

3M PENSION AND LIFE ASSURANCE SCHEME

APPENDIX – ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (forming part of the Trustee's Report) For the year ended 5 April 2025

Introduction

In 2019, the government published The Occupational Pension Scheme (Investment and Disclosure) (Amendment) Regulations 2019. These regulations introduced a requirement for the Scheme to produce a statement setting out (among other things) how the Trustee has followed its policies on the exercise of voting rights attaching to their investments and engagement activities. This document is intended to meet those requirements, and has been included in the Scheme's Annual Report and Financial Statements and published on the Scheme's website.

As required by the Pensions Act 1995, the Trustee has prepared a Statement of Investment Principles ('SIP') setting out its policy on investment, which includes the Trustee's policy on Socially Responsible Investment. A copy of the Statement can be found on the Scheme's website at <https://pensioninformation.aon.com/3m> and is available on request from the Pension Manager. Although a more recent approval of the SIP occurred post the year end in September 2025, only the March 2024 version is relevant for this implementation statement.

The Trustee's policy on Socially Responsible Investment and Corporate Governance

Environmental, Social and Governance Considerations

The Trustee acknowledges that an understanding of financially material considerations including environmental, social and corporate governance (ESG) factors (such as climate change) and risks related to these factors can contribute to the identification of investment opportunities and financially material risks.

The Trustee expects the Scheme's investment managers to take into account, where appropriate, corporate governance, social, and environmental considerations (including long-term risks posed by sustainability concerns and climate change risks) in the selection, retention and realisation of investments. Any decision should not apply personal ethical or moral judgments to these issues but should consider the sustainability of business models that are influenced by them.

The Trustee is taking the following steps to monitor and assess ESG related risks and opportunities:

- The Trustee and the investment adviser will use ESG ratings information provided by a third party source, where relevant and available, to monitor the level of the Scheme's investment managers' integration of ESG on a regular basis.
- The Trustee and the investment adviser will review how the relevant investment managers integrate ESG into their investment decision making process as part of ongoing monitoring. Should the Scheme look to appoint a new manager, the Trustee and the investment advisor will request this information as part of the selection process.

Members' Views and Non-Financial Factors:

In setting and implementing the Scheme's investment strategy the Trustee does not explicitly consider the views of Scheme members and beneficiaries in relation to ethical considerations, social and environmental impact, or present and future quality of life matters (defined as "non-financial factors").

In the last year, the Trustee has reviewed the Scheme's investment managers' ESG ratings.

3M PENSION AND LIFE ASSURANCE SCHEME

APPENDIX – ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (forming part of the Trustee's Report) For the year ended 5 April 2025

Corporate Governance

The Trustee has advised the Scheme's investment managers that they should normally be expected to vote in accordance with the guidelines set down by the UK Corporate Governance Code, commonly known as the Combined Code. The investment managers have full discretion to vote in favour of actions outside these guidelines but are expected to report to the Trustee with an explanation of their actions

In the last year, the Trustee has reviewed the Scheme's investment manager's voting results and is satisfied that voting has been carried out broadly in line with its expectations.

Investment Manager

This section of the Statement focuses solely on the Scheme's single active equity manager, with whom the Trustee engages.

Acadian Asset Management - Global Equity Portfolio

Acadian retains an independent third-party specialist Proxy Advisory firm, Institutional Shareholder Services ("ISS") for a variety of services, including receiving proxy ballots, proxy voting research and recommendations and executing votes. The voting policies Acadian uses have a focus on the independence of board members, including audit, compensation, and nominating committees. Voting activities seek to encourage executive compensation that is aligned to shareholders' interests. The voting policies Acadian uses generally support management nominations. In some cases, votes may be withheld, or cast against directors if they act against shareholders' best economic interests. Examples include the implementation of poison pills without shareholder approval, directors who serve on an excessive number of boards and directors who do not have the time to fully commit to the company as evidenced by their lack of attendance at board meetings. Acadian's voting activities generally support shareholder proposals calling for enhanced reporting and disclosure around environmental and social risks, if the proposals are not deemed to be unduly burdensome, costly or restrictive on the company. Acadian's engagement strategy is to act in the interests of Acadian's clients by communicating best practices to enhance risk-adjusted return forecasts. Acadian's efforts focus on direct company engagements aligned with ESG topics that are integrated into Acadian's investment process as signals - climate action, corporate culture and corporate behavior - these signals are implemented for the purpose of enhancing risk-adjusted returns. When conducting climate engagements, Acadian assesses investee company disclosures on climate change risks, informed by TCFD, and board-level oversight of climate risk strategy. Guided by SBTi, Acadian examines company-wide emissions reduction goals.

Summary of the key voting activity over the financial year:

	Acadian
Number of meetings eligible to vote at	278
Number of resolutions eligible to vote on	2,783
% voted with management	86.9%
% voted against management	13.1%
% abstain from voting*	0.2%
Proxy advisory firm used (if applicable)	ISS
% vote contrary to recommendations of proxy adviser	0%

*An abstain vote may also be considered a vote against management. Therefore, the values may not sum to 100%.