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 March 2026 (the Scheme Year). This statement has been produced in accordance with the 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 statutory guidance on reporting on stewardship in the implementation statement dated 17 June 2022.

The statement is based on, and should be read in conjunction with, the relevant version of the SIP that was in place for the Scheme Year, dated September 2025. The SIP is a document that sets out the principles and policies governing how decisions about scheme investments are made for a pension scheme. The Scheme’s SIP is available at Durham University Pension Scheme (DUPS) - Durham University

The Trustee reviewed the Scheme’s SIP after the year end, and the following update was made:

- The updated SIP increased the strategic interest rate and inflation hedge ratio target from 75% to 85% of total liabilities on the liability hedging basis.

The Trustee can confirm that all policies in the SIP have been followed in the Scheme Year.

In addition to the SIP the Trustee has produced a Responsible Investment (“RI”) Policy, which is used to guide the Trustees when considering the investment policies of the Scheme and includes the Scheme’s Stewardship Priorities.

The Trustee can confirm that all policies in the RI Policy have been followed in the Scheme Year.

Investment Objectives of the Scheme

The Trustee believes it is important to consider the policies in place in the context of the objectives they have set. The primary objectives for the Scheme specified in the SIP are as follows:

- “Funding objective” – to ensure that the Scheme is fully funded using assumptions that contain a modest margin for prudence. Where an actuarial valuation reveals a deficit, a recovery Scheme will be put in place which will take into account the financial covenant of the Employer;
- “Stability objective” – to have due regard to the likely level and volatility of required contributions when setting the Scheme’s investment strategy;
- “Security objective” – to ensure that the solvency position of the Scheme (as assessed on a gilt basis) improves. The Trustee will take into account the strength of the Employer’s covenant when determining the expected improvement in the solvency position of the Scheme.

The Trustee recognises that these objectives may diverge. For example, a greater allocation to more defensive assets may give greater security but may result in a level of required contributions that the Employer may find too difficult to support. The Trustee also recognises that in resolving this divergence, it is necessary to accept some risk.

Policy on ESG, Stewardship and Climate Change

The Scheme's SIP and RI Policy include 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 RI Policy was last reviewed in April 2025.

The following work was undertaken in the year to 31 March 2026 relating to the Trustee's policy on ESG factors, Stewardship and Climate Change.

Engagement

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.

The Trustee has delegated responsibility for the selection, retention, and realisation of investments to their investment managers and accordingly, the Trustee seeks to manage the risks and opportunities associated with these ESG factors by selecting industry leaders in investment management who are committed to the Principles for Responsible Investment ("UNPRI") (as they apply to the sector in which the manager invests or the strategy pursued by the manager) and against criteria which include ESG considerations. ESG and the level of integration will differ across asset classes and by investment manager. All managers, except Ares and BentallGreenOak, have confirmed that they are signatories to the UNPRI; Legal and General Investment Management, PIMCO and M&G are also signatories to the UK Stewardship Code 2020 as at 31 March 2026. Ares, although are not a signatory to the UK Stewardship Code, adopted a UK Stewardship Code Disclosure Statement and a UK Modern Slavery Act Statement. BentallGreenOak do not believe is appropriate to become a signatory to the UK Stewardship Code and prefer to apply their own more specific approach to stewardship.

The strategic rationale for investing in different asset classes that help the Trustee to achieve the Scheme's investment objectives remains the primary driver behind investment strategy decisions. However, within this context, the Trustee is increasingly considering how sustainable investment issues are integrated within investment processes in appointing new investment managers and monitoring existing investment managers.

The Trustee reviews investment performance reports on a quarterly basis, which includes the investment consultant's assessment of the extent to which the investment managers' integrate ESG into the investment process, as applicable. This assessment includes and allows for the investment managers' policy on voting and engagement, amongst other considerations. Where managers may not be highly regarded from an ESG perspective, relative to the peer group, the Trustee may undertake further engagement. The Trustee will also use this assessment in decisions around selection, retention and realisation of manager appointments.

The Trustee will meet fund managers as regularly as deemed necessary to ensure good governance and may challenge decisions made including voting and engagement activity, if deemed appropriate.

The Scheme's investment managers provided examples of instances where they had engaged with investee companies. These engagement initiatives are driven mainly through regular meetings or by voting on resolutions at companies' Annual General Meetings, related to various governance, social or environmental issues.

Voting and Engagement Activity

Engagement Activity

The following are examples of engagement activity undertaken by the Scheme's investment managers, where relevant. Examples were provided by the investment managers.

LGIM - Future World Global Equity Index Fund (GBP Hedged) - Strategy Level Engagement with Rio Tinto Plc ("Rio Tinto")

LGIM chose to engage with Rio Tinto on climate-related matters, reflecting its view that the mining and diversified metals sector produces minerals that are essential to the energy transition, and that long-term, responsible investors can support these companies as they decarbonise and realise the associated financial opportunities. In August 2024, LGIM published its updated assessment framework for mining companies' climate transition plans, which has formed the framework for its ongoing engagements with the sector.

For LGIM's engagement with Rio Tinto, it set the following objectives for the company to:

- Provide quantifiable targets for Scope 3 emissions; and
- Commit to an annual shareholder vote to allow shareholders to monitor progress in a timely manner.

LGIM has been engaging in detailed and constructive discussions with Rio Tinto since voting against the company's previous Climate Action Plan in 2022. In 2025, LGIM had four meetings with the company and detailed email exchanges. Levels of individual typically engaged with included the Chair and the Senior Independent Director. Engagement was led by LGIM's Investment Stewardship team.

The engagement extended beyond climate matters: a shareholder resolution was put on the 2025 AGM ballot requesting that the company form a committee of independent directors to review whether a unification of the dual-listed companies structure into an Australian-domiciled holding company would be in the best interests of shareholders, and to commission an independent expert report on the matter. LGIM engaged directly with the Chairman and undertook several email exchanges to understand the Board's response prior to the vote.

Following what LGIM viewed as substantive progress by Rio Tinto — primarily through enhanced disclosure of its plans to decarbonise its value chains and clear, quantified actions set out to meet its emission reduction targets — LGIM considered the company's enhanced strategy to closely align with its framework. LGIM therefore voted in support of the company's Climate Action Plan (Resolution 19) and pre-declared its voting intention. Separately, after extensive engagement with both the proponent and the company regarding the dual-listed structure resolution, LGIM concluded that the Board had already undertaken an extensive review of this issue, and therefore voted against the resolution, supporting management's recommendation.

In terms of next steps, LGIM will continue its engagement with Rio Tinto on the implementation of its Climate Action Plan and will monitor the company's progress against its decarbonisation commitments.

LGIM - Future World Global Equity Index Fund - Strategy Level Engagement with Anglo American Plc ("Anglo American")

LGIM chose to engage with Anglo American on climate and governance matters, with a focus on strategic opportunities that have the potential to strengthen the company's position as a leader in the climate transition. Anglo American is also included in LGIM's engagement-led investing strategy, an approach that seeks to support companies in creating long-term shareholder value while reducing emissions and advancing the energy transition.

For LGIM's engagement with Anglo American, it set the following objectives for the company to:

- Pursue portfolio restructuring to restore market confidence and unlock shareholder value;
- Demonstrate business strategy alignment with climate-related objectives; and
- Align executive remuneration with long-term performance and shareholder interests.

LGIM has been engaging with Anglo American on strategic and sustainability matters across 2024 and 2025. In 2025 alone, LGIM undertook a series of six meetings and multiple email exchanges with the company, led by both the Investment Stewardship and Climate Solutions teams. Engagements involved senior leadership, including the Chief Executive Officer, Head of Sustainability, and several board members.

LGIM had proactively advocated for significant portfolio restructuring to restore market confidence and unlock value, and was pleased to see the company's subsequent announcements closely align with its proposed action plan, culminating in the September 2025 announcement of the proposed merger with Teck Resources. LGIM publicly supported the merger, recognising its potential to create an energy-transition leader with a strong sustainability focus and significant copper exposure — a critical metal for electrification projected to see surging demand by the 2030s.

At the December 2025 Extraordinary General Meeting ("EGM") to approve the merger, Anglo American also put forward amendments to its Long-Term Incentive Plan ("LTIP") for shareholder approval. LGIM constructively challenged the company on these retrospective changes to in-flight LTIP awards, which would have guaranteed minimum vesting levels of the 2024 and 2025 awards subject to the merger proceeding. As these changes were not aligned with LGIM's remuneration policies, and as the company did not provide the sought assurances on future performance-based incentives, LGIM voted against Resolution 2 (LTIP amendments) while supporting the merger itself. To ensure transparency and signal its position to the market, LGIM pre-declared its votes ahead of the EGM. Following LGIM's pre-declaration — and in response to significant shareholder concern — Anglo American announced the withdrawal of the remuneration resolution ahead of the EGM. The proposed merger was subsequently approved by shareholders with 99.17% of votes in favour.

In terms of next steps, LGIM will continue to engage with Anglo American on future remuneration plans ahead of the 2026 AGM pay policy renewal, the decarbonisation of its operations, and opportunities to capture value from low-carbon materials.

Ares – Capital Europe V - Firm Level Collaborative Engagement with the ESG Integrated Disclosure Project (“ESG IDP”)

Ares were unable to provide any fund specific examples of engagements due to the nature of the underlying holdings. The manager also noted that it does not track engagement data in a format that would allow engagement statistics to be reported for the one-year period to Q1 2026.

BentallGreenOak (“BGO”) – UK Secured Lending Fund II - Firm Level Collaborative Engagement with the Net Zero Asset Managers (“NZAM”) Initiative

BGO stated that its engagement and stewardship activity in relation to sustainable investing is comprised primarily of collaborative engagements across the real estate sector, with a particular focus on market-wide and system-level risks such as climate change. In 2021, BGO joined the Net Zero Asset Managers (“NZAM”) initiative, pledging to support the goal of net zero emissions by 2050, in line with global efforts to limit warming to 1.5° Celsius, and to work in partnership with clients on meeting their decarbonisation goals. This engagement aligns with BGO’s wider sustainable investing approach, which seeks both to support decarbonisation and to improve long-term asset resilience and value creation. During the year, BGO noted that it remained focused on this theme and was in the process of agreeing updated decarbonisation targets for the funds that form part of its NZAM target, with publication expected in June 2026.

More broadly, BGO explained that its Sustainable Investing team engages with a range of external stakeholders, including investors, tenants, joint venture partners and industry associations, with the aim of improving market practice and informing the development of industry best practice on climate-related issues.

BentallGreenOak ("BGO") – UK Secured Lending Fund III – Strategy Level Engagement with the Sponsor on the Diamond deal

GO engaged with the Sponsor on the Diamond deal in June 2025. This was provided as a strategy-level example of BGO's wider engagement approach at the due diligence ("DD") stage, where its Lending team uses a proprietary ESG Scorecard to assess a loan's sustainability characteristics and identify ESG risks and opportunities requiring further discussion with the Sponsor. In this case, BGO engaged on the Sponsor's ability to deliver an energy efficient asset with a high EPC and green building certification, and also discussed how the development would be delivered in line with net zero standards. As part of DD, flood and drought risk were identified and BGO engaged with the Sponsor on the related mitigation and adaptation plan, which was then incorporated into business planning.

BGO also engaged on the project's embodied carbon assessment, which indicated that projected embodied carbon was ahead of industry-leading standards, together with a range of additional sustainability matters including the use of renewable energy, with solar PV proposed for the roofs, the contractor's circular economy action plan, the pre-investment biodiversity study, and the use of local suppliers.

BGO explained that, as a real estate debt strategy, its engagement with Sponsors is typically front-loaded in the investment process, although follow-up engagement may continue during the asset management phase where sustainability risks have been identified or where delivery against the agreed business plan and sustainability initiatives needs to be monitored.

M&G – Illiquid Credit Opportunities Fund III - Strategy Level Engagement with Ørsted A/S ("Ørsted")

M&G informed that during the reporting period, they did not have any engagements specifically for the fund that DUPS are invested in.

Over the period M&G engaged with Ørsted to discuss the reasoning behind a large reduction in the company's disclosed avoided emissions and to request that the company return to reporting the overall avoided emissions of its energy generation. M&G also used the engagement to assess whether the company remained on track against its 2030 nature positive targets, including the development of an appropriate framework and supporting metrics.

M&G noted that Ørsted had previously changed its reporting so that avoided emissions only reflected generation funded by green bonds, rather than overall generation. During the engagement, M&G explained why it believed reporting only the green bond-funded figure reduced transparency and made it harder for investors to assess the company's overall contribution to decarbonization. M&G therefore asked the company to reinstate disclosure of overall avoided emissions and to publish this figure annually going forward.

Following the engagement, Ørsted agreed to take this request away and subsequently returned to reporting its overall generation, alongside a separate figure for generation funded by green bonds. The company also agreed to publish both figures annually going forward. In addition, M&G continued its dialogue with Ørsted on its approach to nature-related targets and metrics, with the aim of ensuring that the company remained on track in relation to its 2030 ambitions.

CVC Credit Partners EU DL 2021 Fund

CVC were unable to provide any strategy level or firm level engagement examples, given both the nature of the request and the nature of the strategy (to which it is not entirely applicable).

PIMCO - Diversified Income (Duration Hedged) Fund - Strategy Level Engagement with an undisclosed UK Electricity Utility Company

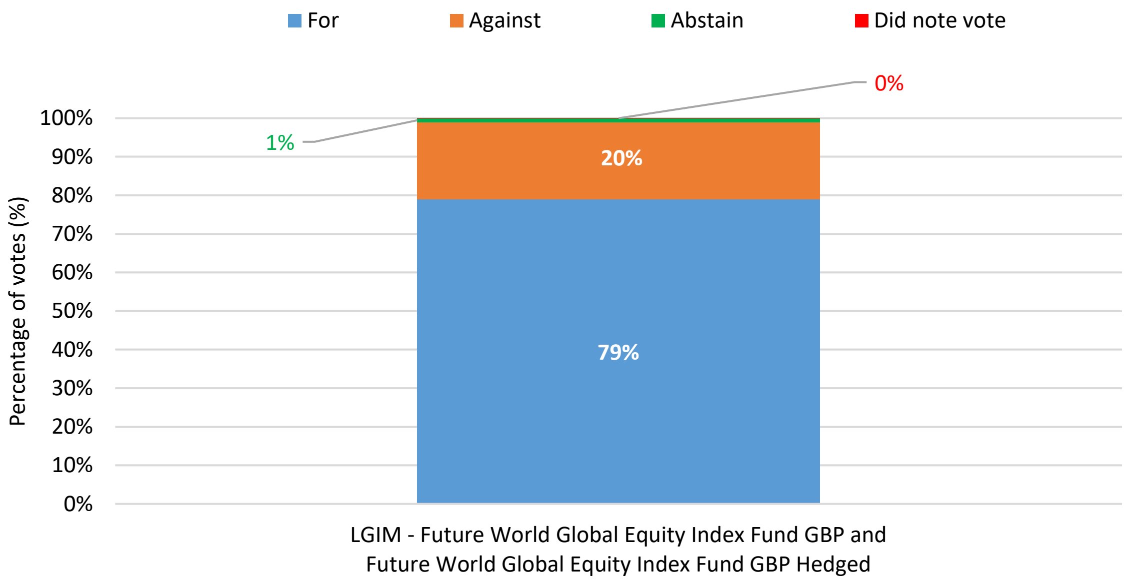
PIMCO engaged with the issuer, a UK-based electricity utility, as part of its ongoing stewardship activity on climate risk strategy, natural resource use, and green bond issuance. The manager recently engaged with the issuer on its green financing and bond alignment outlook, including expectations for increasing green issuance in the UK and alignment with the EU Taxonomy. They also discussed decarbonization measures, including leak and line loss prevention and network upgrades, as well as the issuer's consideration of the TNFD framework and broader nature-related priorities.

Subsequent to PIMCO's engagement, the issuer indicated that it aims to increase green bond issuance in the UK with full EU Taxonomy alignment and continue advancing its climate adaptation and nature preservation efforts globally. PIMCO will continue to monitor progress and follow up as appropriate.

Voting activity during the Scheme Year

The Trustee has delegated their voting rights to the investment managers. Investment managers are expected to provide voting summary reporting at least annually. These reports are reviewed as part of the production of this Statement.

A summary of the voting activity for the Scheme's equity investments is set out below. Over the prior 12 months, the Trustee has not actively challenged the investment managers of each externally managed fund on their voting activity, however managers have presented a summary of activity. The Trustee does not use the direct services of a proxy voter. The chart below summarises the proportion of votes that were 'for' or 'against' the proposal of company management.



Total Eligible Proposals	68,549	69,906
% Eligible Proposals Voted	99.96%	99.97%

Source: LGIM. Data to 31 March 2026.

Significant Votes

Following guidance from the Department for Work and Pensions ('DWP'), the Trustee is required to define what constitutes a 'significant vote' to guide the inclusions in this Implementation Statement. Votes that the Trustee considers 'most significant' are required to be included in this statement.

The Trustee defines a significant vote as one that relates to the following key stewardship priorities:

- Environmental (E) – **Enivronmental degradation** (Low-carbon transition and physical damages resilience)
- Social (S) - **Human rights** (Modern slavery, pay & safety in workforce and supply chains and abuses in conflict zones)
- Governance (G) – **Discrimination** against protected characteristics (Inclusive and diverse decision making)

The Trustee has decided to consider as relevant only votes on holdings that represent over 1% of the holdings in their given fund to focus on votes that could have a material impact on holdings within the investment portfolio. Given the large number of votes provided by the Investment Managers,

Issuer	Size of holding*	Resolution	Date	Stewardship Priority	Vote	Rationale	Outcome
Microsoft Corporation	4.3%, 4.3%	Elect Director Satya Nadella	5th December 2025	Governance: Board Leadership	Against	Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.	Passed (94%).
SK hynix, Inc.	3.3%, 3.3%	Elect Kim Jeong-won as Outside Director	25th March 2026	Governance: Board Leadership	For	Director Election: A vote for is applied as no major concerns have been highlighted.	LGIM did not provide details of if this resolution passed.
Meta Platforms inc.	1.6%, 1.5%	Elect Director Peggy Alford	28th May 2025	Governance: Board Leadership	Against	Diversity: A vote against is applied as LGIM expects a company to have at least one-third of women on the board.	LGIM did not provide details of if this resolution passed.
Tesla, Inc	1.2% , 1.3%	Elect Director Ira Ehrenpreis	6th November 2025	Governance: Board Leadership	Against	Independence: A vote against is applied as L&G expects the Chair of the Remuneration and Nominations/Governance Committees to have served on the board for no more than 12 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background.	LGIM did not provide details of if this resolution passed

Broadcom Inc.	1.2%, 1.2%	Elect Director John L. Hennessy	21st April 2025	Governance: Board Leadership	Against	Climate Impact Pledge: A vote against is applied as the company is deemed not to have made sufficient progress against our climate expectations and red lines, as set out in our sector guides through LGIM's dial-mover engagement programme.	Passed (98%).
Eli Lilly and Company	1.2%, 1.1%	Elect Director Juan R. Luciano	5th May 2025	Governance: Board Leadership	Against	Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.	Passed (95.6%).
JPMorgan Chase & Co.	1.1%, 1.1%	Elect Director James Dimon	5th May 2025	Governance: Board Leadership	Against	Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.	Passed (93.8%).

Source: LGIM. Information provided for the period 1 April 2025 to 31 March 2026.
* Size of holding in relation to LGIM Future World Global Equity Index Fund and LGIM Future World Global Equity Index Fund GBP Hedged, respectively.

LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with the investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.