

Engagement Policy Implementation Statement (“EPIS”)

CNA Pension Plan for UK Employees (the “Plan”) Plan Year End – 31 March 2025

The purpose of the EPIS is for us, the Trustees of the CNA Pension Plan for UK Employees, to explain what we have done during the year ending 31 March 2025 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

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

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

In our view, the Plan’s material investment manager, Legal and General Investment Management (“L&G”) was able to disclose adequate evidence of engagement activity, and the activities completed by our manager align with our stewardship expectations.

We plan to invite our investment manager to a Trustee meeting to get a better understanding of its engagement practices, and how these help us fulfil our Responsible Investment policies.

How engagement policies have been followed

The Plan is invested in pooled funds, and so the responsibility for engagement is delegated to the Plan's investment manager, which is in line with the policies set out in our SIP. We reviewed the stewardship activity of the material investment manager carried out over the Plan year and in our view, L&G was able to disclose adequate evidence of engagement activity. More information on the stewardship activity carried out by the Plan's investment manager can be found in the following sections of this report.

Over the reporting year, we monitored the performance of the Plan's investments on an annual basis and received updates on important issues from our investment adviser, Aon Investments Limited ("Aon").

The Plan's stewardship policy can be found in the Statement of Investment Principles ("The CNA Pension Plan for UK Employees - Statement of Investment Principles – 26 April 2023"): <https://www.cnahardy.com/about-us/reporting-and-governance>

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

Our manager's 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 manager. The manager has provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e. is not necessarily specific to the funds invested in by the Plan.

Funds	Number of engagements		Themes engaged on at a fund/firm level
	Fund level	Firm level	
L&G - 5A Fixed Interest Over 15 Years Target Duration*	1		Environment - Energy Governance – Board Evaluation and Effectiveness Reviews
		4,399	
L&G - Active Corporate Bond - Over 10 Years	97		Environment - Climate Impact Pledge; Energy; Climate Change Social – Income Inequality Governance – Capital Management; Remuneration Other - Corporate Strategy; Company Disclosure & Transparency

Source: L&G

Data limitations

At the time of writing, L&G has provided a complete list of engagements for the invested fund, however, did not include as much detail as recommended in the best practice industry standard Investment Consultants Sustainability Working Group ("ICSWG") reporting guide. In addition, whilst L&G has provided firm level info, the reporting methodology for the number of engagements is out of line with what we view as industry best practice and as compared to peers.

This report does not include commentary on the Plan's gilts or cash funds 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.