

Engagement Policy Implementation Statement (“EPIS”)

Lockheed Martin UK Pension Plan (the “Plan”)

Plan Year End – 5 April 2026

The purpose of the EPIS is for the Trustees of the Lockheed Martin UK Pension Plan (the “Trustees” of the “Plan”), to explain the actions taken during the year ending 5 April 2026 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”).

The contents of this EPIS includes:

1. How the Trustees’ policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Plan’s investments have been followed during the year; and
2. How the Trustees have exercised their voting rights or how these rights have been exercised on the Trustees’ behalf, including the use of any proxy voting advisory services, and the ‘most significant’ votes cast over the reporting year.

Our conclusion

We believe that the policies set out in the SIP have been implemented effectively.

In October 2025, the Plan completed a buy-in, purchasing a bulk annuity policy with Legal & General (the “Insurer”) which secured the benefits of the uninsured Plan members. The bulk annuity policy represents the majority of the Plan’s assets at the Plan year end. As a result, the nature and extent of the Plan’s investments, and therefore stewardship activities, changed materially during the reporting period. References in this statement to activity undertaken “over the year” should be read in this context.

Prior to the buy-in, we delegated the management of the Plan’s assets to our fiduciary manager, Aon Investments Limited (“AIL”). We believe the activities completed by our fiduciary manager to review the underlying managers’ engagement policies, and activities align with our stewardship expectations.

In our view, the Plan’s material investment managers (in respect of assets held prior to the buy-in) were able to disclose good evidence of engagement activity, and the activities completed by our managers align with our stewardship expectations.

Over the reporting year, the Plan did not hold any material investments with voting rights. Therefore, no voting rights have been exercised on our behalf during the year.

How voting and engagement policies have been followed

Prior to the purchase of the annuity policy, the Plan was invested entirely in pooled funds, and so the responsibility for engagement was delegated to the Plan's investment managers, which is in line with the policies that were set out in the SIP. The Trustees did not directly engage or cooperate with managers or other institutional investors on ESG issues. The Trustees delegated this responsibility to AIL to engage with fund managers as part of portfolio construction.

The Trustees reviewed the stewardship activity of the material investment managers carried out over the Plan year and most of the investment managers were able to disclose good evidence of engagement activity. More information on the stewardship activity carried out by the Plan's investment managers can be found in the following sections of this report.

The Trustees received in depth portfolio updates from AIL at quarterly (or ad hoc as required) meetings, covering investment performance, portfolio positioning and topical updates, including ESG-related updates.

The Trustees also reviewed the engagement policies of the Plan's investment managers over the year to ensure they aligned with the Plan's policies and helped the Trustees to achieve them.

Following the purchase of the annuity policy, the Trustees no longer has direct influence on the Insurer's stewardship policies. However, the Trustee expects the Insurer to act as a responsible steward of assets.

The Plan's stewardship policy can be found in the SIP:
<https://pensioninformation.aon.com/lockheedmartinukpensionplan>

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental Social Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

Trustee Engagement Action Plan

Following the purchase of the Annuity Policy, the responsibility for managing arrangements with underlying investment managers lies with the Insurer. This responsibility may include ensuring that arrangements with appointed asset managers are aligned to achieving the long-term objectives of the Insurer; as well as having appropriate performance, costs (including turnover costs), and remuneration monitoring with respect to the appointed asset managers. In addition, the Trustees expect the Insurer to use its influence and purchasing power (where possible) to ensure that Environmental, Social, and corporate Governance (“ESG”) factors, including climate change, are appropriately considered by underlying investment managers and financial counterparties.

The Trustees have limited ability to incentivise the Insurer to align its investment strategy and decisions with the Trustees’ policies in relation to stewardship, corporate governance, and responsible investment. However, given the nature of the buy-in policies, such as the annuity policy purchased by the Plan, the Trustees are of the view that the Insurer is appropriately incentivised to make decisions relating to the medium and long-term financial and non-financial factors which may influence performance.

The Trustees recognise their responsibilities as a steward of investment capital; however, in endeavouring to invest in the best financial interests of the beneficiaries, the Trustees elected to purchase the annuity policy and recognises that it cannot, therefore, directly influence the ESG integration nor stewardship policies and practices of the Insurer.

Should the Trustees be provided with any opportunity which it deems appropriate to incentivise its managers and the Insurer concerning these areas, it will consider this and take reasonable steps.

Post buy-in, a small surplus remained which the Trustees invested with Insight Investment in a liquidity fund after the end of the reporting period. The Trustees will therefore report on engagement and stewardship actions, to the extent this is relevant based on the asset class held, in next year’s EPIS.

What is the Engagement Action Plan?

The Engagement Action Plan sets out specific issues that the Trustees will look to address over the forthcoming year, as well ongoing commitments around ESG monitoring and reporting.

Our fiduciary manager's engagement activity

Prior to the buy-in, the Trustees delegated the management of the Plan's defined benefit assets to our fiduciary manager, AIL. AIL managed the Plan's assets in a range of funds which can include equity, fixed income, alternative and liability matching funds. AIL selected the underlying investment managers on our behalf.

We delegated the monitoring of ESG integration and stewardship of the underlying managers to AIL.

Over the year until the buy-in was completed, AIL held several engagement meetings with many of the underlying managers in its strategies. AIL discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the investment managers. AIL provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

Over the year, AIL also engaged with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations.

AIL has a net zero commitment to deliver UK delegated investment portfolios and default strategies which have a net zero carbon emissions profile by 2050.

AIL also successfully renewed its signatory status to the 2020 UK Stewardship Code ("the Code"), which is a voluntary code established by the Financial Reporting Council ("FRC") that sets high standards on stewardship for asset owners, investment managers and service providers.

What is fiduciary management?

Fiduciary management is the delegation of some, or all, of the day-to-day investment decisions and implementation to a fiduciary manager. But the trustees still retain responsibility for setting the high-level investment strategy.

In fiduciary management arrangements, the trustees will often delegate monitoring ESG integration and asset stewardship to its fiduciary manager.

Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Plan's material managers. The managers have provided information for the most recent calendar year available.

Funds	Number of engagements		Themes engaged on at a fund level
	Fund level	Firm level	
Aegon Asset Management ("Aegon") - European Asset Backed Securities ("ABS") Fund	100	383	Environment - Climate Change Social - Conduct, Culture and Ethics Governance - Strategy, Financial & Reporting Other - General Disclosure
Ardea Asset Management ("Ardea") - Global Alpha Fund	31	31	Environment - Climate Change Other - Market Development of Green & Sustainable Bonds
M&G Investments - Sustainable Total Return Credit Investment Fund	56	533	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights; Public Health Governance - Board effectiveness - Diversity Other - Succession

Source: Investment Managers.

Data limitations

This report does not include commentary on certain asset classes such as, gilts, cash or synthetic credit because of the limited materiality of stewardship to these asset classes. Further, this report does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Plan's assets that are held as AVCs.