

SUSTAINABLE OWNERSHIP MEMBER VIEWPOINT 2025

Presenting the results from the December 2024
Sustainable Ownership member survey

RAILPEN



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HELLO AND WELCOME...

... to our dedicated report on the results from the annual Sustainable Ownership member survey.

The survey gathers your thoughts and opinions about our approach to investing your pension money.

Your views are valuable to us. They give us an insight into how you feel about our work on sustainable ownership. So, thank you to those who took part in our most recent survey.

We listen carefully to all you have to say about our work in this field. And we want you to feel confident in knowing that your pension contributions are invested in a way that focuses on getting the best possible returns for you.

Look out for our 2025 survey landing in your inbox in November.

Sustainable ownership is our approach to incorporating sustainability issues, like climate change or executive pay, into the investments Railpen manages on your behalf.

You and your employer pay contributions while you're an active member of the railways pension schemes. These contributions are then invested in different ways, including in companies and brands you may well be familiar with. We do this to achieve the investment returns needed to give you and other members an income in retirement.

We believe it's sensible to invest these contributions in companies that are well-run, and try to address all the risks and opportunities related to how their business works. These risks and opportunities include environmental, social and governance (ESG) issues.

These could be things like climate change, such as the impact of extreme weather events on food production, or it could be a company's approach to the health and safety of its workers.

We think investing like this is the best way to protect and increase the value of your savings, giving you a good retirement outcome.

Even before you receive your pension, the way we invest and manage contributions plays a major part in supporting a more sustainable future for us all.

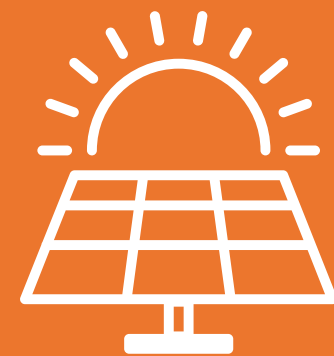




WHO WE ASKED AND THE HEADLINES

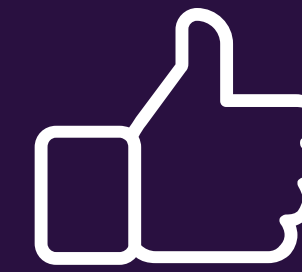
Nearly 700 randomly selected members paying into the railways pension schemes took part in the survey in November and December 2024.

The respondents – of different backgrounds, ages, jobs and with different levels of investment knowledge – answered our questions and shared their views on the way we invest their pension.



Many of you are familiar with our work

49% were familiar with the term “sustainable ownership”



You want us to continue to influence for positive change

66% think it’s extremely or quite important that we try to influence law and regulations to ensure companies do better on ESG



Your top ESG priorities are:

38% ‘social’ issues

34% ‘governance’

27% ‘environmental’



We need to communicate with you more and in new ways

75% haven’t come across any of our sustainable ownership papers

Click on the blocks to understand more about each of the insights and how we will be addressing them.



WHAT OUR MEMBERS TOLD US

Your pension and how it is invested

Key findings:

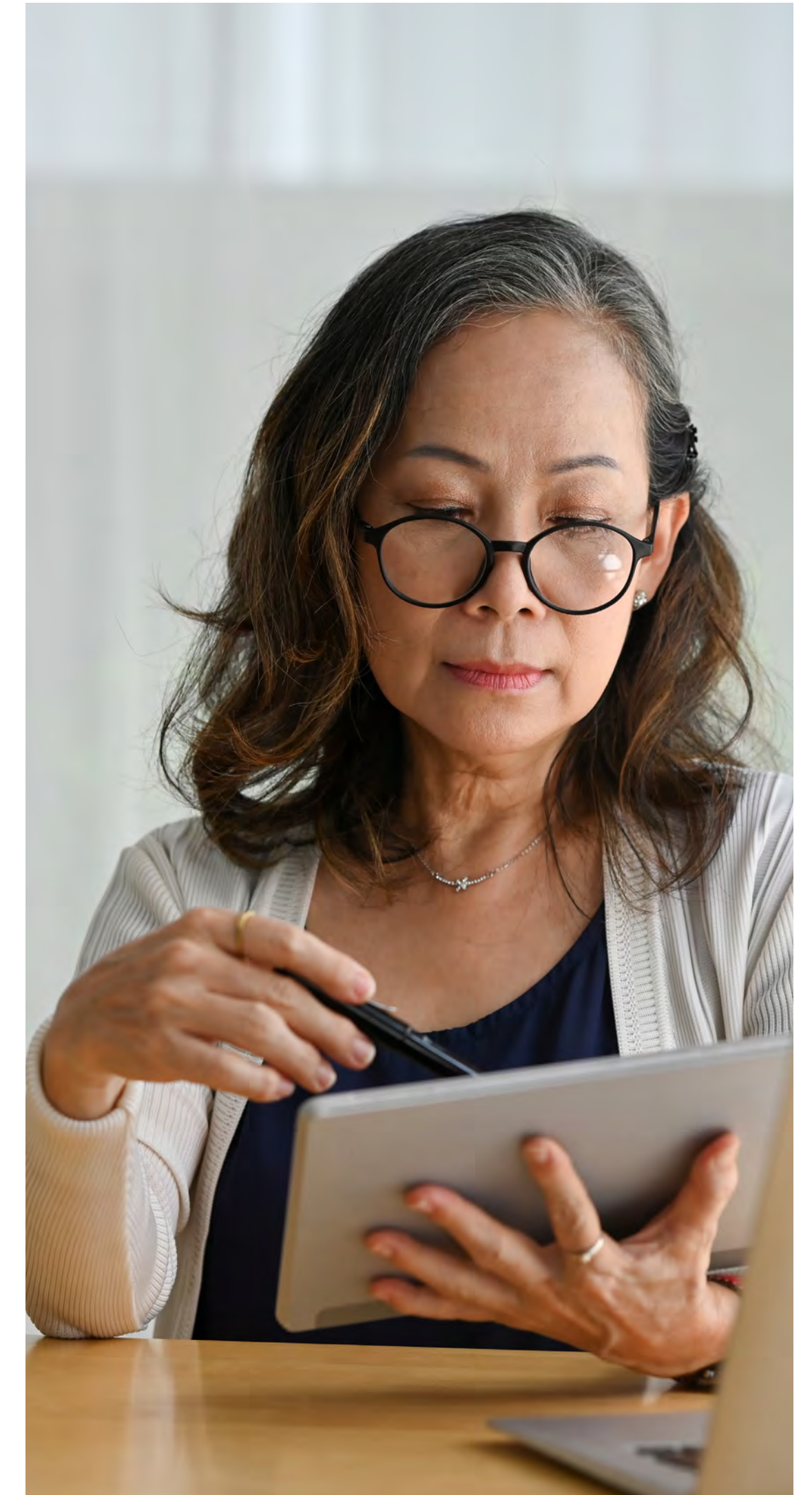
- Most people had a basic understanding of their pension. A quarter of you said you understood your pension well.

How well do you understand how your pension works?



- Understand very well - **7.23%**
- Understand well - **26.30%**
- Understand somewhat - **44.08%**
- Do not understand well - **17.05%**
- Do not understand at all - **5.35%**

We realise the importance of increasing members' understanding of saving for their future and we'll continue to promote this.





- Half of the members who took part knew the term ‘sustainable ownership’.

This has dropped compared to previous years, but this is because we’ve surveyed more, and a wider range of members this time. We expected this result and will continue to communicate more effectively on the subject. We know members are starting to notice our increased activity in telling them more about our work in this area.

Equally the result indicates that a greater number of members have answered that they are familiar with the term ‘sustainable ownership’ this year.

- Most people weren’t aware that we have won awards for our approach to investing members’ savings sustainably.

At Railpen, we were one of the first UK investors to think about how well a company is run and its history, or what it might do in future, on the environmental and social topics that matter most to financial outcomes for members. This helps us make investment decisions.

We are delighted to have been recognised by our industry peers for our work on sustainable ownership on your behalf with awards including:

- 2024 ICGN Stewardship Disclosure Award (asset owners < \$60bn AUM)
- 2024 IPE European Pension Fund Award Winner for ESG Strategy
- 2024 IPE European Pension Fund Awards – Highly commended for Carbon and Net Zero Strategies
- 2024 IPE European Pension Fund Awards - Highly commended for Stewardship and Engagement
- 2024 Actum Group Value Creation LP ESG Award
- 2023 Clearpath ESG Investment Innovation of the Year Award



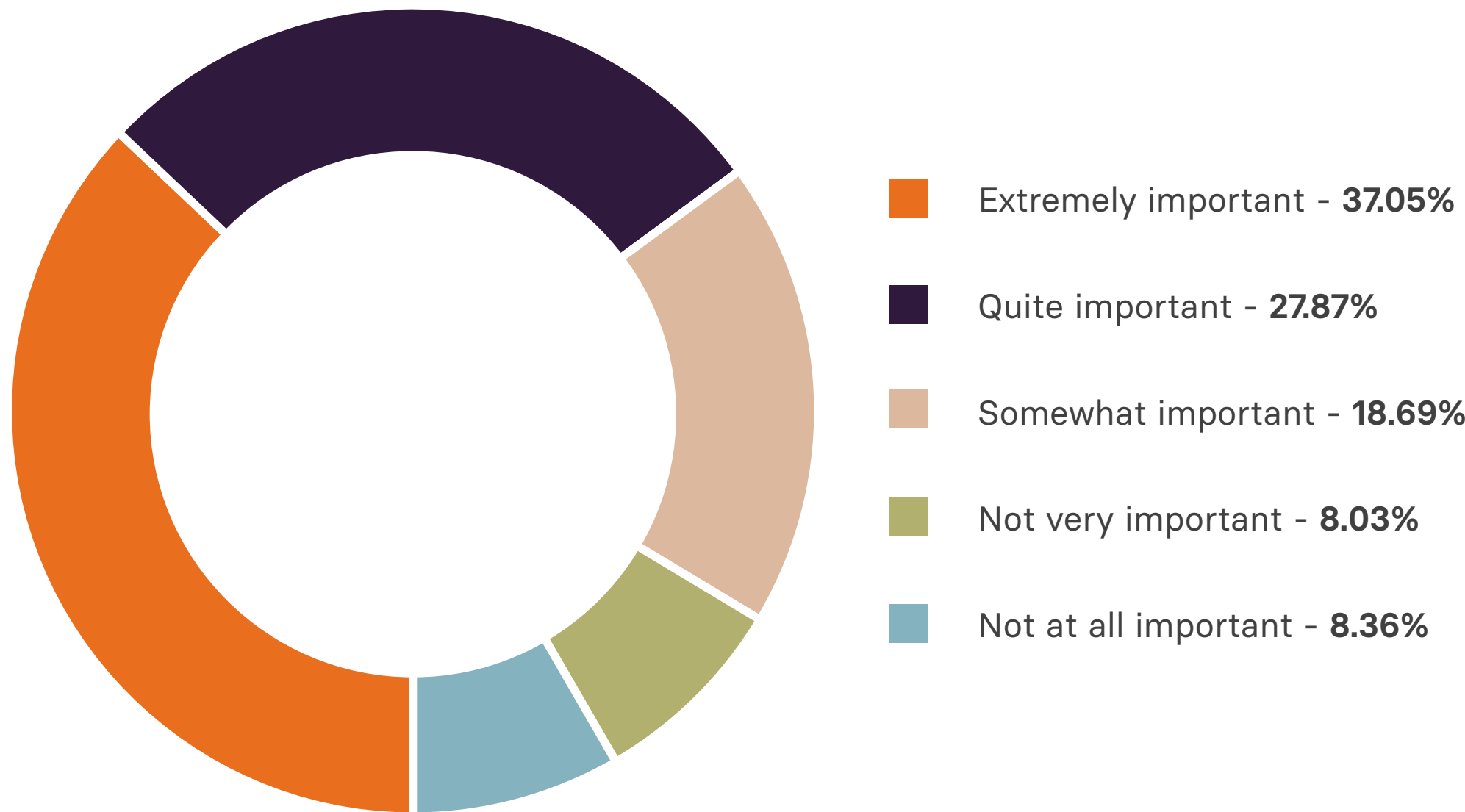


Our influencing work

Key findings:

- Most respondents thought it's extremely or quite important to try and influence **the companies we invest their pension in** to do better on environmental, social and governance issues.

To what extent do you think it is important that we try to influence the behaviour of individual companies to do better on environmental, social and governance issues?



As investors of your pension money, we have certain rights when it comes to the companies we invest in.

Our rights include the ability to talk to senior executives at companies to encourage them to, for instance, pay their staff fairly, invest in the right training and development or reduce plastic packaging – depending on which issues we think will have the biggest impact on financial outcomes for members.

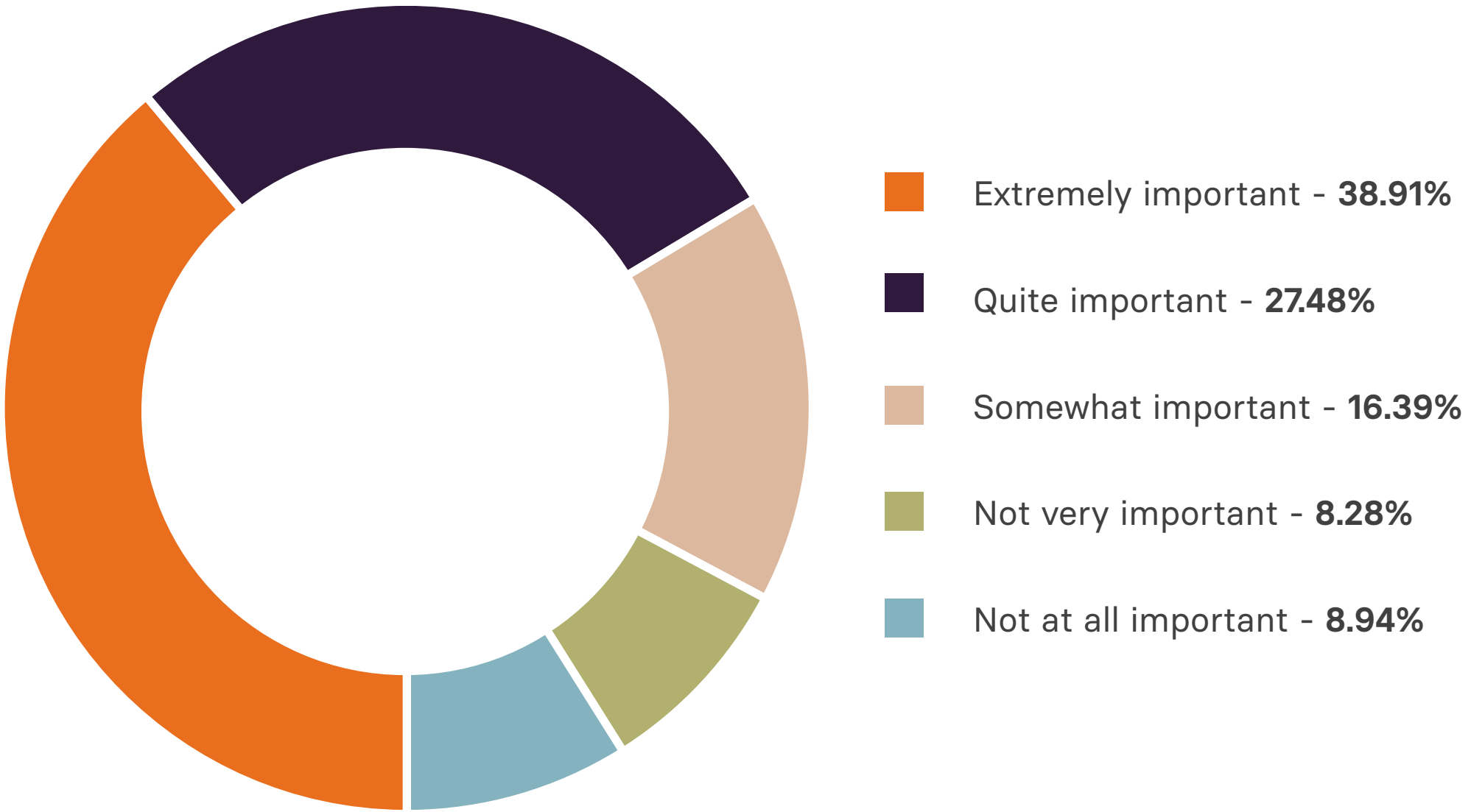
Our rights also include the ability to publicly show support for, or sanction of, the companies we invest in by voting at their Annual General Meetings (AGMs). So if we think companies aren't listening to us or others, we can take action at their AGMs, by voting against the election of certain board directors, or refusing to approve important decisions or publications like annual reports.

Where we think companies need further encouragement to act in a way that helps protect the value of our investments, we speak to government officials, regulators and politicians to change the law and regulations governing company behaviour.



- Most members thought it's extremely or quite important to try and influence **law and regulations** to ensure companies do better on environmental, social and governance issues.

To what extent do you think it is important that we try to influence law and regulations to ensure companies do better on enviromental, social and governance issues?





Your top areas of concern

Key findings:

- Most members have said 'social' issues are their top area of concern, closely followed by corporate governance and the impact on the environment

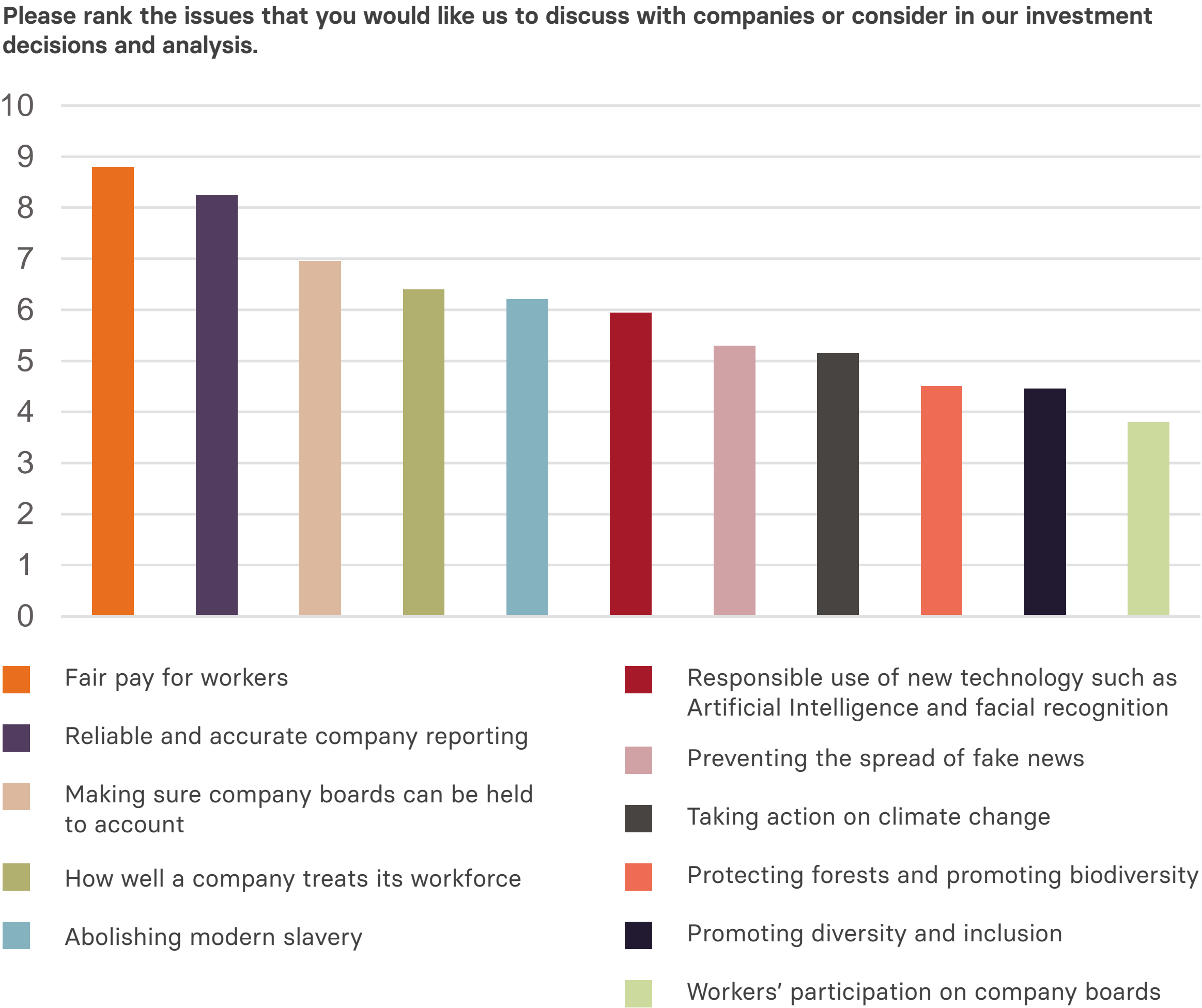
Which of the following is your top area of concern? Select one answer.



- Approach to social issues, such as labour rights, avoidance of modern slavery and workforce treatment - **38.06%**
- Impact on the environment, including climate change - **27.24%**
- How well the company is run, including executive pay and whether the company's board is diverse, expert and independent - **34.70%**



- Fair pay, reliable and accurate company reporting and making sure company boards can be held to account are the top issues members want us to discuss with the companies we invest in.



Similarly to last year's results, 'social' issues were top area of concern to most respondents, 38%, followed by 34% on 'governance' or how a company is managed. After this, it's environmental issues, including climate change, with 27%.

Last year, 'social' issues such as how well a company treats its workforce and whether it pays it fairly also came out first in members' priority issues.

The challenges we have all had to face in the aftermath of the Covid-19 pandemic and the cost of living crisis have perhaps had an impact on members' answers this and last year.

We follow the evidence on the impact of particular environmental, social and governance issues on company performance. We agree with members that these issues are vital in determining how well-placed a company is to thrive over the long-term.

You can read more about our work on issues such as workforce treatment, unequal voting rights and audit at [Stewardship Report 2023](#).



Communicating with you

Key findings:

1. There's still more work to do on communicating with you as over 70% of our survey respondents have said they haven't seen any of our communications on our sustainable ownership activity.
2. Those members who have come across our sustainable ownership communications have said they have seen them in our newsletters, on their member websites, on Railpen's website and on social media.
3. Our Net Zero Plan is our most-seen paper with members, closely followed by the Sustainable Ownership Member Review and our most recent Stewardship Report.

Our broader research into your understanding of our work indicates that the work we have done and continue to do to enhance your knowledge of the way we invest your money has proven fruitful, as more of you are getting familiar with it.

We realise the nature of the topics we look at might feel difficult to grasp for some members. That's why we'll continue with our efforts to make our work and the value it brings easier to digest by everyone. We believe you deserve to know and understand how the money and your employer pay into your pension 'work' behind the scenes, while you're also hard at work, to give you an income in retirement.



BEFORE YOU GO

Please talk to us

We are really keen to hear your views. We don't just want to be talking 'at' you, we want to hear from you so if you've got a pressing question, please get in touch.

We often run member surveys and focus groups on sustainability topics. If you're interested in taking part, please join our [member advisory group Platform](#).

If you have some time to spare and would like to get involved with helping us shape our future sustainable ownership priorities, email us at so@railpen.com. We'll keep you informed of any upcoming member events.

Understand more about our work

If you are interested in understanding more about our work and what we think about when investing your pension money, there's a number of things you can do:

- A great starting point would be our Sustainable Ownership Member Reviews from the past few years. These reports explain the key highlights of our work that members have told us they are interested in knowing more about. It's been written for members in a way that can be understood by people who don't necessarily know much about pensions or investments.

Read the latest and previous issues of the report [here](#).

- For a more detailed take on our approach to incorporating ESG factors in our work to protect and enhance the value of members' pension savings, and the journey to net zero, have a read of our [Stewardship reports](#).
- To learn more about our plan to be net zero by 2050 or sooner, give our [Net Zero Plan](#) a read.
- If you want to find out more about our global voting positions for the 2025 Annual General Meeting (AGM) season, take a look at the [2025 Global Voting Policy](#).





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