Implementation Statement – wording for accounts

Background

The regulatory landscape continues to evolve as environmental, social and governance factors ('ESG') becomes increasingly important to regulators and society. The Department for Work and Pensions ('DWP') has increased the focus around ESG policies and stewardship activities by issuing further regulatory guidance relating to voting and engagement policies and activities. These regulatory changes recognise the importance of managing ESG factors as part of a trustee's fiduciary duty.

Implementation Report

This implementation report is to provide evidence that the Chivas Brothers Pension Scheme ("the Scheme") continues to follow and act on the principles outlined in the SIP.

The SIP can be found online at the web address Chivas-Brothers-Pension-Scheme-SIP-March-2025-Final-for-Upload.pdf. The Trustee reviewed the Scheme's liability hedging target in March 2026 and the resultant changes which are detailed below will be reflected in the next SIP update.

The Implementation Report details:

- Actions the Scheme has taken to manage financially material risks and implement the key policies in its SIP.
- The current policy and approach with regards to ESG and the actions taken with managers on managing ESG risks.
- The extent to which the Scheme has followed policies on engagement covering engagement actions with its fund managers and in turn the engagement activity of the fund managers with the companies in the investment mandate.
- Voting behaviour covering the reporting year up to 5 April 2026 for and on behalf of the Scheme including the most significant votes cast by the Scheme or on its behalf.

Summary of key actions undertaken over the Scheme reporting year

The Trustee agreed to one strategic change over the year to better align the strategy with the Scheme's agreed long-term objective, and in response to market changes:

- At the March 2026 Trustee Meeting, the Trustee agreed to increase the target liability hedging level to 100% of interest rate and inflation exposure on a Technical Provisions basis (previously 90%). The increased hedge was implemented post year-end in April 2026.

Implementation Statement

This report demonstrates that the Chivas Brothers Pension Scheme has adhered to its investment principles and its policies for managing financially material risks including ESG factors and climate change.

Signed: *Trustee of the Chivas Brothers Pension Scheme*

Date: *August 2026*

For and on behalf of the Chivas Brothers Pension Scheme

Managing risks and policy actions

Risk / Policy	Definition	Policy	Actions and details on changes to policy
Interest rates and inflation	The risk of mismatch between the value of the Scheme assets and present value of liabilities from changes in interest rates and inflation expectations.	To hedge 100% of these risks on the Technical Provisions basis.	At the March 2026 Trustee Meeting, the Trustee agreed to increase the target liability hedge from 90% to 100% of interest rate and inflation exposure on the Technical Provisions basis. The increased hedge was implemented post-year end in April 2026. **This change will be reflected in the next SIP update.**
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members benefits as they fall due (including transfer values), and to provide collateral to the LDI and synthetic equity manager.	As part of the investment strategy discussions over the year, the Trustee reviewed the Scheme's LDI collateral position to ensure sufficient liquidity was available to support the liability hedging target. The Trustee monitors the Scheme's liquidity position as part of its quarterly performance reporting.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away any unrewarded risks, where practicable	The Trustee made one key strategic change over the reporting period to better align the strategy with the Scheme's agreed long-term objective, and in response to changing market conditions. This has been summarised in the previous section. **This change will be reflected in the next SIP update.**

Credit	Default on payments due as part of a financial security contract.	To diversify this risk by investing in a range of credit markets across different geographies and sectors.	The Trustee monitors the Scheme's credit exposure and performance as part of its quarterly reporting. Isio provide the Trustee with material updates on their credit managers as they arise and continuously monitor these mandates via Isio's dedicated credit research team.
Environmental Social & Governance	Exposure to Environmental, Social and Governance factors, including, but not limited to, climate change, which can impact the performance of the Scheme's investments	To diversify this risk by investing in a range of credit markets across different geographies and sectors. To appoint managers who satisfy the following criteria, unless there is a good reason why the manager does not satisfy each criteria: 1. Responsible Investment ('RI') Policy / Framework 2. Implemented via Investment Process 3. A track record of using engagement and any voting rights to manage ESG factors 4. ESG specific reporting 5. UN PRI Signatory 6. UK Stewardship Code signatory The Trustee monitors the mangers on an ongoing basis. The Trustee considers ESG issues as part of the investment process, and believes that financially material considerations	The Trustee reviews the ESG policies of the Scheme's underlying investment managers each year via a Sustainability Integration Assessment ("SIA"). The Trustee reviewed the annual SIA in June 2025 and, post year end, June 2026.

		(including climate change) are implicitly factored into the expected risk and return profile of the asset classes they are investing in.	
Currency	The potential for adverse currency movements to have an impact on the Scheme's investments.	Mitigate currency risk where applicable to minimise the impact of fluctuating exchange rates.	The Trustee maintains a 50% currency hedge within the synthetic global developed equity allocation with Schroders. The Trustee reviewed the Scheme's unhedged currency exposure from the Mercer Private Credit allocation in September and December 2025 and agreed to retain the unhedged position. The Trustee will review this position over time.
Non-financial		Any factor that is not expected to have a financial impact on the Scheme's investments.	No Trustee actions or amendments were implemented over the reporting period in respect of non-financial risks.

Changes to the SIP

There were no changes to the SIP over the year.

The Scheme's SIP is due to be updated in 2026 to reflect changes made to the Scheme's investment strategy. The revised SIP will reflect the increase in the liability hedging target to 100% of interest rates and inflation exposure, which was implemented post year end in April 2026.

Current ESG policy and approach

ESG as a financially material risk

The SIP describes the Scheme's policy with regard to ESG as a financially material risk. This page outlines Isio's assessment criteria as well as the ESG beliefs used in evaluating the Scheme's managers' ESG policies and procedures.

The Trustee intends to review the Scheme's ESG policies and engagements annually to ensure they remain fit for purpose.

Risk management	1. Integrating ESG factors, including climate change risk, represents an opportunity to increase the effectiveness of the overall risk management of the Scheme. 2. ESG factors can be financially material and managing these risks forms part of the fiduciary duty of the Trustee.
Approach / Framework	3. The Trustee should understand how asset managers make ESG decisions and will seek to understand how ESG is integrated by each asset manager. 4. ESG factors are relevant to investment decisions in all asset classes. 5. Managers investing in companies' debt, as well as equity, have a responsibility to engage with management on ESG factors.
Reporting & Monitoring	6. Ongoing monitoring and reporting of how asset managers manage ESG factors is important. 7. ESG factors are dynamic and continually evolving; therefore the Trustee will receive training as required to develop their knowledge. 8. The role of the Scheme's asset managers is prevalent in integrating ESG factors; the Trustee will, alongside the investment advisor, monitor ESG in relation to the asset managers' investment decisions.
Voting & Engagement	9. The Trustee will seek to understand each asset manager's approach to voting and engagement when reviewing the asset manager's approach. 10. Engaging is more effective in seeking to initiate change than disinvesting.
Collaboration	11. Asset managers should sign up and comply with common codes and practices such as the UNPRI & Stewardship Code. If they do not sign up, they should have a valid reason why. 12. Asset managers should engage with other stakeholders and market participants to encourage best practice on various issues such as board structure, remuneration, sustainability, risk management and debtholder rights.

ESG summary and actions with the investment managers

Manager, Fund	ESG Summary	Actions identified	Engagement with manager commentary
Aberdeen (previously known as Abrdn) - Long Lease Property	Aberdeen has strong resources dedicated to ESG integration at a firm-level, particularly within the real estate business. The Fund employs comprehensive ESG policies, ESG targets and follows a diligent approach to integrating these across the portfolio. The nature of direct real estate investing does lead to limitations in terms of	1. Provide more clarity on social targets, e.g. through tenancy engagement and biodiversity initiatives. 2. Introduce quarterly reporting of ESG metrics. 3. Provide fund-level ESG or sustainability reports on at least an annual basis. 4. Produce fund-specific white papers outlining how the Fund's ESG objectives led to more favourable investment outcomes.	Isio have engaged with Aberdeen throughout the Scheme year to collect and monitor ESG progress against these actions and Aberdeen was invited to present at a Trustee meeting in the course of the year. Aberdeen has confirmed that they have made progress on points 1 and 5.

	engagement, voting and stewardship.	5. Provide evidence that there is a process to engage with companies to influence change with explicit objectives and milestones set to monitor progress.	
Ares - Secured Income Fund	The Ares Secured Income Fund is undergoing liquidation, making it difficult for Ares to make substantial ESG advancements. We expect the Fund to fully wind down over the next 12-18 months.		
Schroders – Diversified Growth Fund	Schroders have a strong framework where ESG factors are embedded within the investment process. The Sustainable Investment ("SI") team is well resourced, provides oversight and is responsible for ESG integration at Schroders. Key strengths for Schroders include engaging with the wider industry to leverage a larger influence on their ESG priorities and depth of their ESG analysis.	1. Schroders should look to create quantifiable ESG objectives at a fund-level. 2. Utilisation of models to show the impact of physical risks on their portfolio. 3. Provide fund-level voting activity breakdowns as part of their stewardship priorities. 4. ESG metrics and data reporting should be independently verified and aim to report Greenhouse Gas ("GHG") data coverage above 70%. 5. When available, report on where engagements were made to enhance climate risk mitigation and set formal Net Zero targets / decarbonisation objectives at fund-level.	Isio have engaged with Schroders throughout the Scheme year to collect and monitor ESG progress against these actions. Schroders now provide more complete modelling on the impact of climate scenarios on this Fund. Schroders have been able to provide voting statistics within their quarterly reporting. Greenhouse gas (GHG) data coverage was reported to be 70-73% as at the end of 2025.
Schroders – Asset Backed Securities	The Trustee believes that Schroders have a strong firm-wide approach to stewardship as it has a dedicated team setting priority themes and overseeing engagement activity. It is also a key industry collaborator and member of several initiatives.	1. Assess the effectiveness of green, sustainable-linked, or use-of-proceeds ABS issuance for inclusion in portfolios. 2. Schroders could update their ESG scorecards annually to keep up with best practice. 3. Produce regular fund-level sustainability reports for Schroders' Flexible ABS Fund,	Isio have engaged with Schroders throughout the Scheme year to collect and monitor ESG progress against these actions. Schroders have reviewed their ESG Scorecards in the last year but no updates were made.

	However, at a fund-level there are no specific ESG objectives and Schroders do not provide ESG metrics in their regular reporting for this Fund.	with reporting of key ESG metrics and alignment to agreed objectives.	
Schroders – LDI & Synthetic Equity	Schroders integrate ESG considerations in their counterparty selection process and have a well-established method to screen counterparties. Schroders engage with third-party advisers to help them design and implement new ESG frameworks.	1. Establish climate objectives for LDI funds. 2. Introduce counterparty ESG scores. 3. Schroders could start to report fund-level carbon footprints.	Isio have engaged with Schroders throughout the Scheme year to collect and monitor ESG progress against these actions. Counterparty TCFD (Taskforce on Climate Related Financial Disclosures) reporting is available, whilst carbon emission reporting is available upon request.
Barings – Global High Yield Strategies Fund	Barings have a firmwide sustainability policy, with a dedicated central ESG team who help to support the investment teams. The Fund has qualitative ESG objectives, which include aiming to invest at least 50% of total assets in issuers that exhibit positive ESG characteristics. Barings should enhance their regular reporting to include climate-metrics and incorporate social, as well as environmental priorities, within the Fund.	1. Establish explicit social and climate-related objectives for the Fund. 2. Include central ESG specialists in investment decisions and document examples of managing ESG risks over the investment period. 3. Establish climate, social and nature/biodiversity factors as explicit stewardship priorities for the Fund. 4. Become a signatory/member of the Net Zero Asset Manager's Initiative ("NZAMI"). 5. Collaborate with key organisations on social factors. 6. Provide a wider range of climate-related	Isio engaged with Barings on their ESG capabilities whilst producing the Scheme's SIA Report. Isio found that Barings had made some progress against the actions identified but there were still areas to develop. Barings now incorporate material social risks into scoring and engagement. However, Barings still do not have climate or social objectives for the Fund. Barings are yet to report social metrics as part of

		metrics as part of quarterly reporting. 7. Provide reporting on social metrics on at least an ad hoc basis.	their regular ESG reporting.
Manulife CQS ("CQS") – Credit Multi-Asset Fund	CQS have a clear firmwide ESG framework and the Fund has several ESG objectives, such as attaining better ESG ratings and lower Weighted Average Carbon Intensity ("WACI") levels than a high yield index benchmark, and achieving Net Zero by 2050. Proprietary analysis feeds into the investment and risk management processes. Portfolio analysts and managers are responsible for carrying out ESG due diligence on issuers and provide an ESG score that feeds into the overall internal credit rating.	1. Develop ESG reporting to include social and nature metrics and implied temperature rises as part of regular fund reporting. 2. Increase the proportion of holdings with which CQS engage on an annual basis. 3. Update / review the ESG scorecard and risk framework to ensure they remain fit for purpose.	Isio have engaged with CQS throughout the Scheme year to collect and monitor ESG progress against these actions. CQS have developed ESG reporting to include implied temperature rises as a part of regular fund reporting. CQS should continue to work towards growing the coverage of reported / verified GHG emissions. As at 30 June 2025, CQS have engaged with holdings representing c.36% of NAV. For a 'Meets Criteria' rating for this objective, engagement would need to reach 50% of holdings. CQS have made progress updating their ESG scorecard and risk framework by adopting an ongoing review process of their scorecard weightings, however, Isio have not been provided with the date the last review occurred.
M&G – Sustainable Total Return Credit Investment Fund	M&G boasts a robust firm-wide ESG strategy, illustrating their	1. Look to quantify engagements on stewardship priorities at fund-level.	Isio have engaged with M&G throughout the Scheme year to collect and monitor

	competency managing ESG risks. The 'sustainable' version of the TRCI Fund enhances the ESG integration of the flagship fund by utilising stricter screening and greater positive tilting – with at least 51% invested in 'sustainable' holdings. M&G also aim to achieve lower carbon emissions and higher MSCI ESG scores than a comparator corporate bond index. However, M&G do not provide detailed ESG metrics in their regular reporting.	2. M&G should continue to improve data coverage across the portfolio and look to include ESG metrics in quarterly reporting (rather than on an ad hoc basis only), for example WACI and carbon emissions. 3. Consider reporting fund-level carbon footprint in regular reporting.	ESG progress against these actions. M&G have noted that all ESG engagements continue to be conducted at a firm-level. WACI is now reported in regular monitoring, but carbon footprint is still reported on an ad-hoc basis. Over the year, the Fund has increased its fund-level coverage of GHG emissions data to 92.5%.
Mercer – Diversified Growth Fund	Mercer have well-defined firm-level ESG and Stewardship policies in place, with a dedicated Sustainable Investment Team. Mercer do not typically directly select securities themselves but combine third-party managers into their funds. Therefore, Mercer's scope for ESG integration is within the manager selection, reporting and monitoring processes. Mercer believe the selected managers are best placed to engage with ESG considerations at a security level but acknowledge their role in monitoring the managers stewardship activities.	1. Provide specific examples of how key ESG risks are mitigated at fund-level. 2. Provide examples of engagement for individual holdings within the sub-funds. 3. Provision of climate scenario or risk modelling used as part of the risk management process	Isio have engaged with Mercer throughout the Scheme year to collect and monitor ESG progress against these actions. Mercer have made little progress against these actions.

	The Fund has forward-looking ESG objectives, and is covered by the firm-level Net Zero target.		
Mercer – Credit Opportunities Fund	Mercer have well-defined firm-level ESG and Stewardship policies in place, with a dedicated Sustainable Investment Team. The Fund lacks specific ESG objectives, however it does apply exclusions to various categories such as UNGC violators, coal and tar/oil sands producers at fund-level due to Mercer's Exclusionary Framework. Mercer have conducted minimal engagement activities related to this Fund's holdings, but Mercer do have stewardship priorities at firm-level.	1. Provide climate metrics (such as Scope 1, 2 & 3 WACI and GHG emissions) in regular reports. 2. Provide evidence and examples of where an engagement was undertaken to enhance climate risk mitigation within the Fund. 3. Show the existence of fund-level ESG, climate or social objectives.	Isio have engaged with Mercer throughout the Scheme year to collect and monitor ESG progress against these actions. Mercer have made little progress against the wider actions.

Engagement

As the Scheme invests via fund managers, the managers provided details on their engagement actions including a summary of the engagements by category for the 12-month period to 5 April 2026. Due to reporting constraints, some managers were only able to provide engagement data to a nearest available quarter end date, which we have stated below.

Fund name	Engagement summary	Commentary
M&G - Sustainable Total Return Credit Investment Fund	Data reported to 31 March 2026. Total engagements: 32 Number of entities engaged: 11 Environmental: 21 Of which relating to Nature and Biodiversity: 4	The Fund is categorised as Planet+/Sustainable, and as an Article 8 fund under Sustainable Finance Disclosure Regulation ("SFDR"). It promotes environmental and social characteristics, and M&G expects at least 70% of the Fund to be aligned to promote environmental and social characteristics.

	Climate Change: 17 Social: 6 Of which relating to Workforce (conditions, health & Safety): 6 Governance: 5	Examples of significant engagements include: **Bayer AG –** Bayer was engaged as part of the Access to Medicine Foundation ("ATMI") collaborative engagement initiative, with a focus on discussing its access to medicines strategy and broader social impact efforts. The engagement aimed to understand how ATMI is influencing Bayer's approach across its value chain and supporting internal alignment on access-related priorities. During the engagement, Bayer outlined its sustainability strategy, highlighting access to medicine as a core pillar. It discussed the role of ATMI in shaping internal discussions and improving reporting systems. Bayer also detailed the launch of its Global Health Unit ("GHU") in 2024, which focuses on expanding access in low- and middle-income countries through partnerships with governments and NGOs, including initiatives to localise manufacturing, particularly in Sub-Saharan Africa. The engagement confirmed Bayer's strong strategic commitment and progress through the GHU, while also identifying ongoing challenges in developing robust impact measurement and reporting frameworks. Further engagement is expected, particularly to support the development of clearer impact reporting approaches. **Capital One –** Capital One was engaged as part of a broader discussion on its climate strategy, with a particular focus on Scope 3 emissions and target setting following its acquisition of Discover. The

		engagement aimed to encourage a re-think of targets, including potential re-baselining and subsequent validation through the Science Based Targets initiative ("SBTi"). During the engagement, the company outlined progress in integrating Discover, noting broadly aligned carbon reduction approaches despite methodological differences. Discussions covered operational synergies (e.g. heating, ventilation and air conditioning optimisation and emissions management) and developments in Scope 3 measurement, particularly within commercial banking, where internal methodologies and data are being refined alongside governance controls and in anticipation of new regulatory requirements in California. The engagement highlighted progress in emissions measurement and integration, while also prompting consideration of more robust, validated targets. Although no firm commitment was made, Capital One indicated it would consider re-setting targets with SBTi validation. Further engagement is expected to monitor progress on target-setting and enhanced Scope 3 reporting.
Ares – Secured Income Fund	Engagements are not currently tracked at fund-level.	
Aberdeen – Long Lease Property Fund	Engagements are not currently tracked at fund-level	
Barings – Global High Yield Credit Strategies Fund	Data reported to 31 March 2026. Total engagements: 176 Number of entities engaged: 127 Environmental: 55	ESG engagements at Barings are initiated at the discretion of investment analysts based on the selection of material ESG topics, typically identified through their ESG integration process and ongoing monitoring.

	Of which relating to Climate Change: 41 Natural Resource use/impact: 8 Pollution & Waste: 6 Social: 31 Of which relating to Human Rights: 17 Human Capital Management: 4 Inequality: 10 Governance: 90 Of which relating to Board Effectiveness: 5 Strategy, Financial and Reporting: 85	Stewardship activities typically involve engaging with C-suite level for corporate bonds and senior government representatives for sovereign entities. Any insights from engagements are fed back into fundamental ESG analysis. Examples of significant engagements include: **Odido** – Barings engaged with a large European telecommunications provider following the disclosure of a cyber incident, with the aim of assessing governance arrangements, cyber risk oversight, and the adequacy of mitigation measures given the associated regulatory, operational, and reputational risks. During the engagement, management explained that the incident arose from a targeted social-engineering attack that led to unauthorised access to a customer contact management system. The company confirmed that access was quickly terminated, regulators and affected customers were notified in line with legal requirements, and there was no operational disruption. Management also outlined enhancements to the cybersecurity framework, including stronger access controls, staff training, continuous monitoring, and the use of external specialists. The engagement indicated an appropriate incident response and strengthened cyber risk governance. Ongoing engagement will focus on monitoring the effectiveness of these improvements and continued oversight. **Accor** – Barings engaged with Accor following third-party

		allegations of potential non-compliance with human trafficking prevention practices across certain properties. The objective was to assess the company's approach to managing associated labour rights, regulatory, and reputational risks. During the engagement, discussions focused on the company's human trafficking policies, hotel-level controls, staff training, escalation procedures, and oversight across franchised and managed properties. Further clarity was sought on how risk indicators are identified and managed at the property level and how accountability is maintained across different operating models. The engagement provided greater insight into the company's risk management framework. Ongoing engagement will focus on monitoring its response to the allegations and seeking further assurance on the effectiveness of controls, training, and oversight.
CQS - Credit Multi-Asset Fund	Data reported to 31 March 2026. Total engagements: 254 Number of entities engaged: 56 Environmental: 77 Of which relating to Climate Change: 32 Natural Resource use: 26 Pollution & Waste: 17 Antimicrobial Resistance (AMR): 2 Social: 36	Engagement is undertaken by portfolio analysts, and in some cases assisted by the Portfolio Manager. CQS also have an 'Engagement Group' who provide oversight and review engagement activity centrally, ensuring that engagements are coordinated and shared across the business. Examples of significant engagements include: **Danaos** – CQS has engaged regularly with Danaos' C-suite and investor relations team as part of ongoing dialogue on its decarbonisation strategy. The most recent engagement in Q4 2025 focused on reviewing climate commitments,

	Of which relating to Conduct, Culture & Ethics: 14 Human and Labour Rights: 4 Human Capital Management: 5 Inequality: 5 Public Health: 8 Governance: 139 Of which relating to Board Diversity :2 Board Effectiveness: 6 Remuneration: 2 Shareholder Rights: 2 Strategy, Financial and Reporting: 125 Leadership: 2 Other: 2	including the decarbonisation pathway, and assessing progress on alternative fuel adoption, technology development, and vessel retrofitting in a hard-to-abate sector. During the engagement, discussions explored both company-specific and industry-wide challenges, particularly the lack of consensus on viable alternative fuels and the constraints around availability and cost. Management highlighted long fleet replacement timelines, limited shipbuilding capacity, and the continued reliance on conventional fuels, despite new vessels being methanol-ready. Flexibility remains central to strategy given uncertainty across fuel, infrastructure, and regulatory developments. The engagement highlighted structural barriers to near-term decarbonisation, informing CQS' decision to reduce exposure to the company. While maintaining a smaller position, further engagement will focus on monitoring progress and reassessing transition viability. **Restaurant Brands –** CQS engaged with the company identified as a laggard on employment practices and human rights diligence following concerns raised by external surveys, union activity, and stakeholder scrutiny. The engagement aimed to assess the company's approach to human rights, labour relations, wage policy, and supply chain practices, particularly in light of National Living Wage changes and ongoing employee disputes.

		During the engagement, discussions focused on pay, recruitment, union negotiations, and human rights governance, including oversight, training, and supply chain transparency. Management acknowledged recent labour challenges, including strikes linked to equal pay concerns, and outlined steps to improve wages, strengthen governance structures, and enhance supplier standards, including greater disclosure on its code of conduct. The engagement resulted in improved transparency and some progress, though concerns remain around peer lag, human rights diligence, and potential quality risks from cost pressures. Further engagement will focus on monitoring labour relations, governance improvements, and supply chain practices.
Mercer – Diversified Growth Fund	Mercer were unable to provide a breakdown of engagement data over the year to 5 April 2026.	The purpose of the Scheme's investment with Mercer is to fund expected capital commitments from the Mercer Credit Opportunities Fund and it is therefore expected to be a transitory investment.
Mercer - Credit Opportunities Fund	Due to the private market nature of the Credit Opportunities Fund, engagement data over the year to 5 April 2026 is not available.	Mercer have four key priorities as part of their Stewardship Policy, which apply to underlying investments, including: - Climate change (transition to low-carbon economy) - Biodiversity & natural capital (link between environment and financial markets) - Social (human rights and labour practices)

		- Governance (diversity, equity and inclusion)
Schroders – Diversified Growth Fund	Schroders were unable to quantify the number of engagements undertaken specific to the Fund, but they have provided engagement examples.	Schroders have stated their key area of focus is climate change, and oversight and alignment. Examples of significant engagement include: **Nvidia –** Schroders engaged with the company to discuss a variety of environmental and governance issues. The discussions focussed on the company's climate targets, AI's environmental impact, and ethical concerns over AI. In terms of emissions data relating to AI, the company has made significant improvements in disclosures and maintains the view that AI will have a net decrease on carbon emissions. Nvidia intends to improve their disclosure of water usage from AI. Regarding governance issues, the firm maintains the view that AI will augment the workplace instead of replacing workforce, citing their increase in employment as they integrate AI into their workplace. **Nextera Energy –** Schroders engaged with Nextera Energy on a range of ESG issues. One of the discussions with the company focussed on workforce compensation and safety. The company has been trying to improve retention by trying to achieve pay parity and improving employee engagement with management. Schroders also engaged with the company on their climate targets and commitment to energy transition. Nextera Energy have adopted an ambitious plan for emissions reduction and adoption of renewable energy sources.

Schroders - AAA Flexible ABS Fund	Schroders were unable to quantify the number of engagements undertaken specific to the Fund, but they have provided an engagement example.	Schroders have stated their key area of focus is climate change, and oversight and alignment. The example of significant engagement which was provided by Schroders over the reporting period: **Arch Capital –** Schroders invested in risk-sharing mortgage insurance bonds. Arch Capital, a counterparty, exercised an event clause which caused the bonds to be callable. However, Schroders viewed this to be a breach of contract and governance. Therefore, Schroders engaged legally with Arch Capital. This resulted in investors receiving call premiums over face value.
Schroders – LDI & Synthetic Equity	Schroders were unable to provide engagement data for the year to 5 April 2026.	

Voting (for equity/multi asset funds only)

The Trustee has acknowledged responsibility for the voting policies that are implemented by the Scheme's investment managers on their behalf.

The Scheme's fund managers have provided details on their voting actions including a summary of the activity covering the reporting year up to 5 April 2026. The Trustee has adopted the managers' definition of significant votes and has not set stewardship priorities. The managers have provided examples of votes they deem to be significant, and we have shown the votes relating to the greatest exposure within the Scheme's investment. When requesting data annually, via their investment consultant, the Trustee informs their managers what they deem most significant.

Fund name	Voting summary	Examples of most significant votes	Commentary
Mercer – Diversified Growth Fund	Data reported as at 31 March 2026. Votable Proposals: 87,026 (This includes available proposals from all sub-funds that the Fund is invested in).	**Microsoft Corporation -** Mercer voted against a shareholder proposal regarding a report on the risks associated with providing AI solutions to aid oil and gas exploration and refinement. Mercer's rationale was that the	Mercer regards voting to be an important fiduciary responsibility. It recognises that sub-investment managers may have more detailed knowledge of both the governance and operations of the investee companies and has therefore enabled sub-

	Proposals Voted: 81,988 (c. 94%) Votes For: 67,236 (c.77%) Votes Against: 14,419 (c.17%) Abstain Votes: 883 (c.1%) Remaining c.5% of votes are classified as No Action/Other.	company already provided sufficient disclosures of the risks associated with providing AI support to the oil and gas industry. The proposal did not pass with only 8.6% of votes in favour. This vote is considered significant due to the holding weight in the underlying fund (5.8%) and its alignment to its social stewardship priority. **Alphabet -** Mercer voted for a shareholder proposal relating to the increased disclosure of plans to reach their 2030 climate goals. Mercer believed that further disclosure of how the company plans to reasonably meet 2030 climate targets would allow further transparency and scrutiny of the progress to meeting the targets. The proposal did not pass with only 8.2% of votes in favour. This vote is considered significant due to the holding weight in the underlying fund (5.2%) and its alignment to its Environmental stewardship priority.	investment managers to vote based on their own proxy-voting execution policy. Mercer's Stewardship Policy outlines key focus areas for voting. This covers climate change and biodiversity & natural capital under 'Environmental', and Mercer have listed human right & labour practices as a key focus under both the 'Social' and 'Governance' umbrellas. Mercer's Stewardship Policy can be found here: Mercer ISE Stewardship Policy.pdf.
Schroders – Diversified Growth Fund	Data reported as at 31 March 2026. Votable Proposals: 17,412	**Amazon.com Inc -** Schroders voted for a proposal for Amazon to produce a report on their working	At Schroders, voting and engagement activity is managed

	Proposals Voted: 16,655 (c.96%) Votes For: 14,930 (c.90%) Votes Against: 1,726 (c.10%) Abstain Votes: 29 (c.0%)	conditions. Schroders' rationale for this vote was that third-party oversight of Amazon's working conditions would be beneficial given the current scrutiny that the company faces. The proposal did not pass with only 22.3% of votes in favour. This vote is considered significant due to it being one of the largest equity holdings in the Fund and its alignment to its social stewardship priorities. **JP Morgan -** Schroders voted for a proposal to issue a report detailing the risks and opportunities that JP Morgan are identifying within transition financing. Schroders believe that this resolution will benefit shareholders by increasing transparency. The proposal did not pass with only 10.7% of votes in favour. This vote is considered significant due to it being one of the largest equity holdings in the Fund and its alignment to its social stewardship priorities.	centrally by their Sustainable Investment Team. Schroders use Glass Lewis ("GL") who act as their service provider for the processing of all proxy votes in all markets. GL delivers voting through its internet-based platform, Proxy Exchange. Schroders receive recommendations from GL in line with their bespoke guidelines. This is complemented with analysis from Schroders' in-house ESG specialists

**Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote against management.*