

# ROYAL LONDON UNIT TRUST MANAGERS LIMITED

## SECTION 172 FOR THE YEAR ENDED 31 DECEMBER 2024

### Section 172 statement

The Directors are mindful of their duties under Section 172(1) of the Companies Act 2006 to run the Company for the benefit of its members as a whole and, under Section 172(2), to achieve the Company's purpose as a manager of authorised collective investment schemes, and in doing so, to have regard (amongst other matters) to the interests of key stakeholders, which they take into consideration as part of Board discussions and decision making.

While discharging their duties and making decisions, Section 172 requires Directors to have regard, amongst other matters, to:

- The likely consequences of any decision in the long term;
- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly between members of the Company.

As a subsidiary in a large Group, the Company does not have any employees. All employees engaged in the Company's business are employed by the ultimate parent undertaking, RLMIS, and seconded to Royal London Management Services Limited ("RLMS"). Further information regarding the Group's approach to its workforce and current year initiatives are disclosed in the Group's annual report and accounts. In respect of the need to act fairly between members of the Company, as noted above the Company is a subsidiary within a large Group, and has a sole ultimate parent – RLMIS.

During 2024, the Board discussed a number of important matters, including responsibilities delegated to Investment Managers, and took a number of key decisions where the Board had regard to the impact on stakeholders with respect to the requirements of Section 172 as follows:

### Section 172 Factor

### Board discussion and stakeholder considerations

The impact of the Company's operations on the community and the environment

#### Task Force on Climate-related Financial Disclosures ("TCFD") Report

The Company delegates management of climate risk to its investment manager, Royal London Asset Management Limited ("RLAM Ltd"). As part of its commitment to the environment, and having regard to the Company's impact on the environment, the Board reviewed the Company's appendices to the Group's TCFD report. RLAM Ltd has been an official supporter of the Financial Stability Board's TCFD since June 2020, aiming to increase and improve its own disclosures and that of companies in which it invests. Formal reporting is made at both Product-level and Entity-level, with all Fund Reports containing TCFD information and a hyperlink to Product-level TCFD reports.

The desirability of the Company maintaining a reputation for high standards of business conduct

#### Operational Resilience Self-Assessment

In early 2024, the Board approved the Company's relevant Important Business Services ("IBS") as reported in the RLAM Group's Operational Risk Self-Assessment. This self-assessment aims to ensure that customers are properly protected, and is mindful of the desirability of the Company to maintain a reputation for high standards of business conduct. Annually, the Board reviews RLAM Ltd's business continuity plan, upon which it places reliance.

Operational Resilience Self-Assessment

#### Consumer Duty

During the year the Board engaged continuously with management's progress towards enhancing and evolving the Company's approach to the Consumer Duty regulation. The Duty introduced enhanced regulatory requirements to deliver good outcomes to customers, and to support their financial objectives. In early 2024, the Board approved the Consumer Duty Annual Report, thereby confirming that the Board had reviewed and approved the report on the outcomes being received by retail customers, including agreeing any actions, that the Board was satisfied that the Company was complying with its obligations under Consumer Duty, and that it had assessed that the Company's future business strategy was consistent with its obligations to deliver good outcomes for retail customers.

# ROYAL LONDON UNIT TRUST MANAGERS LIMITED

## SECTION 172 FOR THE YEAR ENDED 31 DECEMBER 2024

### Section 172 statement (continued)

#### Section 172 Factor

The need to foster the Company's business relationships with suppliers, customers and others  
And  
The desirability of the Company maintaining a reputation for high standards of business conduct

The need to foster the Company's business relationships with suppliers, customers and others

The impact of the Company's operations on the community and the environment

#### Board discussion and stakeholder considerations

##### Assessment of Value

Responsibility for ensuring that the Funds offered and managed by the Company are managed proficiently and that they deliver value for money lies ultimately with the Board of Directors. On an annual basis, the Board evaluates that those Funds meet their investment objectives and deliver good customer outcomes. Whilst a formal report approved by the Board is published once a year, this is not just an annual exercise, but an ongoing activity including gathering data on the Company's products and those of its competitors, and taking insight from portfolio managers. The annual Assessment of Value Report is published on RLAM Ltd's website.

##### Suppliers

The Company outsources aspects of its operations, both internally within the Royal London Group and externally. Engagement is undertaken on a pro-active basis. This includes with RLAM Ltd as the Company's appointed investment manager which, in turn, engages directly with external third parties appointed to administer various aspects of the Company's business, including the provision of accounting services and maintaining the registers of customers. The Directors and senior management ensure that oversight of the relationships are maintained via a number of teams within the RLAM Group. These teams collectively perform governance and oversight of the material outsourced relationships. Reports covering the material outsourcers are prepared and submitted to the RLAM Ltd Business Risk Committee, and relevant matters escalated to the Board, including via the RLAM HL Risk and Capital Committee.

##### Customers

The Board receives regular reports on, and takes positive action when deemed appropriate, in respect of matters relating to customers, including reviewing how outsourced suppliers deal with handling customer money, complaints and vulnerable customers. Relevant policies are published on RLAM's website.

##### Others

Regulatory relationships are managed at Royal London Group level and the Company interacts closely with its regulators as part of this Group-wide arrangement. The Company responds to information requests and tracks regulatory developments to ensure the delivery of regulatory change is suitably prioritised and the Company continues to meet its regulatory obligations.

##### Environmental, Social & Governance ("ESG").

The Company applies the provisions of formal policies adopted by RLAM Ltd, including but not limited to, in respect of Stewardship & Responsible Investment and Ethical & Sustainable Investment. The UK's Sustainability Disclosure Requirements ("SDR") came into effect on various dates in 2024 and 2025. The Company is continuing towards compliance.