

Implementation Statement, covering 1 October 2024 to 30 September 2025 (the “Trust Year”)

The trustee of the TUI GROUP UK Pension Trust (the “Trustee” of the “Trust”) is required to produce a yearly Implementation Statement (the “Statement”) to set out how, and the extent to which, the Trustee has followed its Statement of Investment Principles (“SIP”) during the Trust Year, as well as details of any review of the SIP during the Trust Year, subsequent changes made with the reasons for the changes, and the date of the last SIP review.

This Statement has been produced with the assistance of our investment adviser Lane Clark & Peacock LLP (“LCP”).

The Trust is a sectionalised scheme for three separate schemes called:

- the BAL Scheme (“BAL”)
- the TUI UK Scheme (“TUI UK”)
- the TAPS Scheme (“TAPS”)

Given this sectionalised structure, in this document BAL, TUI UK and TAPS are referred to as the “Schemes”. The sections of the Schemes which provide benefits determined on a defined benefit (“DB”) basis are referred to as the “DB Sections”. In addition, BAL and TUI UK also have assets related to the payment of Additional Voluntary Contributions (“AVCs”) and contributions to Defined Contribution (“DC”) sections (the “DC Sections”). TAPS also has assets related to the payment of AVCs.

Information is provided on the last review of the SIP in Section 1 and on the implementation of the SIP in Sections 2 to 10 below. The Statement is also required to include a description of the voting behaviour during the Trust Year by, and on behalf of, the Trustee (including the most significant votes cast by the Trustee or on its behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 11.

In preparing the Statement, the Trustee has had regard to the [guidance](#) on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions (“DWP’s Guidance”) in June 2022.

This Statement is based on and uses the same headings as the Trust’s SIP which was in place during the Trust Year – dated 14 May 2025. This Statement should be read in conjunction with the SIP, which can be found online.

1. Introduction

The SIP was updated during the Trust Year to reflect the following:

- Within the TUI GUPT Secure Income Common Investment Fund (“CIF”), redemptions of the insurance-linked securities fund, Insight asset-backed securities fund and Aegon short-duration credit mandate;
- For TUI UK, investment in the Insight asset-backed securities fund alongside the LDI mandate, Aegon segregated short-dated credit mandate, and Allianz trade finance fund;
- For BAL, the buy-in policy that the Trustee entered with Legal & General Assurance Society Limited (“LGAS”) in December 2024; and
- Updated wording for the BAL Scheme’s investment strategy following the completion of the buy-in. This is a residual strategy that is invested in illiquid closed-ended funds via the CIF and cash.

In respect of the DC investments, there were no changes to the SIP over the Trust Year.

The Trustee has, in its opinion, followed all of the policies in the Trust’s SIP during the Trust Year. The following Sections provide detail and commentary about how and the extent to which it has done so.

The voting and engagement policies in the SIP were reviewed during the Trust year, but no changes were made as a result. The last time these policies were formally reviewed was December 2023. The Trustee has, in its opinion, followed the Trust’s voting and engagement policies during the Trust Year.

2. Investment Objectives

Defined Benefit (“DB”) Sections

Policy stated in SIP	Comment on Trustee's compliance
<i>“Our primary objective is to invest the assets of the DB Sections of the Trust prudently to ensure that the benefits promised to members are provided.”</i>	<p>We regularly monitor the Schemes’ cashflow requirements. A forward-looking review of liquidity requirements took in September 2025, following which the Trustees agreed a new cashflow management policy. Since its implementation, cashflow has been managed in line with this approach and all requirements have been met throughout the Trust Year. Prior to this, cashflow requirements were met under the policy agreed in August 2021. This cashflow policy is periodically reviewed to ensure it remains appropriate.</p> <p>We receive ongoing advice from LCP on the Schemes’ investment strategies and journey plan progress to ensure that they remain appropriate, including ensuring sufficient expected asset returns and sufficient liquidity to meet member benefits.</p>

Policy stated in SIP

“The overall aim is to reach and maintain a position where sufficient assets are held to cover all liabilities plus an additional reserve for unforeseen events such as improvements in mortality, and to have a contribution rate which the Principal Employer, TUI UK Limited, can sustain.”

Comment on Trustee's compliance

We receive quarterly performance monitoring reports from LCP that monitor the Schemes' funding positions, and periodical updates from its Actuary.

An appropriate contribution rate has been agreed with the TUI Group and is periodically reviewed. This was updated in September 2024 for the Schemes following the latest actuarial valuation results. From July 2025, no deficit contributions were made to TUI UK for the remainder of the Trust Year.

The DB liabilities of TAPS were insured in full through the purchase of a bulk annuity (“buy-in”) policy with Legal & General (“L&G”) in April 2021, meaning payment of benefit payments for insured members is no longer reliant on the investment performance of the TAPS' assets and continuing financial support of the TUI Group.

In December 2024, the remaining BAL DB liabilities were insured in full through the purchase of a buy-in policy with L&G, such that payment of benefit payments for BAL members is no longer reliant on the investment performance of the Scheme's assets or the continuing financial support of the TUI Group.

As at 30 September 2025, The TUI UK Scheme was below full funding on a Technical Provisions basis but has a plan in place to reach full funding on the Technical Provisions basis.

Additional Voluntary Contributions (“AVCs”) & Defined Contribution (“DC”) Sections (“DC Sections”)

Policy stated in SIP	Comment on Trustee's compliance
<p><i>“Our objective for the DC Sections is to provide members with access to:</i></p> <ul style="list-style-type: none"> <i>• an appropriate range of investment options, reflecting the relevant membership profile and the variety of ways that members can draw their benefits in retirement; and</i> <i>• a default investment option that we believe to be reasonable for those members that do not wish to make their own investment decisions.</i> <p><i>For the BAL and TUI UK Schemes, which are both closed to DC contributions, the main default investment option is the Flexible Income Lifestyle Strategy (the “Default”). Our objectives for the Default are as follows:</i></p> <ul style="list-style-type: none"> <i>• Aim for significant long-term real investment growth whilst members are far away from retirement.</i> <i>• Manage down volatility in fund values as members near retirement.</i> <i>• Target an end point portfolio that is appropriate and consistent with members using their accumulated pot to fund their retirement via flexi-access drawdown.”</i> <p><i>The BlackRock Market Advantage Fund (“BMAF”) is a diversified growth fund which invests in a broad range of assets and is considered to be an additional default arrangement for governance purposes.</i></p>	<p>As part of the review of the Default in 2022, which was the most recent review prior to the Trust Year ending September 2025, we considered the membership demographics and the ways that members may draw their benefits in retirement from the Trust.</p> <p>The last review concluded, based on membership data showing relatively small pot sizes projected to retirement, that a target of cash withdrawal at retirement would be most appropriate for the Default. The Default currently targets income drawdown at retirement; whilst this is not aligned with expectations for how most members will take their DC benefits, it has resulted in greater returns for members in the de-risking phase, given the larger allocation to growth assets. We considered changing the Default to be the cash targeting lifestyle strategy (which is available to members to self-select) and moving members with small pots to this. However, we didn’t make any changes due to broader considerations around the DC arrangements, including the possibility of a transfer of DC assets to a master trust. We continue to believe the Default is reasonable for those members that do not wish to make their own investment decisions.</p> <p>We also provide DC and AVC members with access to a range of investment options which we believe are appropriate. We have made available two alternative lifestyle strategies (targeting cash lump sum as noted above, and a lifestyle for members aiming to purchase an annuity) and a self-select fund range covering major asset classes.</p>
<p><i>Our objective for the AVC investment arrangements is to make available a suitable range of options to reasonably meet members’ risk / return objectives.”</i></p>	<p>The Default has met its objectives over the Trust Year; it has delivered long-term real investment growth for members far away from retirement. It has also managed down volatility in fund values as members near retirement.</p> <p>The performance of the BlackRock Market Advantage Fund (“BMAF”) as well as other investment options available to members, and the default arrangement, are reviewed in the quarterly reports we receive from LCP.</p>

3. Investment strategy

DB Sections

Policy stated in SIP	Comment on Trustee's compliance
<p><i>"In April 2021, we entered into two bulk annuity policies (also known as buy-ins) in respect of a portion of the BAL Scheme's pensioner liabilities and all of the TAPS Scheme's liabilities. In December 2024, we entered into an additional buy-in policy to insure the remaining BAL Scheme liabilities. These bulk annuity policies will wholly meet the cash flows due from these two Schemes to members.</i></p> <p><i>For the TUI UK Scheme, we consider the assets as two portfolios:</i></p> <ul style="list-style-type: none">- <i>The Growth Portfolio which has the objective of improving the funding position of the Scheme. It comprises a portfolio of credit, illiquid (closed-ended) debt-based investments held via a common investment fund ie the "CIF", real estate and long-lease property investments.</i>- <i>The Matching Portfolio which has the objective of providing investment performance which broadly matches the movements in the value of the Scheme's liabilities. It comprises a bespoke Liability Driven Investment ("LDI") portfolio (predominantly of fixed and index-linked gilts, gilt repurchase agreements, interest rate and inflation swaps), a pooled asset backed security fund (which sits alongside the LDI portfolio and provides a source of collateral to support the portfolio's hedging objectives) and a short dated segregated buy and maintain credit portfolio.</i> <p><i>We will consider additional de-risking of the TUI UK strategy as its funding level improves.</i></p>	<p>As at 30 September 2025, the TUI UK Scheme's assets were invested in line with the SIP:</p> <ul style="list-style-type: none">• a Growth Portfolio, comprising units in the TUI GUPT Secure Income Common Investment Fund ("CIF"), which invests in credit and debt-based instruments; and• a Matching Portfolio, comprising LDI and buy and maintain credit assets, to hedge the Schemes' interest rate and inflation liability risks. <p>The TUI UK Schemes' matching portfolios are estimated to have had interest rate and inflation exposure characteristics which were broadly similar in nature to the liability benchmarks of each Scheme (non-insured only for the BAL Scheme) that were in effect over the reporting period.</p>

Policy stated in SIP	Comment on Trustee's compliance
<p><i>For the BAL Scheme, the residual strategy following the completion of the final buy-in policies is invested in illiquid closed-ended credit funds (held via the CIF) and cash.</i></p>	<p>As at 30 September 2025, the BAL Scheme's non-insured assets were invested in illiquid closed-ended credit funds (held via the CIF) and cash, consistent with the policy in the SIP.</p>
<p><i>As BAL's share of illiquid CIF assets were not readily realisable to pay the buy-in premium, the Scheme entered into a deferred premium policy to complete the buy-in transaction in December 2024. The deferred premium will be paid to the insurer over a period of up to two years following the completion of the buy-in using distributions from the illiquid CIF assets.</i></p>	<p>As at 30 September 2025, the TAPS Scheme's non-insured assets were held in a liquidity fund (cash equivalents) and cash, consistent with the policy in the SIP.</p>
<p><i>For the TAPS Scheme, the non-insured assets are held in cash as future payments from this Scheme are expected to take place in the near term.</i></p>	
<p><i>Our policy is to target the maximum expected return level subject to ensuring the level of investment risk is appropriate to reflect the Trust's circumstances. We believe that the Schemes' strategies meet this objective."</i></p>	

DC Sections

Policy stated in SIP	Comment on Trustee's compliance
<p><i>"We review the Default and other investment options, including the additional default (BMAF), at least every three years and as soon as practicable after any significant change in legislation, investment policy, or the demographic profile of relevant members.</i></p>	<p>The DC Default and other investment options were not reviewed during the period covered by this Implementation Statement. We last reviewed the Default and other investment options, including the additional default (BMAF) in December 2025, following the end of the Trust Year, and following the last review in 2022.</p>
<p><i>We review the extent to which the return on investments relating to the default arrangements (after deduction of any charges and transaction costs relating to those investments) is consistent with respective aims and objectives."</i></p>	<p>In the 2025 review we considered the extent to which the return on investment of the Default is consistent with its aims and objectives, and concluded that returns were consistent given the market background. We monitor this matter on a quarterly basis using LCP's quarterly reports.</p>
<p><i>"We also monitor the relevant members' behaviour to check whether assumptions made about how members will access their benefits are borne out in practice."</i></p>	<p>The DC provider (Standard Life) issues quarterly governance reports which include details of any retirements over the period and we use these for monitoring of members' behaviour.</p>

4. Considerations in setting the investment arrangements

Policy stated in SIP	Comment on Trustee's compliance
<p>DB Sections: <i>“When deciding how to invest the Trust’s assets, it is our policy to consider a range of asset classes, taking account of the expected returns and risks associated with those asset classes, as well as our beliefs about investment markets and which factors are most likely to impact investment outcomes.”</i></p> <p><i>“We take an integrated approach when assessing risk and reviewing the investment strategy. In particular we take account of the employer covenant, contributions, funding targets, liability profile (including interest rate and inflation sensitivities and the extent to which they are hedged) and the level of expected return and risk now and as the strategy evolves.”</i></p> <p><i>“The primary ways that we manage investment risk is via diversification, ensuring that we receive professional written advice prior to making any material investment decision, and our ongoing monitoring and oversight of the investments...”</i></p> <p>DC Sections: <i>“Our policy is to have exposure to DGFs with discretion to invest in illiquid assets and not to have direct exposure to illiquid assets funds within the default arrangements. We believe that long-term net risk-adjusted investment returns of the default may be improved by investing in illiquid assets. However, we note that at this time the ability for DC pension schemes to obtain exposure to illiquid assets is limited and the relatively few suitable illiquid asset funds that are available tend to have higher charges”</i></p>	<p>DB Sections: When we reviewed BAL and TUI UK’s investment strategies during the Trust Year, we considered the investment risks set out in the SIP. We also considered a wide range of asset classes for investment, considering the expected returns and risks associated with those asset classes as well as how these risks can be mitigated.</p> <p>DC Sections: Return and risk of the Default and performance of the self-select funds were reviewed during the Trust Year as part of quarterly investment reports produced by LCP. Reviews of the DC arrangements in 2022 and 2025 considered the investment risks set out in the SIP.</p> <p>The Default includes an allocation to a diversified growth fund (“DGF”), that may invest in illiquid assets. We have not allocated to illiquid assets via a specific fund, consistent with the policy wording in the SIP.</p>

5. Implementation of the investment arrangements

Policy stated in SIP	Comment on Trustee's compliance
<p><i>“Before investing in any manner, we obtain and consider proper written advice from our investment adviser as to whether the investment is satisfactory, having regard to the need for suitable and appropriately diversified investments.”</i></p>	<p>DB Sections:</p> <p>During the Trust Year, we implemented updates to the DB investment arrangements, having received appropriate written investment advice from LCP, our investment adviser. These updates included the redemption of the insurance-linked securities fund, the Insight asset-backed securities fund and the Aegon short-duration credit mandate held within the CIF, alongside investments for TUI UK in the Insight asset-backed securities fund alongside the LDI mandate, the Aegon segregated short-dated credit mandate and the Allianz trade finance fund.</p> <p>DC Sections: We did not make any changes to the DC Section investments over the Trust Year.</p>
<p><i>“It is our responsibility to ensure that the managers’ investment approaches are consistent with our policies before any new appointment, and to monitor and to consider terminating any arrangements that appear to be investing contrary to those policies.</i></p>	<p>LCP monitors the investment managers on an ongoing basis, which includes regular research meetings with the managers. LCP monitors any developments at managers and informs us promptly about any significant updates or events they become aware of with regard to the Trust's investment managers that may affect the managers' ability to achieve their investment objectives. This includes any significant change to the investment process, approach to responsible investment and stewardship, or key staff changes for any of the funds the Schemes invest in, or any material change in the level of diversification in the fund.</p>
<p><i>We expect investment managers, where appropriate, to make decisions based on assessments of the longer term financial performance of debt/equity issuers, and to engage with issuers to improve their performance (or where this is not appropriate to explain why). We assess this when selecting and monitoring managers.”</i></p>	<p>Where appropriate we invite the Trust's investment managers to present at Trustee meetings.</p> <p>We were comfortable with all of our investment manager arrangements over the Trust Year.</p>

Policy stated in SIP	Comment on Trustee's compliance
<p><i>“Our policy is to evaluate each of our investment managers by considering performance, the role it plays in helping to meet our overall long-term objectives, taking account of risk, the need for diversification and liquidity. Each manager’s remuneration, and the value for money it provides, is assessed in light of these considerations.”</i></p>	<p>DB Sections: We monitor the performance of the Trust’s investment managers on a quarterly basis, using performance monitoring reports provided by LCP. The report shows the performance of each manager over various periods. Performance is considered in the context of the manager’s benchmark and objectives.</p> <p>DC Sections: We evaluated each of the DC investment managers during the Trust Year by considering performance figures in quarterly monitoring reports provided by LCP. These reports show the performance of each fund over various periods. Performance is considered in the context of the funds’ benchmark and objectives. We also consider the value for money each fund provides as part of the annual Value for Members (“VFM”) review carried out on the DC arrangements. A VFM review was carried out in January 2025, and considered the fees paid by members as well as performance and other factors.</p>

6. Realisation of investments

Policy stated in SIP	Comment on Trustee's compliance
<p>DB Sections: <i>“we decide, based on the administrators’ recommendation, on the amount of cash required for benefit payments and other outgoings and inform the investment managers of any liquidity requirements. Our preference is for investments that are readily realisable but recognise that achieving a well-diversified portfolio may mean holding some investments that are less liquid (eg property).”</i></p>	<p>During the Trust Year we received recommendations from Equiniti, the Trust’s administrator, on the amount of cash required for benefit payments and other outgoings. We subsequently informed the investment managers of our liquidity requirements. We hold a portfolio which allocates to both liquid and illiquid assets.</p> <p>We receive income from the underlying assets in the CIF, which is retained in a cash fund managed by the Trust’s custodian, Northern Trust and used to help meet cashflow payments. If there is excess cash we receive advice from our investment adviser on appropriate investments for the excess cash.</p>
<p>DC Sections: <i>our policy is to invest in funds that offer daily dealing to enable members to readily realise and change their investments.”</i></p>	<p>All of the AVC and DC Section funds which we made available to members during the Trust Year are daily priced.</p>

7. Financially material considerations and non-financial matters

Policy stated in SIP	Comment on Trustee's compliance
<p>DB Sections: <i>“We influence the Trust’s approach to ESG and other financially material factors through our investment strategy and manager selection decisions. We expect all of our investment managers to take account of financially material factors (including climate change and other ESG factors) within the parameters of the mandates they are set. We seek to appoint managers that have the skills and processes to do this, and review how the managers are taking account of these issues in practice.</i></p> <p><i>We encourage our managers to improve their ESG practices, although acknowledge that we have limited influence over managers’ investment practices where assets are held in pooled funds and that the parameters of some pooled funds may limit the scope for significant incorporation of ESG factors.”</i></p>	<p>DB Sections: As part of its advice on the selection and ongoing review of the investment managers, LCP incorporates its assessment of the nature and effectiveness of managers’ approaches to financially material considerations (including climate change and other ESG considerations), voting and engagement.</p> <p>As part of the appointment of new investment mandates, references to the Schemes’ climate-related targets were incorporated into the relevant investment management documentation, to ensure that these targets are considered by the appointed manager as part of the ongoing management of the portfolio. As part of setting up a new segregated Short Duration Credit mandate with Aegon for TUI UK, a reference to the Scheme’s climate-related targets was included within the Investment Management Agreement to ensure Aegon considers these as part of managing the portfolio.</p> <p>In September 2025, we reviewed LCP’s responsible investment (RI) scores for the Trust’s existing managers and funds, along with LCP’s qualitative RI assessments for each fund and red flags for any managers of concern. These scores cover the manager’s approach to ESG factors, voting and engagement. The fund scores and assessments are based on LCP’s ongoing manager research programme, and it is these that directly affect LCP’s manager and fund recommendations. The manager scores and red flags are based on LCP’s Responsible Investment Survey 2024. We review LCP’s RI scores approximately every two years.</p> <p>We receive ad hoc updates on ESG and Stewardship related issues from our investment adviser.</p>
<p>DC Sections: <i>“We do not consider matters that are purely non-financial in nature (eg matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) in the selection, retention, and realisation of investments.</i></p> <p><i>“we recognise that some members may wish for ethical or other non-financial matters to be considered in their investments and therefore has made available a passive ESG global equity index fund and a Shariah compliant global equity fund as investment options to members.”</i></p>	<p>DC Sections: Within the DC Section we recognise that some members may wish for ethical matters or other non-financial matters to be considered in their investments and therefore have made available the Vanguard ESG Developed World All Cap Equity Index Pension Fund and HSBC Islamic Global Equity Index Pension Fund as investment options for members.</p>

8. Voting and engagement

Policy stated in SIP	Comment on Trustee's compliance
<p><i>"We recognise our responsibilities as owners of capital, and believe that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments and is in the best interests of our members.</i></p> <p><i>We seek to appoint investment managers that have strong stewardship policies and processes, reflecting where relevant the principles of the UK Stewardship Code 2020 issued by the Financial Reporting Council, and from time to time we review how these are implemented in practice.</i></p> <p><i>We have delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement with relevant persons such as issuers of debt and equity, stakeholders, and other investors about relevant matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks and ESG factors. We expect the managers to undertake voting and engagement in line with their stewardship policies, considering the long-term financial interests of investors.</i></p> <p><i>We do not monitor or engage directly with issuers or other holders of debt or equity.</i></p> <p><i>We monitor managers' activities in relation to ESG factors, voting and engagement on a regular basis. We seek to understand how they are implementing their stewardship policies in practice to check that their stewardship is effective and aligned with our expectations.</i></p> <p><i>We have selected a priority ESG theme of climate change to provide a focus for our monitoring of investment managers' voting and engagement activities. We review our ESG priorities regularly and we will update them if appropriate. We communicate our stewardship priorities to our managers each year and also confirm our more general expectations in relation to ESG factors, voting and engagement.</i></p> <p><i>If our monitoring identifies areas of concern, we will engage with the relevant manager to encourage improvements."</i></p>	<p>We have delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement.</p> <p>We take ownership of the Trust's stewardship by monitoring and engaging with managers.</p> <p>As part of its advice on the selection and ongoing review of the investment managers, the Trust's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to voting and engagement. Following the introduction of DWP's Guidance, we agreed to set stewardship priorities to focus monitoring and engagement with our investment managers on specific ESG factors. In 2023, we discussed and agreed a stewardship priority for the Trust which was climate change.</p> <p>DB Sections: we undertake a comprehensive review of managers' voting and engagement practices on a triannual basis. The review carried out as at March 2025 included the investment adviser's qualitative assessment for each manager and a summary of the managers' voting and engagement policies.</p> <p>We are conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expect most managers will have areas where they could improve. Therefore, we aim to have an ongoing dialogue with managers to clarify expectations and encourage improvements.</p>

9. Investment governance, responsibilities, decision-making and fees

Policy stated in SIP	Comment on Trustee's compliance
<i>"It is our policy to assess the performance of the Trust's investments, investment providers and professional advisers from time to time. We will also periodically assess the effectiveness of our decision-making and investment governance processes and will decide how this may then be reported to members."</i>	<p>As mentioned in Section 5, we assess the performance of the Schemes' investments on an ongoing basis as part of the quarterly monitoring reports we receive.</p> <p>We consider the performance of the professional advisers on an ongoing basis. We have put in place formal objectives for our investment adviser and will review the adviser's performance against these objectives on a regular basis.</p> <p>We carry out periodic reviews of our governance processes with regards to operational due diligence, pricing and dealing, voting and stewardship, and investment manager fees.</p>

10. Policy towards risk

<i>"We aim to strike the right balance between risk appetite and risk capacity" ... "There are different types of investment risk that are important to manage, and we monitor these on a regular basis."</i>	<p>Risks are monitored on an ongoing basis with the help of the investment adviser. We maintain a risk register, and this is discussed at quarterly meetings. The risk register incorporates climate risks, as we believe that climate change is a financially material systemic issue that presents risks and opportunities for the Schemes. Our policy for some risks, given their nature, is to understand them and to address them if it becomes necessary, based upon the advice of our investment adviser or information provided to us by the Trust's investment managers.</p>
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DB Section: *“a key objective is that the assets produce a sufficient long-term return in excess of the liabilities, and we have set an appropriate target return for the assets accordingly. There is a risk that the return experienced is not sufficient. This risk has been considered in setting the investment strategy and is monitored on a regular basis.”*

DC Sections: *“as members’ benefits are dependent on the investment returns achieved, it is important that investment options are available which can be expected to produce adequate real returns over the longer term. Accordingly, equity and equity-based funds, which are expected to provide positive returns above inflation over the long term, have been made available to members and feature in the growth phase of the main default strategy. To reduce the chance of a sharp deterioration in members’ benefits close to retirement, we have made the main default strategy a lifestyle strategy.”*

DB Sections: We regularly review the investment strategy of both the BAL and the TUI UK Scheme, considering the expected return for it. The expected return was set at an appropriate level, providing a buffer above the required returns to reach a fully funded position on the respective target liability measures in the long-term.

We formally review the Schemes’ funding positions as part of our annual actuarial report to allow for changes in market conditions. On a triennial basis we review the funding position allowing for membership and other experience. We also informally monitor the funding position more regularly – the position is reviewed on a quarterly basis at Trustee meetings and the Trustee Directors also have the ability to monitor this daily on LCP Visualise.

DC Sections: With regard to the risk of inadequate returns in the DC section, we make use of equity and equity-based funds, which are expected to provide positive returns above inflation over the long term. These are used in the growth phase of the Default and are also made available within the self-select options. These funds are expected to produce adequate real returns over the longer term. We monitor the standard deviation and returns of the default strategy on a quarterly basis.

11. Description of voting behaviour during the Trust Year

All of the Trust’s holdings in listed equities are via pooled funds. Therefore, we have delegated decisions regarding the exercise of voting rights to the pooled fund investment managers. We monitor managers’ voting and engagement behaviour periodically and challenge managers where we believe appropriate.

In this section we have sought to include voting data in line with the Pensions and Lifetime Savings Association (“PLSA”) guidance, PLSA Vote Reporting template and DWP’s Guidance, on the Trust’s funds that hold listed equities.

Two of the DB Section’s investment managers had one instance of voting opportunity over the Trust Year. Therefore, we have included relevant funds from the DB section alongside those used in the DC / AVC Sections. Taking a pragmatic approach considering materiality, for the DC / AVC Sections we have only included the funds with equity holdings, where available, that are part of the Default, which are the:

- BlackRock Market Advantage Pension Fund
- BlackRock ACS World Multifactor Equity Tracker Pension Fund
- Standard Life World Ex UK (BlackRock) Pension Fund
- BlackRock UK Equity Tracker Pension Fund
- BlackRock Emerging Markets Equity Tracker Pension Fund

11.1 Description of the voting processes

For assets with voting rights, we rely on the voting policies which its managers have in place, a summary of which is set out in this section.

BlackRock Investment Management (UK) Limited (“BlackRock”)

The BlackRock Investment Stewardship (“BIS”) team and its voting and engagement work continuously evolves in response to changing governance related developments and expectations. Voting guidelines are market-specific to ensure the team consider a company’s unique circumstances by market, where relevant. The team inform its vote decisions through research and engage as necessary. Its engagement priorities are global in nature and are informed by BlackRock’s observations of governance related and market developments, as well as through dialogue with multiple stakeholders, including clients. The team may also update its regional engagement priorities based on issues that it believes could impact the long-term sustainable financial performance of companies in those markets. The BIS team welcome discussions with clients on engagement and voting topics and priorities to get their perspective and better understand which issues are important to them.

BlackRock determines which companies to engage directly based on the BIS team’s assessment of the materiality of the issue for sustainable long-term financial returns and the likelihood of its engagement being productive. The voting guidelines are intended to help clients and companies understand its thinking on key governance matters. They are the benchmark against which the BIS team assess a company’s approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. The BIS team apply its guidelines pragmatically, considering a company’s unique circumstances where relevant. The team informs its vote decisions through research and engage as necessary.

Whilst BlackRock does subscribe to research from the proxy advisory firms, ISS and Glass Lewis, this is just one among many inputs into their voting decision process. BlackRock primarily uses proxy research firms to transform corporate governance information and analysis into a concise, easily reviewable format so that BIS’s analysts can readily identify and prioritise those companies where their own additional research and engagement would be beneficial. Other sources of information BlackRock uses includes the company’s own reporting (such as the proxy statement and the website), their engagement and voting history with the company, the views of their active investors, public information, and ESG research.

Standard Life

As the Standard Life World Ex UK (BlackRock) Pension Fund invests solely in underlying BlackRock funds for the DC Sections, BlackRock is responsible for the provision of the voting data. As such, the voting process described above for BlackRock is applicable.

Invesco Real Estate Management (“Invesco”)

During the Trust Year, TUI did not participate in any voting activity in respect of the Fund managed by Invesco. While there was one voting matter during the period, relating to a waiver of an investment restriction, no vote was cast by TUI Group UK Trustee Limited. In line with the Fund’s governance framework, approval for the waiver was sought and obtained from the Unitholders Advisory Committee, in accordance with the Fund’s Offering Memorandum.

ICG Alternative Investment Management Limited (“ICG”)

During the Trust Year, voting activity in respect of the Fund managed by ICG was limited, reflecting the Fund’s primary focus on private debt investments. In certain circumstances where equity exposure is acquired through the enforcement of security interests, voting rights may be exercised in line with established market practices. One such instance arose during the year in relation to FNAC Darty, where equity exposure resulted from the enforcement of security over shares held as collateral as part of the investment in SFAM, and voting was undertaken in line with consensus recommendations.

11.2 Summary of voting behaviour

A summary of voting behaviour over the Trust Year for the DC/AVC Sections is provided in the table below.

DC funds	Fund 1	Fund 2	Fund 3	Fund 4	Fund 5
Manager name	BlackRock	Standard Life	BlackRock	BlackRock	BlackRock
Fund name	ACS World Multifactor Equity Tracker Fund	World Ex UK Equity (BlackRock) Pension Fund*	Market Advantage Pension Fund	UK Equity Tracker Pension Fund	Emerging Markets Equity Tracker Pension Fund
Total size of fund at end of the Trust Year	£257.8m	£30.4m	£418.3m	£13,339.0m	£3,441.4m
Value of Trust assets at end of the Trust Year	£10.2m	£10.2m	£11.7m	£2.5m	£3.1m
Number of equity holdings at end of the Trust Year	448	2,199	1,794	12,627	1,931
Number of meetings eligible to vote	487	2,364	2,130	705	4,333
Number of resolutions eligible to vote	6,697	28,985	22,713	9,766	34,054
% of resolutions voted	98	92	96	99	98
Of the resolutions on which voted, % voted with management**	96	94	93	97	85
Of the resolutions on which voted, % voted against management**	3	6	6	2	14
Of the resolutions on which voted, % abstained from voting**	0	0	1	0	2
Of the meetings in which the manager voted, % with at least one vote against management	19	28	27	16	40
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	0	0	0	0	0

*The Standard Life Fund is made up of 4 underlying BlackRock funds; iShares Pacific ex Japan Equity Index Pension Fund, iShares North American Equity Index Pension Fund, iShares Continental European Equity Index Pension Fund and iShares Japan Equity Index Pension Fund.

** Figures may not total 100% due to rounding and other reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote against management.

11.3 Most significant votes

Commentary on the most significant votes over the Trust Year, from the Trust's asset managers who hold listed equities, is set out below.

The Trustee did not inform its managers which votes it considered to be most significant in advance of those votes. Given the large number of votes which are cast by managers during every Annual General Meeting season, the timescales over which voting takes place as well as the resource requirements necessary to allow this, the Trustee did not identify significant voting ahead of the reporting period. Instead, the Trustee has retrospectively created a shortlist of most significant votes by requesting each manager provide a shortlist of votes, which comprises a

minimum of ten most significant votes, and suggested the managers could use the PLSA’s criteria¹ for creating this shortlist.

The Trustee has interpreted most “significant votes” to mean those that align with the Trustee’s stewardship priorities. The Trustee has reported on a maximum of two of these significant votes per fund. If members wish to obtain more investment manager voting information, this is available upon request from the Trustee.

AVC and DC Sections

BlackRock

BlackRock has deemed a vote significant where:

- The voting relates to governance, strategic and sustainability issues that it considers, based on its Global Principles and Engagement Priorities, material to a company’s sustainable long-term financial performance.
- The issues involved are high-profile and therefore of interest to its clients and other stakeholders, and potentially represent a material risk to the investment.

As the Standard Life Fund invests in four underlying BlackRock funds, the most significant votes are provided by BlackRock and therefore will follow the same criteria.

Fund Name	BlackRock ACS World Multifactor Equity Tracker Fund	
Company name	Atmos Energy Corporation	Amazon.com, Inc.
Date of vote	5 Feb 2025	21 May 2025
Size of holding as at the date of vote	0.2%	0.7%
Summary of the resolutions	Elect Directors Frank Yoho and Kelly H. Compton	Report on Impact of Data Centres on Climate Commitments
Company management recommendation	For	Against
Fund manager vote	Against	Against
Rationale for the voting decision	BIS voted against the election of directors as it believes that greater climate-related disclosure, which the directors have not contributed to providing, would enable investors to better assess climate-related investment risks and opportunities.	BIS believes that the company already provides sufficient disclosure and reporting in relation to this issue and is in the process of further enhancing its relevant disclosures.
Was the vote communicated to the company ahead of the vote (if against management)	BlackRock endeavour to communicate to companies when they intend to vote against management, either before or just after casting votes in advance of the shareholder meeting.	No
Criteria for selecting this vote as “most significant”	Climate change is one of the Trustee’s stewardship priorities.	Climate change is one of the Trustee’s stewardship priorities.
Outcome of the vote	Pass	Fail
Implications of the outcome - were there any lessons learned and what likely future steps will you take in response to the outcome?	BlackRock’s approach to corporate governance and stewardship is explained in its Global Principles. BlackRock’s Global Principles describe its philosophy on stewardship, including how it monitors and engages with companies. These high-level principles are the framework for its more detailed, market-specific voting guidelines. BlackRock does not see engagement as one conversation. It has ongoing direct dialogue with companies to explain its views and how it evaluates their actions on relevant ESG issues over time. Where BlackRock has concerns that are not addressed by these conversations, it may vote against management for their action or inaction. Where concerns are raised either through voting or	

¹ [Vote reporting template for pension scheme implementation statement – Guidance for Trustees \(plsa.co.uk\)](#). Trustees are expected to select “most significant votes” from the long-list of significant votes provided by their investment managers.

	during engagement, BlackRock monitors developments and assess whether the company has addressed its concerns.
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Fund Name	Standard Life World Ex UK Equity (BlackRock) Pension Fund	
Underlying Fund	iShares Pacific ex Japan Equity Index Fund	iShares North American Equity Index Fund
Company name	Mineral Resources Limited	Tyson Foods, Inc.
Date of vote	21 November 2024	6 February 2025
Size of holding as at the date of vote	0.1%	0.03%
Summary of the resolutions	Approve Remuneration Report	Elect Director David J. Bronczek
Company management recommendation	N/A - The board abstains from recommending a vote on this resolution because it concerns the pay of key management personnel, meaning the company's directors and senior executives.	For
Fund manager vote	Against	Against
Rationale for the voting decision	BIS did not support the approval of the remuneration report as it believed the company's remuneration arrangements are poorly structured.	BIS voted against the proposal as it believed the director, who was responsible for risk oversight, allowed for insufficient disclosure and/or reporting on financially material sustainability-related risks.
Was the vote communicated to the company ahead of the vote (if against management)	BlackRock endeavour to communicate to companies when they intend to vote against management, either before or just after casting votes in advance of the shareholder meeting.	
Criteria for selecting this vote as "most significant"	There were no significant votes that related to the Trustee's stewardship priority. We have, therefore, chosen votes where the fund manager voted against the company management recommendation.	Climate change is one of the Trustee's stewardship priorities.
Outcome of the vote	Fail	Pass
Implications of the outcome - were there any lessons learned and what likely future steps will you take in response to the outcome?	BlackRock's approach to corporate governance and stewardship is explained in its Global Principles. BlackRock's Global Principles describe its philosophy on stewardship, including how it monitors and engages with companies. These high-level principles are the framework for its more detailed, market-specific voting guidelines. BlackRock does not see engagement as one conversation. It has ongoing direct dialogue with companies to explain its views and how it evaluates their actions on relevant ESG issues over time. Where BlackRock has concerns that are not addressed by these conversations, it may vote against management for their action or inaction. Where concerns are raised either through voting or during engagement, BlackRock monitors developments and assess whether the company has addressed its concerns.	

Fund Name	Standard Life World Ex UK Equity (BlackRock) Pension Fund	
Underlying Fund	iShares Continental European Equity Index Fund	iShares Japan Equity Index Fund
Company name	Equinor ASA	Takeda Pharmaceutical Co., Ltd.
Date of vote	14 May 2025	25 June 2025
Size of holding as at the date of vote	0.2%	1.0%
Summary of the resolutions	Assess if the Company's Planned Increase in Oil and Gas Production is Consistent with the Majority Shareholder Expectations	Approve Annual Bonus
Company management recommendation	Against	For
Fund manager vote	Against	Against
Rationale for the voting decision	BIS did not support the proposal as it believes the request is not clearly defined and too prescriptive.	BIS voted against the proposal as it had concerns about the adequacy of compensation-related disclosure and the associated governance framework.
Was the vote communicated to the company ahead of the vote (if against management)	No	BlackRock endeavour to communicate to companies when they intend to vote against management, either before or just after casting votes in advance of the shareholder meeting.
Criteria for selecting this vote as "most significant"	Climate change is one of the Trustee's stewardship priorities.	There were no significant votes that related to the Trustee's stewardship priority. We have, therefore, chosen votes where the fund manager voted against the company management recommendation.
Outcome of the vote	Fail	Pass
Implications of the outcome - were there any lessons learned and what likely future steps will you take in response to the outcome?	BlackRock's approach to corporate governance and stewardship is explained in its Global Principles. BlackRock's Global Principles describe its philosophy on stewardship, including how it monitors and engages with companies. These high-level principles are the framework for its more detailed, market-specific voting guidelines. BlackRock does not see engagement as one conversation. It has ongoing direct dialogue with companies to explain its views and how it evaluates their actions on relevant ESG issues over time. Where BlackRock has concerns that are not addressed by these conversations, it may vote against management for their action or inaction. Where concerns are raised either through voting or during engagement, BlackRock monitors developments and assess whether the company has addressed its concerns.	

Fund Name	BlackRock Market Advantage Pension Fund	BlackRock UK Equity Tracker Pension Fund
Company name	Industrial and Commercial Bank of China Limited	Shell Plc
Date of vote	27 June 2025	20 May 2025
Size of holding as at the date of vote	0.1%	5.9%
Summary of the resolutions	Elect Dong Yang as Director	Request Company Disclose Whether and How Its: Demand Forecast For LNG; LNG Production And Sales Targets; And New Capital Expenditure In Natural Gas Assets; Are Consistent With Climate Commitments, Including Target To Reach Net Zero Emissions By 2025
Company management recommendation	For	Against
Fund manager vote	Against	Against
Rationale for the voting decision	BIS did not support the proposal as it believes that greater climate-related disclosure, which the director has not contributed to providing, would enable investors to better assess climate-related investment risks and opportunities.	BIS did not support this proposal as it felt that the company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosure.
Was the vote communicated to the company ahead of the vote (if against management)	BlackRock endeavour to communicate to companies when they intend to vote against management, either before or just after casting votes in advance of the shareholder meeting.	No
Criteria for selecting this vote as “most significant”	Climate change is one of the Trustee’s stewardship priorities.	Climate change is one of the Trustee’s stewardship priorities.
Outcome of the vote	Pass	Fail
Implications of the outcome - were there any lessons learned and what likely future steps will you take in response to the outcome?	BlackRock’s approach to corporate governance and stewardship is explained in its Global Principles. BlackRock’s Global Principles describe its philosophy on stewardship, including how it monitors and engages with companies. These high-level principles are the framework for its more detailed, market-specific voting guidelines. BlackRock does not see engagement as one conversation. It has ongoing direct dialogue with companies to explain its views and how it evaluates their actions on relevant ESG issues over time. Where BlackRock has concerns that are not addressed by these conversations, it may vote against management for their action or inaction. Where concerns are raised either through voting or during engagement, BlackRock monitors developments and assess whether the company has addressed its concerns.	

Fund Name	BlackRock Emerging Markets Equity Tracker Pension Fund
Company name	PT Bank Central Asia Tbk
Date of vote	12 March 2025
Size of holding as at the date of vote	0.4%
Summary of the resolutions	Approve Changes in the Boards of the Company (Board of Commissioners and Board of Directors)
Company management recommendation	For
Fund manager vote	Against
Rationale for the voting decision	BIS voted against the proposal as it believes that greater climate-related disclosure, including relevant metrics and targets, would enable investors to better assess climate-related investment risks and opportunities. It believes that the Boards could place greater emphasis on these factors and as such voted against the company recommendation.
Was the vote communicated to the company ahead of the vote (if against management)	BlackRock endeavour to communicate to companies when they intend to vote against management, either before or just after casting votes in advance of the shareholder meeting.
Criteria for selecting this vote as “most significant”	Climate change is one of the Trustee’s stewardship priorities.
Outcome of the vote	Pass
Implications of the outcome - were there any lessons learned and what likely future steps will you take in response to the outcome?	BlackRock’s approach to corporate governance and stewardship is explained in its Global Principles. BlackRock’s Global Principles describe its philosophy on stewardship, including how it monitors and engages with companies. These high-level principles are the framework for its more detailed, market-specific voting guidelines. BlackRock does not see engagement as one conversation. It has ongoing direct dialogue with companies to explain its views and how it evaluates their actions on relevant ESG issues over time. Where BlackRock has concerns that are not addressed by these conversations, it may vote against management for their action or inaction. Where concerns are raised either through voting or during engagement, BlackRock monitors developments and assess whether the company has addressed its concerns.