Ulster Carpets Merged Pension Plan
(“the Plan”)

Statement of Investment Principles

as Required by the Pensions Act 1995 and the Pension Act 2004

September 2023

The Trustee confirms that the following matters have been taken into account when preparing this Statement of Investment Principles:

The Trustee has considered written advice from the Investment Consultant prior to the preparation of this Statement and has consulted Ulster Carpet Millis (Holding) Limited, the Principal Employer, before agreeing this Statement and the investment strategy outlined in this document.

All day to day investment management decisions have been delegated to Investment Managers where the Investment Managers are authorised and regulated by the Financial Conduct Authority.

The Trustee has full regard to its investment powers under the Trust Deed and Rules and the suitability of types of investments, the need to diversify, the custodianship of assets and any self-investment.

The Investment Manager will continue to prepare detailed quarterly reports on its activities and the Trustee will meet with representatives of the Investment Manager as required.

This Statement of Investment Principles will be reviewed at least every three years or whenever changes to the principles or strategy are necessary. Any changes to this Statement will be undertaken having taken advice, as appropriate, and following consultation with the Principal Employer.

1. General

This statement sets out the principles governing decisions about the investment of the assets of the Ulster Carpets Merged Pension Plan (the "Plan"). It has been prepared on behalf of the Trustee to comply with section 35 of the Pensions Act 1995 (the "Act") as amended by the Pensions Act 2004 and the Occupational Pension Schemes (Investment) Regulations 2005.

The Trustee reviews the Plan's investment strategy at least every three years, following each formal actuarial valuation of the Plan (or more frequently should the circumstances of the Plan change in a material way).

2. Consulted Parties

As required under the Act, the Trustee has consulted a suitably qualified person in obtaining written advice from Isio Total Reward and Benefits Limited ("Isio") on the suitability of the investments, the need for diversification and the principles contained in this Statement. Isio is authorised and regulated by the Financial Conduct Authority ("FCA").

The Trustee, in preparing this Statement, has also consulted Ulster Carpet Millis (Holding) Limited, the Principal Employer (the "Company") in particular on the Trustee's objectives and investment strategy.

3. Investment Powers

The Trustee recognises that the assets must be invested in the best interests of members and beneficiaries and, in the case of a potential conflict of interest, in the sole interest of members and beneficiaries. The Trustee has overall responsibility for the prudent management of the Plan's assets. The strategic management of the Plan assets is fundamentally the responsibility of the Trustee, acting on advice from Isio, and is driven by its investment objectives as set out in Section 4 below.

The remaining elements of policy are part of the day-to-day management of the assets that is delegated to the professional investment manager, Legal & General Assurance (Pensions Management) Limited where the management of the assets is undertaken by Legal & General Investment Management ("LGIM" or the "Investment Manager"), who is authorised and regulated by the FCA.

4. Investment Objectives

The Trustee's primary objectives for setting the investment strategy of the Plan are set out below:

- "funding objective" - to ensure that the Plan is fully funded using assumptions that contain a modest margin for prudence. Where an actuarial valuation reveals a deficit, a recovery plan will be put in place which will take into account the financial covenant of the Company;

- "security objective" – to ensure that the solvency position of the Plan (as assessed on a prudent basis) is expected to improve.

- "stability objective" – to have due regard to the Company's ability in meeting its contribution payments given its size and incidence, and to have due regard to the volatility of measures of funding and security; and

- "liquidity objective" – to ensure, that over the shorter-term, the Plan's income and cash holdings, including contributions and investment income, will meet expenditure, for example on the provision of benefits and administration services except when exceptional payments are needed, such as members taking cash sums at retirement.

The investment arrangements outlined in Sections 6 & 7 have been designed with these considerations in mind.

5. Choosing investments

The Trustee recognises that there are two main factors driving the investment characteristics of the pension liabilities:

- Firstly, the actuarial calculation of the liabilities of the Plan uses a discount rate linked to bond rates and thus investments in similar bonds would result in asset values moving in a similar pattern - "matching assets"; and

- Secondly, the liabilities include those increased annually for inflation (with some caps). Thus these individual liabilities have a direct link to inflation i.e. they are "real" liabilities as opposed to "nominal" liabilities.

Therefore, it is considered that the best “matching assets” for the liabilities are a mixture of nominal and index-linked bonds of appropriate durations. Such a portfolio of assets could be considered a “minimum risk” portfolio.

However, the concurrent existence of a funding deficit within the Plan and the support of a sponsor are considered to justify a departure from a "minimum risk" position by investing, to a degree, in return seeking assets in the interim until relative market pricing and funding levels permit a reduction in the level of investment risk. The Trustee works with the Scheme Actuary and the investment consultant to decide what degree of risky assets are appropriate at each given point in time.

In addition, the Trustee recognises the “regret risk” associated with not holding return seeking investments over the longer term. Consequently, the Trustee feels that some equities, and other growth assets, are appropriate in an effort to improve the ongoing and solvency positions and to reduce the reliance on the Company’s contributions to fund liabilities. However, both the Trustee and the Company recognise that holding return seeking assets will bring increased volatility of sponsor contribution requirements in anticipation of reduced costs in the long term.

6. Strategic Investment Benchmark

The Trustee has put in place the following strategic investment strategy for the Plan:

Asset Class	Fund	%
UK Equities	LGIM UK Equity Index Fund	10
Overseas Equities	LGIM World (ex UK) Developed Equity Index Fund (GBP currency hedged)	35
Corporate Bonds	LGIM Buy & Maintain Credit Fund	20
Liability Driven Investments (LDI)	LGIM Matching Core Funds LGIM Sterling Liquidity Fund	25
Secure Income	LGIM Secure Income Assets Fund	10
Total		**100**

All investments to be held are to be managed by an FCA authorised and regulated investment manager.

7. Performance Benchmark and Expected Return on Investments

The Trustee expects the performance of the Funds to match the benchmarks as detailed below:

Asset Class	Benchmark Index
LGIM UK Equity Index Fund	FTSE All Share
LGIM World (ex UK) Developed Equity Index Fund (GBP currency hedged)	FTSE Developed World (ex UK) Index – GBP Hedged
LGIM Buy & Maintain Credit Fund	Custom benchmark
LGIM Matching Core Funds	Custom benchmark
LGIM Secure Income Assets Fund	Custom benchmark

LGIM's objective for all of the funds invested in is to achieve the performance of the relevant benchmark within an appropriate tolerance range.

The investment strategy was formed with a view to likely returns on various asset classes over the long term. The assumptions and beliefs concerning investment risk and returns, on which the benchmark and investment management policy are based, are reviewed regularly by the Trustee.

8. Realising investments and rebalancing

In general, the Investment Manager has discretion in the timing of realisations of investments and in considerations relating to the liquidity of those investments.

As the Plan is currently cashflow negative, there is generally a need to realise investments for cashflow purposes. Where possible, income distributions received from the investments to be used as the primary source of cashflows. Additionally the Trustee will disinvest (or invest) assets in order to hold an appropriate short-term cash reserve to fulfil its liquidity objective; these cashflows will be used to partially rebalance towards its strategic benchmark.

Separate rebalancing between asset classes will be undertaken from time-to-time based on advice from the Trustee's investment advisor.

When rebalancing using cashflows or to move back towards the strategic benchmark, the LDI funds will generally not be rebalanced as this would alter the level of hedging that the Plan is exposed to. The level of investment in the LDI portfolio will be considered as part of larger strategic reviews of the Plan's investment strategy.

9. Risk

In determining its investment policy, the Trustee has considered the following risks:

- *the risk of failing to meet the objectives set out in Section 4* – the Trustee will regularly take advice and monitor the investments to mitigate this risk;

- *funding and asset and liability mismatch risk* – the Trustee addresses this through the asset allocation strategy and through regular actuarial and investment reviews;

- *underperformance risk* – this is addressed through investment in passive funds, monitoring the performance of the Investment Manager(s) and taking necessary action when this is not satisfactory;

- *risk of inadequate diversification or inappropriate investment* – the Trustee addresses this by investing in a diversified portfolio of assets thereby avoiding concentration of assets in one particular stock or sector;

- *organisational risk* – this is addressed through regular monitoring of the Investment Manager;

- *sponsor risk* – the Trustee seeks to maximise overall investment returns subject to an acceptable level of risk and, as far as possible, are mindful of the impact of any volatility on the rate of contribution; and

- *liquidity risk* – the Trustee may need to pay pension and lump sum benefits in the short-term and, therefore, address this risk by investing an appropriate amount in assets that are realisable at relatively short notice. In practice, all of the funds invested in by the Plan provide at least weekly liquidity. The Plan also aims to maintain a sufficient allocation to liquid assets to meet regulatory guidance around providing collateral to the Investment Manager.

- *credit and market risks* – the Trustee accepts a degree of each of these risks in the expectation of being rewarded by excess returns. The degree to which these risks are currently exposed to is expanded on further below.

The Trustee will monitor these risks from time-to-time, particularly those deemed to have high likelihood or significant adverse impact, and will look to introduce further control measures as appropriate to contain the overall level and distribution of risks to within acceptable limits.

10. Environmental, social and governance (ESG) policies and voting rights

When setting investment strategy and selecting investments, the Trustee's first priority is the financial interests of the members. The Trustee regularly reviews the return objectives, risk characteristics, investment approach and investment guidelines of each of the Plan's current investments. The Trustee is satisfied that all existing fund investments fulfil the needs of their target investment strategy and by extension, that the Investment Manager is managing the Plan's assets in a manner which is consistent with the objective to provide members' benefits.

The Trustee acknowledges that certain ESG factors are financially material and may therefore influence the risk and return characteristics of the Plan's investments and the likelihood that the Plan's objectives will be achieved. In addition, the Trustee recognises the importance of ESG factors on long term investment performance and both immediate and future downside risks. However, to confirm, the Trustee's policy is not to take into account non-financial matters in the selection, retention, and realisation of investments. Therefore, no consideration has been given to non-financial matters, nor has the Plan's membership been consulted on such issues.

As the Plan's assets are invested in pooled funds the Trustee is restricted in its ability to directly influence its Investment Manager on the ESG policies and practices of the companies in which the pooled funds invest. It is the Investment Manager that is responsible for the policy on taking ESG considerations into account and that is responsible for the exercise of rights (including voting rights) attaching to these investments. The Trustee expects the Plan's Investment Manager to integrate ESG factors into the decision making process when selecting, retaining and realising investments and for this to be reported to the Trustee.

Further the Trustee's policy is to invest the Plan's equity and bond assets on a passive basis. The Trustee recognises the restrictions on the Investment Manager to take account of social, environmental or ethical considerations in the selection, retention and realisation of investments given that a passive or index tracking approach is adopted. However, it is the Trustee's policy to give discretion to the passive investment manager to pursue a policy of engagement with companies. The extent to which ESG considerations are taken into account is therefore left to the discretion of the passive investment manager but the Trustee does expect the Investment Manager to use its voting rights and to actively engage with the senior management of the companies in which it invests in order to encourage positive ESG change.

The Trustee's policy in relation to any rights (including voting rights) attaching to its investments is to exercise those rights to protect the value of the Plan's interests in the investments, having regard to appropriate advice. The Trustee expects the Investment Manager to engage with investee companies (and other relevant persons including, but not limited to, investment managers, issuers/other holders of debt and equity and other stakeholders) on aspects such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, corporate governance, social and environmental issues concerning the Trustee's investments. The Trustee believes that such engagement will protect and enhance the long-term value of its investments.

The Trustee recognises the importance of regular monitoring of the Investment Manager's performance, remuneration and compliance against ESG policy to ensure that the Plan's assets are being managed appropriately. The Trustee believes that regular monitoring ensures that key risks to longer term performance, including those relating to ESG factors, are quickly identified and concerns communicated with the relevant investment manager.

The Trustee therefore has an appropriate monitoring framework to ensure the Plan's Investment Manager is regularly reviewed. This is to promote greater transparency in understanding the reasons behind performance trends and key risk exposures and engagement activity and compliance with the Trustee's stated ESG policy. Regular monitoring, with specific reference to ESG factors should incentivise the Plan's Investment Manager to assess and improve the medium to long-term performance of investee companies, both financial and non-financial.

The Investment Manager will undertake appropriate monitoring of current investments with regard to its policies and practices on all issues which could present a material financial risk to the long-term performance of the fund such as corporate governance and climate change.

The Trustee has delegated the responsibility for the exercise of all rights (including voting rights) attaching to the investments to the Investment Manager. The Trustee expects the Investment Manager to provide regular updates on how they exercise those rights and what impact on the portfolio they might have including reporting on how it exercises voting rights and actively engages with the companies in which it invests, including how often it votes against company proposals. The Trustees expect the Plan's Investment Manager to provide regular updates on how it exercises voting rights and actively engages with the companies in which it invests, including how often it votes against company proposals. The Trustee will review this on a regular basis in line with its monitoring policy mentioned above.

If the Trustee believes that the Plan's Investment Manager is no longer acting in accordance with the Trustee's policies, including those regarding ESG and engagement with investee organisations to assess and improve their medium to long-term financial and non-financial performance, the Trustee will take the following steps:

- engage with the Investment Manager in the first instance, in an attempt to influence its policies on ESG and stewardship; and
- if necessary, look to appoint a replacement Investment Manager or managers which are more closely aligned with the Trustees' policies and views.

The Trustee believes that this approach will incentivise the Investment Manager to align its actions with the Trustee's policies.

In addition to performance measures, the Trustee will review the engagement activity of the Investment Manager to ensure that active engagement is taking place where possible to influence positive change in relation to ESG factors within investee companies. The remuneration of the investment manager is not directly linked to performance, given the absence of performance related fees, or to ESG practices. However, the Trustee will review and replace the Investment Manager if net of fees investment performance and ESG practices are not in line with the Trustees' expectations and views. This incentivises the investment manager to act responsibly.

11. Governance

The Trustee of the Plan is responsible for the investment of the Plan's assets. The Trustee takes some decisions itself and delegates others. When deciding which decisions to take itself and which to delegate, the Trustee has taken into account whether the Trustee directors have the appropriate training and expert advice in order to take an informed decision. The Trustee has established the following decision making structure:

Trustee • Select and monitor planned asset allocation strategy; • Select and monitor investment advisers and fund managers; • Select and monitor direct investments; • Responsible for all aspects of the investments of the Plan's assets, including implementation.
Investment Adviser • Advises on this statement; • Advises the Trustees on areas of strategy, manager selection and implementation as required; • Provides required training when engaged on a separate basis by the Trustee.
Fund Managers • Operate within the terms of this statement and their written contracts; • Select individual investments with regard to their suitability and diversification.

The Pensions (Northern Ireland) Order 1995, amended by the Pensions (Northern Ireland) Order 2005, distinguishes between investment where the management is delegated to a fund manager within a written contract and those where a product is purchased directly, e.g. the purchase of an insurance policy or units in a pooled vehicle. The latter are known as **direct investments.**

The Trustee's policy is to review their direct investments and to obtain written advice about them at regular intervals. When deciding whether or not to make any new direct investments the Trustee will obtain written advice and consider whether future decisions about those investments should be delegated to the fund manager.

The written advice will consider the suitability of the investments, the need for diversification and the principles contained in this statement. Isio was appointed to provide investment advisory services including the provision of this advice.

The Trustee recognises that, as the Plan is invested in a range of pooled funds, there is limited scope to influence the controls and restrictions used in the management of the underlying assets and acknowledge that derivatives may be used by the manager within the funds.

Legal & General's objective is to invest so as to replicate the benchmark index and its performance.

The Trustee has delegated all day-to-day decisions about the investments that fall within the mandate to the fund manager through a written contract. These duties include:

- Realisation of investments;
- Taking into account socially responsible factors;
- Voting and corporate governance in relation to the financial potential of the Plan's assets.

The Trustee expects the fund manager to manage the assets delegated to them under the terms of their contract and to give effect to the principles in this statement so far as is reasonably practicable.

The Trustee, with guidance from their Investment Advisor, has chosen to invest in open-ended pooled funds. For open ended pooled funds the Trustee's policy is to enter arrangements with no fixed end date. However, in this case the Trustee will seek to enter arrangements where it has the power to terminate these in line with the liquidity of the underlying assets and as agreed in the mandate. The Plan's open ended investments are weekly dealt. The Trustee will determine whether to terminate such arrangements on an ongoing basis through its regular monitoring of managers' performance against objectives. The Trustee may also elect to terminate the arrangement with the investment manager when performing ongoing reviews of the suitability of the Plan's asset allocation over time.

12. Custodian

The Plan's investments are accessed via insurance policies. The investments in pooled pension funds are a share (measured in units) of larger pools of investments managed by Investment Managers. The custodianship arrangements are those operated by LGIM for all clients investing in the relevant pooled funds. The Investment Managers are expected to provide a statement of the security of the underlying assets annually.

13. Fees

LGIM levies the following annual management charges:

LGIM UK Equity Index Fund	
For the first £10m	0.10% p.a.
For the next £10m	0.075% p.a.
LGIM World (ex-UK) Developed Equity Index Fund – GBP Currency Hedged	
For the first £5m	0.225% p.a.
For the next £10m	0.195% p.a.
LGIM Buy & Maintain Credit Fund	0.15% p.a.
LGIM Matching Core Funds	0.24% p.a.
LGIM Sterling Liquidity Fund	
For the first £5m	0.125% p.a.
For the next £10m	0.10% p.a.
LGIM Secure Income Assets Fund	0.35% p.a.

The Trustee reviews the fees charged by its Investment Manager on a bi-annual basis as part of its monitoring framework to ensure fees remain reasonable in the context of the Plan's size and complexity.

The Trustee reviews investment manager costs and charges (including portfolio turnover costs incurred as a result of buying, selling, lending or borrowing of investments) regularly, and on the selection of any mandate, to ensure that they are appropriate and competitive for the service being provided. The Trustee monitors the portfolio turnover (the frequency that assets are bought and sold) in the context of what the Trustee expects to be reasonable given the nature of each mandate. By also monitoring performance net of all costs, investment managers are incentivised to consider the impact of portfolio turnover on investment performance.

The Trustee invests in passively managed funds which replicate benchmark indices and therefore require assets to be bought and sold when the constituents of the underlying index change. To avoid being a forced buyer/selling or stocks and to reduce transaction costs when the index changes, investment managers give themselves some flexibility on exactly when to buy and sell and what proportions of each asset in the index to hold to minimise transaction costs.

September 2023

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Trustee Chairman

Ulster Carpets Merged Pension Plan

Implementation Statement for year ended 1 September 2025

December 2025

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Introduction

This statement has been prepared by the Trustee of Ulster Carpets Merged Pension Plan (the "Plan") with input from its Investment Consultants. The statement demonstrates how the Trustee have acted on certain policies within their Statement of Investment Principles ("SIP").

Each year the Trustee must produce an Implementation Statement that demonstrates how they have followed certain policies within their SIP over the Plan year. This Implementation Statement covers the year from 2 September 2024 to 1 September 2025.

This Implementation Statement has been prepared in accordance with the Occupational Pension Schemes (Investment and Disclosure) Regulations 2005 Amendments and is in respect of the Defined Benefit (DB) investments held by the Plan. Note that this excludes any Additional Voluntary Contribution investments held by the Plan if applicable.

Trustees of DB pension schemes are required to provide details of how, and the extent to which, their SIP policies on engagement with investee companies have been followed over the year, including a description of their voting behaviour, the most significant votes cast and any use of a proxy voter on their behalf over the year.

SIP policies

This Implementation Statement should be read in conjunction with the Plan's SIP covering the year under review which gives details of the Plan's investment policies along with details of the Plan's governance structure and objectives.

This Implementation Statement reviews the voting and engagement activities as well as the extent to which the Trustee believes the policies have been followed over the 12-month period to the year end 1 September 2025. The Plan invests in a range of pooled funds all of which are managed by L&G Asset Management ("L&G" or the "Investment Manager").

The SIP was not updated during the Plan year. Therefore, the following policies in the SIP still apply in relation to the exercise of voting rights and engagement activities for the Plan's investments:

- As the Plan's assets are invested in pooled funds the Trustee is restricted in its ability to directly influence its Investment Manager(s) on the ESG policies and practices of the companies in which the pooled funds invest.

- The Investment Manager will undertake appropriate monitoring of current investments with regard to their policies and practices on all such issues which could present a material financial risk to the long-term performance of the fund such as corporate governance and climate change. The Trustee monitors Investment Manager's updates on the ESG impact on an ongoing basis to ensure they are in line with relevant regulatory codes.

- The Trustee has delegated the responsibility for the exercise of all rights (including voting rights) attaching to the investments to the Investment Manager. The Trustee expects the Investment Manager to provide regular updates on how they exercise those rights and what impact on the portfolio they might have.

Description of voting behaviour

The Plan is invested in pooled funds, which means that the responsibility for exercising the voting rights on the shares held by the Plan sits with the Investment Manager. The Trustee has enforced the policies in place by monitoring the engagement and voting activities of the Plan's Investment Manager to attempt to ensure they are aligned with the Trustee's policies.

Over the year the Plan was invested in two mandates where the underlying assets included publicly listed equities. These were the UK Equity Index Fund and the World (excluding UK) Developed Equity Index Fund (GBP Hedged), both managed by L&G.

The Trustee reviews and monitors the voting and engagement activity taken by the Investment Manager on their behalf. Information published by L&G provides the Trustee with comfort that their voting and engagement policies have been followed during the year. The following tables show L&G's voting summary covering the Plan's eligible investments.

L&G UK Equity Index Fund	1 October 2024 – 30 September 2025
No. of meetings eligible to vote at	733
No. of resolutions eligible to vote on	10,071
Eligible resolutions voted on	100%
Of resolutions voted on, resolutions voted **with** management	93.6%
Of resolutions voted on, resolutions voted **against** management	6.4%
Of resolutions voted on, resolutions **abstained** from voting	0.0%
Percentage of voted resolutions where L&G voted contrary to the recommendation of their proxy adviser	5.4%

Source: L&G. Note totals may not sum due to rounding.

L&G World (ex. UK) Developed Equity Index Fund (GBP Hedged)	1 October 2024 – 30 September 2025
No. of meetings eligible to vote at	2,059
No. of resolutions eligible to vote on	25,777
Eligible resolutions voted on	99.9%
Of resolutions voted on, resolutions voted **with** management	76.8%
Of resolutions voted on, resolutions voted **against** management	22.9%
Of resolutions voted on, resolutions **abstained** from voting	0.3%
Percentage of voted resolutions where L&G voted contrary to the recommendation of their proxy adviser	17.2%

Source: L&G. Note totals may not sum due to rounding.

Please note that L&G only captures voting data at each quarter end therefore the voting data quoted above is for the year to 30 September 2025.

Proxy voting

The Trustee did not employ a proxy voting service during the year under review and do not propose to do so given the size of their investments.

L&G votes by proxy as, given the scale of its holdings, the manager cannot be present at all shareholder meetings to cast votes. L&G votes by proxy through the Institutional Shareholder Services' ('ISS') electronic voting platform. It should be noted that all voting decisions are made by L&G using its individual market specific voting policies, with L&G's own research only supplemented by ISS recommendations and research reports produced by the Institutional Voting Information Service ('IVIS'). To ensure the proxy provider votes in accordance with L&G's position on ESG, L&G have put in place a custom voting policy with specific voting instructions. L&G retain the ability in all markets to override any vote decisions.

How voting and engagement policies have been followed

As set out in the SIP, the Trustee expects the Investment Manager to engage with investee companies on aspects such as performance, strategy, risks, corporate governance, management of actual or potential conflicts of interest, capital structure, and social and environmental issues concerning the Plan's investments.

The Trustee reviews and monitors the voting and engagement activity taken on their behalf on an annual basis. **The information published by the Investment Manager on their voting policies has provided the Trustee with comfort that their voting and engagement policies have been followed during the Plan year.**

Significant votes

L&G has provided examples of what it believes to be the most significant votes cast on the Trustee's behalf during the period for both the UK Equity Index Fund and the World (ex. UK) Developed Equity Index Fund. The Trustee has adopted the manager's definition of significant votes and has not set stewardship priorities.

Example 1: World (ex. UK) Developed Equity Index Fund	
Vote Details	Microsoft Corporation, 10 December 2024 Vote on Resolution: Report on AI Data Sourcing Accountability
Approximate size of fund's holding as at date of vote	4.3% of total fund size as at 10 December 2024
Rationale for significance	L&G consider this vote significant due to the relatively high level of support received.
Voting decision	For
Where the Investment Manager voted against management, did the Investment Manager communicate the intent to the company ahead of the vote?	L&G pre-declared its vote intention for this meeting on its website. As L&G publicly communicates all its vote instructions on its website with the rationale for all votes against management. It's L&G policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	A vote for this resolution was applied as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, L&G believed that the company would benefit from greater attention to risks related to how the company uses third-party information to train its large language models.
Vote outcome	Fail
Next Steps	L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Example 2: World (ex. UK) Developed Equity Index Fund	
Vote Details	Meta Platforms, Inc. 28 May 2025 Vote on Resolution: Elect Peggy Alford as a director
Approximate size of fund's holding as at date of vote	1.6% of total fund size as at 28 May 2025
Rationale for significance	L&G views diversity as a financially material issue for clients, with implications for the assets managed on their behalf.
Voting decision	Against
Where the Investment Manager voted against management, did the Investment Manager	L&G pre-declared its vote intention for this meeting on its website. As L&G publicly communicates all its vote instructions on its website with the rationale for all votes against management. It's L&G policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics

communicate the intent to the company ahead of the vote?	
Rationale for the voting decision	L&G expects a company to have at least 1/3rd of women on a company board, as well as a company to elect an independent lead where there is a combined board Chair and CEO.
Vote outcome	N/A
Next Steps	L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Example 3: UK Equity Index Fund	
Vote Details	Shell plc, 20 May 2025 Vote on Resolution: Company disclosure of how the company's Liquified Natural Gas production and sales targets as well as new capital and expenditure in natural gas are consistent with climate commitments.
Approximate size of fund's holding as at date of vote	6.1% of total Fund size as at 20 May 2025
Rationale for significance	Through discussions with Shell's leadership team L&G received clear commitments that the company will enhance its reporting in line with expectations, providing detailed disclosures on stranded asset risks and financial resilience related to Shell's growing exposure to liquefied natural gas. Therefore, L&G 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.
Voting decision	Against
Where the Investment Manager voted against management, did the Investment Manager communicate the intent to the company ahead of the vote?	L&G pre-declared its vote intention for this meeting on its website. As L&G publicly communicates all its vote instructions on its website with the rationale for all votes against management. It's L&G policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	L&G's 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. L&G acknowledged meaningful progress in Shell's reporting, which now provides a clearer basis for assessing climate-related risks. In light of these developments, and hence L&G now believe the resolutions key objectives are being addressed through ongoing company actions.
Vote outcome	Fail
Next Steps	L&G continues to undertake extensive engagement with Shell on its climate commitments.

Example 4: UK Equity Index Fund	
Vote Details	Rio Tinto Plc, 3 April 2025 Vote on Resolution: Approval of the Rio Tinto Climate Action Plan.
Approximate size of fund's holding as at date of vote	2.0% of total fund size as at 3 April 2025
Rationale for significance	L&G have been engaging in detailed and constructive discussions on this topic with the company since voting against its previous Climate Action Plan in 2022, aiming to bridge the remaining gaps, particularly regarding its approach to scope 3 emissions and customer decarbonisation. L&G believe the company have made significant progress towards this, through enhanced disclosure of its plans to decarbonise its value chains, as well as the clear and quantified actions set out to meet its emission reduction targets.
Voting decision	For
Where the Investment Manager voted against management, did the Investment Manager communicate the intent to the company ahead of the vote?	L&G publicly declared its vote intention for this meeting on its website. As L&G publicly communicates all its vote instructions on its website with the rationale for all votes against management. Its L&G policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	L&G believe as investment managers they can support companies in the mining and diversified metals sector to decarbonise, publishing an updated framework towards this. L&G believe the company have taken active steps towards their framework and have set out quantifiable actions to better meet its emission reduction targets. L&G therefore supported Rio Tinto's Climate Action plan.
Vote outcome	N/A
Next Steps	L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

For the UK Equity Fund the most significant votes generally related to leadership and climate related actions and for the World (ex. UK) Equity Fund's most significant votes generally related to board leadership, diversity and governance.

Engagement with investee companies

Exercising voting rights is not the only method of influencing behaviours of investee companies. Non-equity investments such as the Plan's buy and maintain credit holdings can also include engagement activities, but these investments do not typically carry voting rights. The Trustee expects the Investment Manager to engage on its behalf to influence the underlying investee companies in respect of the ESG and stewardship matters outlined above.

L&G'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 clients. L&G's voting policies are reviewed annually and take into account client feedback.

L&G actively engages with the investee companies via direct messages and meetings with management and engagements via email to influence positive ESG practice. It is also noted that there is substantial overlap between the companies in which L&G holds debt and equity and so, while the corporate bonds mandate does not hold voting rights, L&G's position as the equity holder elsewhere will likely result in them having voting rights to compound the impact and influence that L&G have on each company's practices.

Over the 12 months to 30 September 2025, L&G undertook 3,252 engagements with 3,098 companies. Some engagements cover multiple topics and L&G have provided the following summary:

- 3,005 on environmental topics;
- 210 on social topics;
- 355 on governance issues; and
- 132 on other topics including finance and strategy.

The top five engagement topics included climate change, remuneration, deforestation and climate adaption, diversity and strategy.

Every year, L&G holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of L&G's Investment Stewardship team. The views expressed by attendees during this event form a key consideration as L&G continue to develop voting and engagement policies and define strategic priorities.

The table below summarises the engagements undertaken on a fund-by-fund basis over the year to 30 September 2025 broken down by each pillar of ESG. Note that L&G were not able to provide engagement data relating to the Plan's allocation to LDI, secure income assets or asset backed securities this year.

Fund	Environmental	Social	Governance	Other	Total engagements
Buy and Maintain Credit	146	29	47	18	240
UK Equity Index Fund	140	48	117	19	324
World (ex. UK) Developed Equity Index Fund	673	83	77	18	851

Source: L&G.

Extent to which Trustee's policies have been followed during the year

Having reviewed the actions taken by L&G, the Trustee believes that their policies on engagement and voting rights (where applicable) have been implemented appropriately and in line with the views stated in the Plan's SIP. The Trustee will continue to monitor the actions taken on its behalf each year.

If the Investment Manager deviates substantially from the Trustee's stated policies, the Trustee will initially engage and discuss this with Investment Manager, and if the Trustee still believes the difference between its policies and Investment Manager's actions are material, the Trustee's will consider terminating and replacing the mandate if necessary.

December 2025

For and on behalf of the Trustee of the Ulster Carpets Merged Pension Plan

PRIVACY NOTICE FOR THE ULSTER CARPETS MERGED PENSION PLAN

Ulster Carpet Mills Merged Pension Plan Trustee Limited is the Trustee of the Ulster Carpets Merged Pension Plan (the "Trustees" and the "Plan" respectively). The Trustees hold and process personal data about Plan members and their beneficiaries in order to run the Plan. In doing so, we comply with the General Data Protection Regulation and other relevant UK legislation. The Trustees are joint data controllers with the Scheme Actuary and this notice is issued on behalf of both the Trustees and the Scheme Actuary.

We describe in this Notice the personal data which we collect about you and other individuals (for example, your spouse or beneficiaries), what your personal data is used for, and what your rights are.

What is your personal data used for?

The Trustees collect and process your personal data for the purposes of complying with their legal duties to administer the Plan and for other legitimate purposes in relation to the ongoing operation and management of the Plan. This includes:

- communicating with members in relation to their benefits, responding to requests and queries;
- general administration of the Plan, including calculating, recording and paying benefits;
- meeting the Trustees' ongoing regulatory, legal and compliance obligations;
- risk management purposes such as longevity modelling, managing Plan assets, insurance solutions, member option exercises (including pension increase exchange and transfer value exercises); and
- improving our processes and use of technology, including testing and upgrading of systems.

The Plan Actuary, Mark McClintock, of Isio, processes your personal data to undertake various tasks, primarily around Plan funding.

What personal data do we hold?

We may collect, use or otherwise process the following types of personal data about you and, in some circumstances, your spouse, civil partner, partner or dependant:

- name, gender, address, date of birth, NI number, contact details;
- bank account details and tax information in relation to your pension benefits;
- information about your membership of the Plan (for example service dates and benefit amounts); and
- information about any other pension arrangements you have.

The Trustees may also hold some special categories of personal data for the purposes of administering the Plan, for example in relation to ill-health or death benefits.

We will only hold this data where it is necessary for us to do so in order to properly perform our duties as Trustees. Should legislation require us to obtain your explicit consent to continue to do this, we will seek your consent at the appropriate time.

Whilst much of the data we hold has been provided by members themselves, we also hold and process data provided by Ulster Carpet Mills (Holdings) Limited (the "Company"), and other organisations, such as HMRC, DWP, other pension Plans, regulatory bodies and tracing organisations.

We also receive information from members about their beneficiaries, who may be eligible to receive benefits on the member's death.

Who do we share your information with?

To comply with our legal duties and for the purposes of Plan administration, the Trustees may share your information with:

- the Plan's administrator who process information to run the Plan;
- the Plan's professional advisors, including the Scheme Actuary, auditor, legal advisor, and any other financial advisor or other organisation appointed to advise you in regard to your options under the Plan;
- the Plan's insurers and annuity providers, investment managers, banks or other service providers;
- the Company and their professional advisors;
- statutory and regulatory bodies, including but not limited to HMRC, DWP and tracing organisations; and
- any other person who is authorised to act on your behalf.

What is our lawful basis for processing your personal data?

Under data protection legislation, we need to have a lawful basis each time we use, share or otherwise process your personal data.

The Trustees have certain duties and powers which are conferred on it by law or by the Plan's Trust Deed and Rules. In most cases, the processing of your personal data is necessary so that the Trustees can perform those duties and exercise those powers (for example, to pay your benefits).

Certain uses of your personal data, or other processing activities, may not be strictly necessary for the Trustees to perform their legal duties and regulatory responsibilities, or to exercise its powers. However, it may be that certain uses of your personal data are necessary for the purposes of the Trustees' legitimate interests.

When we say "legitimate interests", we mean the Trustees' interests in operating the Plan as properly, efficiently and securely as possible. For example, to manage matters associated with the provision of your benefits under the Plan, including offering you choices as to the form or timing of those benefits.

The Scheme Actuary is appointed under pensions legislation and will use your personal data to undertake various tasks, primarily around Plan funding.

Storage of your personal data

Pension benefits are paid over a long period and your right to benefits under the Plan is based on information which may go back many years.

Our policy is therefore to retain personal data about our members and their beneficiaries until after their membership of the Plan ends, and for such longer period as is necessary to enable us to ensure the Plan pays the correct benefits and to deal with any queries relating to your benefits which may arise after that time.

The data collected from you will usually be stored within the UK or European Economic Area (EEA) except in circumstances where it may be required to transfer that data out with these areas, for example if you live or work somewhere other than the UK or EEA, or if the Plan's service providers host data elsewhere.

Any transfers of data will be governed by Data protection Laws and all reasonable steps will be taken to ensure that your data is handled safely and in accordance with this privacy notice.

Your rights

You have the right to request a copy of your personal data, require that we rectify any errors in the data that we hold, and request that we erase your personal data.

In some circumstances, you can also require that we restrict the way we process your personal data, object to its processing or request a copy of your personal data for the purposes of transmitting elsewhere.

If you wish to exercise any of these rights, please contact us using the details provided later.

If in the future we request and obtain your consent, you may withdraw that consent at any time. However, if we do not hold all the data we need to administer your benefits, we may not be able to pay out the benefits you are entitled to.

Contact details

If you have any questions about this Notice or would like to exercise your rights in respect of your data, please contact us via the Plan administrators using the following contact details:

Ulster Carpets Merged Pension Plan
c/o ISIO, SPS, PO Box 4916, Interface Business Park, SN4 4RX

UCMpensions@isio.com

What if you have a complaint?

If you would like to make a complaint about how we have handled your information, please contact us via the Plan administrators using the details provided above.

If you are not satisfied with our response to your complaint or believe our processing of your data does not comply with data protection law, you can make a complaint to the Information Commissioner's Office. Its contact details are:

Address: Information Commissioner's Office , Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF

0303 123 1113

Changes to this privacy notice

The data controllers may change this Notice from time to time and we will notify you of any changes the next time we communicate with you, such as in the Summary Funding Statements that are issued on a regular basis.