to encourage improved ESG practices.

The additional insight often gained through ESG engagement also better informs our credit views and investment decisions. We prefer to engage on ESG issues directly with an issuer's senior management, and M&G's significant scale in fixed income markets provides us with necessary access to an issuer's senior management in order to do so. In our private debt business, we are often one of the primary sources of finance for the borrower, which can give us significant access and influence to engage.”

M&G Sustainable Total Return Credit Fund

The fund does not hold equities and therefore does not have the same voting rights as some other funds. However, M&G's engagement activities are undertaken for all the companies that they hold and so they also engage with the companies whose bonds are held in this fund.

There were 20 engagements over the year in relation to this fund. The majority of engagements were made regarding environmental topics.

The Trustees have reviewed M&G's engagement activity in conjunction with their adviser, Cartwright, and the following have been identified as the most significant examples of engagement from the perspective that they potentially have the biggest financial impact on the Scheme, as set out in the SIP.

1. Yara International ASA

"Rationale: To ask Yara, the global chemical company, to set Metrics and milestones to measure progress against 2025 and 2030 targets on specific abatement levers, update on the SBTi application process, Yara's position on Just Transition and Yara's policy advocacy mapping exercise.

Action: M&G with its NZEI co-leads, met with Yara's Head of Responsible Investment and Head of IR."

Outcomes and next steps: In terms of metrics and milestones to measure progress against 2025 and 2030 targets on specific abatement levers, Yara is concentrating on preparing for CSRD and waiting for projects to mature before giving granular information."

2. Ford Motor Credit Company LLC

"Rationale: To encourage automotive manufacturing company Ford to confirm its commitment to getting back on track with its emissions targets, to update its external disclosures to explain the measures it is taking to get back on track, to affirm and detail how its investment plan is evolving to delivery any adjustment to its transition plan and to set a science-approved net-zero target to reinforce its commitment.

Action: M&G wrote a letter to the company to make our expectations known.

Outcome: We wrote to Ford as part of our Climate Engagement Programme. As part of our assessment we have undertaken an evaluation of Ford's transition planning. We commend Ford for the work undertaken to date. We would like to commend you on your strong near-term targets, which we note have been validated by SBTi and we have identified several areas where we requested further detail.

We asked the company to update us on its plans to address a number of questions we have identified and we will seek a follow up meeting to discuss its approach and understand timescales.

CT - engagement

The following commentary is based on the information that CT have provided in response to our questions and illustrates how they co-ordinate their engagement activities with companies. These examples provide evidence that they are engaging actively with the companies they invest in on behalf of the Scheme.

“We take responsible investment seriously. The identification of financially material environmental, social and governance (ESG) issues forms part of our investment process, helping us to manage risk and support long-term returns. Beyond the management of opportunity and risk, we also see responsible investing and broader investment stewardship activities as part of our duty as an investor acting in the best interest of our clients, and as a participant in the global financial system.

Our approach is aligned with the core values and beliefs of the wider Financial Group, and draws on national and international codes and standards for responsible investment and ownership, including the United Nations Principles for Responsible Investment, to which we are a founder signatory.

LDI portfolios are very different to traditional equity or bond portfolios and so our engagement programme primarily focuses on trading counterparties and clearing members. This engagement work is structured both in terms of prioritisation (both in terms of companies to whom we have the greatest exposure and to companies whom we feel have the greatest ESG deficiencies) and in terms of progress monitoring against predefined milestones.”

Columbia Threadneedle Dynamic LDI Funds

The fund contains investments that provide exposure to long dated interest rates / inflation. It does not hold equity investments and the fund manager is therefore not eligible to vote. However, CT does still engage with counterparty banks on relevant issues.

There were 13 engagements over the year¹ in relation to all CT LDI portfolios. The majority of engagements were made regarding environmental topics.

The Trustees have reviewed CT’s engagement activity and in conjunction with their adviser, Cartwright, have identified the following as the most significant example of engagement from the perspective that they potentially have the biggest financial impact on the Scheme, as set out in the SIP.

Amazon.com, Inc

“Summary of the Resolution: Report on Median and Adjusted Gender/Racial Pay Gaps

How you voted: *For*

Rationale for voting decision: *The proposed enhanced disclosure would help the board and shareholders better assess existing and potential future risks related to human capital management.*

Outcome of the vote: *Fail*

Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome: *Active stewardship (engagement and voting) continues to form an integral part of our research and investment process.”*

¹ Data provided by Columbia Threadneedle relates to the year to 30 June 2025.