Annual Implementation Statement – for the scheme year ending 5 April 2026

Valspar UK Pension Plan

Introduction

This document is the Annual Implementation Statement ("the statement") prepared by the Trustee of the Valspar UK Pension Plan (the "Plan") covering the scheme year to 5 April 2026.

The purpose of this statement is to:

- set out the extent to which, in the opinion of the Trustees, the engagement policy under the Plan's Statement of Investment Principles ("SIP") has been followed during the year.
- describe the voting behaviour by, or on behalf of, the Trustees over the year.

A copy of this implementation statement will be made available on the following website https://www.valsparpaint.co.uk/valspar-uk-pension-plan/.

This statement does not cover the Plan's Additional Voluntary Contribution (AVC) investments.

Trustees' voting and engagement policy

The Trustees have delegated all day-to-day investment decisions to the Plan's sole investment manager – Legal & General Investment Management ("Legal & General"). The Plan's assets are entirely passively managed and invested in Legal & General pooled arrangements.

Due to the passive nature of the Plan's investments, the Trustees recognise that no material decisions are taken by the investment manager on the holdings to be included in the portfolio. However, the Trustees expect that the extent to which social, environmental or ethical issues may have a fundamental impact on the portfolio will be taken into account by the investment manager in the exercise of its delegated duties.

The Plan's investment manager is signed up to the UK FRC Stewardship Code. The Trustees encourage Legal & General to discharge their responsibilities in respect of investee companies in accordance with the Stewardship Code published by the Financial Reporting Council. The Trustees will monitor the activities of their manager on a regular basis but appreciate that its applicability may be limited for certain asset classes such as bonds.

The Trustees receive regular updates from the investment consultant on the investment manager's performance and whether there have been any changes to the investment manager's research ratings. This is discussed at Trustees' meetings together with whether the manager is performing in line with the Plan's objectives.

In addition, the Trustees review Legal & General's annual Active Ownership report and quarterly Environmental, Social and Governance (ESG) Impact reports. Over the year, Legal & General has focused on a number of key themes, including: climate and nature, social resilience and corporate governance. The Trustees are satisfied that the manager is engaging with investee companies in a manner aligned with the Plan's long-term investment objectives.

The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers.

Summary of voting over the year

The Plan's equity investments are managed by Legal & General via pooled funds, all on an index-tracking basis. Given the indexed nature of the mandates, Legal & General are limited by the equities they must hold in the portfolio, but the Trustees believe they have a strong engagement process.

A summary of the voting on behalf of the Plan is provided in the table below. As the voting data as at 5 April 2026 is not available, the data provided below is as at 31 March 2026.

Fund	Number of votes eligible to cast	% of votes exercised	% of votes with management	% of votes against management	% abstained
Legal & General World (ex-UK) Equity Fund	33,637	100.0%	79.2%	20.5%	0.3%

Totals may not sum due to rounding.

As a hedged Share Class of the Legal & General World (ex-UK) Equity Fund, voting for the Legal & General World (ex-UK) Equity Fund GBP Hedged fund was as described above.

Voting information on the Plan's bond funds is not provided, as the vast majority of loan and debt securities do not come with voting rights.

Significant votes

The table below demonstrates the most significant votes cast on behalf of the Plan over the year to 31 March 2026. The significant votes chosen are those for the companies that make up the largest holdings within each equity fund:

Fund	Significant votes cast
Legal & General World (ex-UK) Equity Fund	**Company: Microsoft Corporation** **Size of holding: 4.1%** **Management resolution:** Resolution 1f: Elect Director Satya Nadella **How the manager voted**: Against (Against Management Recommendation). **Rationale for the voting decision**: 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 **Outcome:** Vote passed
Legal & General World (ex-UK) Equity Fund	**Company: Mastercard Incorporated** **Size of holding: 0.6%** **Management resolution**: Resolution 7: Oversee and Report on a Racial Equity Audit **How the manager voted**: For. **Rationale for the voting decision**: Shareholder Resolution Diversity: A vote in favour is applied as we support such information and risk management approach to Diversity. **Outcome:** Fail. 11.5% of shareholders supported the resolution.

As a hedged share class of the Legal & General World (ex-UK) Equity Fund, voting over the year and significant votes for the Legal & General World (ex-UK) Equity Fund GBP Hedged fund was as described above.