Lansing Linde Pension Scheme ("The 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 31 December 2025.

This statement has been produced in accordance with the Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, the subsequent amendment in The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the guidance published by the Pensions Regulator.

Investment Objectives of the Scheme

The Trustee believes it is important to consider the policies in place in the context of the investment objectives they have set. The Trustee's primary objective, as set out in the SIP is to invest the Scheme's assets in such a manner that members' benefit entitlements can be paid as and when they fall due.

In October 2024, the Trustee completed its objective to secure the accrued member benefits with an insurer (i.e. through a 'buy-in' contract), by investing the majority of the Scheme's assets in a bulk annuity contract with an insurance company (Canada Life). This contract is a buy-in policy and covers accrued DB benefits for all members. Under this policy, Canada Life are responsible for meeting the pensions payable to the Scheme's deferred and current pensioner members, including tax-free cash on retirement and transfers out where relevant.

Following the buy-in, the Trustee's primary investment objective is to ensure that the assets of the Scheme are sufficient to meet their obligations to beneficiaries.

In addition to the buy-in policy with Canada Life, the Scheme retains holdings in Mercer Private Debt funds, a Mercer Cash Fund, an Insight Liquidity fund and cash in the Trustee Bank Account. The cash holdings in the Insight Liquidity Fund and the Trustee Bank Account are used to help meet ongoing expenses, future costs in relation to the potential wind-up of the Scheme and any imminent member payments/adjustments.

Policy on ESG, Stewardship and Climate Change

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. The SIP was last updated in March 2025.

With respect to the buy-in policy in place, the responsibility for management of all financial factors including ESG factors has been delegated to the insurer. The Trustee reviewed the insurers' ESG capabilities as part of the insurer selection exercise, having considered commentary from their risk transfer advisor on Canada Life's capabilities compared to other insurers in the market.

As at 31 December 2025, the policies on ESG, Stewardship and Climate Change included in the SIP were considered to be in line with the Trustee's view and Pension Scheme Regulations.

The Trustee considers how ESG, climate change and stewardship is integrated within investment processes in appointing new investment managers, monitoring existing investment managers and retaining or withdrawing from investment managers. The relative importance of these factors compared to other factors will depend on the asset class being considered.

The following work was undertaken during the year to 31 December 2025 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.

Voting

Given the nature of the Scheme's investments, the Trustee holds no assets with voting rights attached.

Prior to buy-in, the Trustee considered a significant vote as any vote relating to material holdings (a company that represented at least 5% of the year-end market capitalisation of any fund in which the Scheme was invested during the majority of the year), in each of the following thematic areas:

- Climate Change: including (but not necessarily limited to) low-carbon transition and physical damages resilience;
- Human Rights: including (but not necessarily limited to) modern slavery, pay & safety in the workforce and supply chains and abuses in conflict zones; and/or

Diversity, Equity and Inclusion: including (but not necessarily limited to) equal pay, board equality, and inclusive & diverse decision-making.

Engagement

Details regarding the engagement activity conducted on behalf of the Trustee is set out below.

UK Stewardship Code

- The Trustee requested that the investment managers confirm compliance with the principles of the UK Stewardship Code. Both of the Scheme's investment managers (Insight and Mercer) confirmed that they are signatories of the current UK Stewardship Code.

Review of Investment Managers

- Investment managers are appointed based on their perceived capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics for the asset class or specific investment strategy they are selected to manage over a suitably long time horizon. This includes, in relation to active management, appropriate levels of outperformance, and in relation to passive management suitable levels of "tracking error" against a relevant benchmark.
- The Trustee seeks expert advice in relation to these appointments. This advice may consider factors such as the manager's idea generation, portfolio construction, implementation, business management, timeliness and quality of reporting, as well as the investment manager's approach to ESG and engagement activity, as they apply to the specific investment strategy being considered.

ESG Review

- The Trustee believes that ESG factors 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. This applies to both equity and debt instruments.

- The Trustee has delegated the day to day management of a proportion of the Scheme's assets to Mercer who in turn delegates responsibility for the investment of the assets to a range of underlying investment managers. Mercer is expected to consider ESG factors in appointing managers to these portfolios. The underlying investment managers are expected to evaluate ESG factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.
- The Trustee has appointed Insight to manage the remainder of the assets. Insight are given discretion to evaluate ESG factors, including climate change considerations, and exercise voting rights and stewardship obligations in line with the requirements detailed above for the underlying investment managers.

Mercer and Insight have been asked to provide information on their approach to Engagement, which is summarised below.

Mercer Funds

The Trustee has appointed Mercer to act as discretionary investment manager in respect of a proportion of the Scheme's post buy-in assets and such assets are invested in a cash fund managed by MGIE and private debt managed by Mercer Alternative AG. Asset managers appointed to manage the Mercer Funds are expected to evaluate ESG factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.

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.

Policy Updates

- The Trustee regularly reviews how sustainability considerations including the climate transition and effective stewardship are integrated within Mercer's, and MGIE's, investment processes and those of the underlying asset managers within the Mercer Funds, in their monitoring process. Mercer, and MGIE, provide reporting to the Trustees on a regular basis.
- The Mercer Sustainability Policy is reviewed regularly, with updates in November 2025 being made to reflect manager research ESG integration assessments, as well as updates to the Stewardship section to align with the Stewardship policy. Mercer also regularly reviews its approach to integrating climate considerations into its investment decision-making process as documented in its Task Force on Climate Related Financial Disclosures (TCFD) report, updated in December 2025.
- The Mercer Stewardship Policy is similarly reviewed regularly. In May 2025, the policy was updated to include additional details on Mercer's Investment Philosophy, reference to Mercer's ESG ratings replaced with reference to ESG relevance and integration indicators, a sustainability dashboard and stewardship overviews, and the addition of a nature engagement framework. .
- The Stewardship and Sustainability Policies have also been updated with the integration of nature and biodiversity as a key investment and engagement theme. Mercer is a member of the Task Force for Nature Related Financial Disclosures (TNFD) working group and a founding signatory of Nature Action 100.

- The most recent UN Principles of Responsible Investment results (based on 2022 activity) awarded Mercer with 4 out of 5 stars for Policy Governance and Strategy. The United Nations Principles for Responsible Investment (UN PRI) is a global initiative that provides a framework for incorporating sustainability considerations into investment practices.
- The Financial Reporting Council confirmed in January 2026 that MGIE will remain a signatory to the UK Stewardship Code, based on its application of the 12 principles, which is seen to represent best practice in stewardship.

Insight

Liquidity Fund

In November 2024, residual assets outside of the buy-in policy were invested into the Insight Liquidity Fund account which was set-up to be used for any further cashflow requirements. Over the year, Insight engaged actively on industry initiatives and regulation. Due to the nature of the Insight Liquidity fund , there were no voting events, as this is a cash fund.

The investment managers engaged with companies over the period on a wide range of different issues including ESG matters. 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 (e.g. those linked to the Paris agreement). These engagement initiatives are driven mainly through regular engagement meetings with the companies that the investment managers invest in or by voting on key climate-related resolutions at companies' Annual General Meetings.