Morgan Stanley

Morgan Stanley UK Group Pension Plan (the 'Plan')

Implementation Statement Year to 31 December 2025

Background and Implementation Statement

BACKGROUND

The Department for Work and Pensions 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 STATEMENT

This implementation statement is to provide evidence that, between 1 January 2025 and 31 December 2025 (the 'Plan Year') the Morgan Stanley UK Group Pension Plan (the 'Plan') has continued to follow and act on the principles outlined in the Statement of Investment Principles ('SIP'), which is a statement intended to affirm the investment principles that govern decisions about the Plan's investments.

Two SIPs were in place over the Plan Year. The latest SIP, dated May 2025, can be found online at the web address **UK Pension Statements | Morgan Stanley.** A summary of changes made to the SIP over the Plan Year are detailed on **page 9**.

The Implementation Statement details:

- actions the Plan 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,
- a summary of any changes made to the SIP over the Plan Year,
- the extent to which the Plan 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,
- stewardship covering the Plan Year for and on behalf of the Plan including the most significant votes cast by the Plan or on its behalf,
- the policies in place to ensure the default strategy remains in the best interest of its members.

SUMMARY OF KEY ACTIONS UNDERTAKEN OVER THE PLAN YEAR

Both DC and DB assets:

1. Published the Plan's TCFD report covering the 12-month period to 31 December 2024.
2. SIP update - the Trustee made the following changes to the SIP in May 2025:

- Clarification of the Trustee's Responsible Investment and ESG policy, which included clearer wording on how ESG, Stewardship and climate-related considerations are taken into account when appointing and monitoring investment managers, and ensuring there is a clear delegation framework to support an Effective System of Governance (ESoG).

DC assets only:

1. Actions during the Plan Year following the 2024 Triennial Investment Strategy review:

- The Investment Committee ('IC'), as delegated to by the Trustee and supported by the Investment Consultant, completed full manager selections for the new appointments in the default investment strategy in line with the recommendations in the strategy review during the Plan Year. This included reviewing new asset classes, such as Private Markets and Asset Backed Securities, and the existing arrangements, such as the Liquid Diversifier managers. New appointments will be implemented following the Plan Year end in H1 2026.
- The passive equity portfolio used within the default investment arrangement, and available as a self-select option, was reviewed and the Trustee approved a new fully sustainability-integrated portfolio which is due to launch following the Plan Year end in H1 2026.

- The funds available within the self-select fund range, and the investment managers, were reviewed and new underlying funds and additional options were agreed. The funds will be updated/available post Plan Year end in H1 2026. A detailed review of the Active Sustainable Global Equity fund was undertaken.

DB assets only:

1. During the Plan Year, the key action undertaken for the DB Section was the Triennial Actuarial Valuation and a corresponding investment strategy review, which were both finalised following the Plan Year end (March 2026). From this, the Trustee agreed there is flexibility to increase the return and diversification profile of the portfolio.

This statement demonstrates that the Morgan Stanley UK Group Pension Plan has adhered to its investment principles and its policies for managing financially material considerations, including ESG factors and climate change, as set out in the SIPs applicable during the Plan Year

Signed: Alanna Lee

Position: **Chair of the Trustee**

Managing risks and policy actions – DB Assets

During the Plan Year, there have been two SIPs in place. The first covering from January to May and the second covering May to December. The following sets out the Trustee policies as set out in the SIP, including how they were each measured and followed during the Plan Year, including to comply with the requirements of section 36 of the Pensions Act 1995. There were no changes to the risk and policies section of the SIP over 2025 and therefore each of the areas below were relevant throughout the year. The following table details policies for the DB assets within the Plan.

RISK/POLICY	DEFINITION	HOW IT IS MEASURED	ACTIONS OVER THE PLAN YEAR
Interest rate and inflation	The value of the Plan's liabilities will change in response to changes in interest rates and inflation.	The Plan hedges this risk using investments in Gilts as liability hedging instruments. This risk is also somewhat mitigated by a significant funding surplus.	Investment performance and changes in the value of the assets and liabilities were monitored and assessed on an ongoing basis.
Asset volatility	Investment in asset classes such as credit gives rise to volatility in the value of the assets	The Plan is substantially de-risked and does not hold any equities or other higher risk/return assets. Assets are held in Gilts for liability hedging alongside investment grade asset backed securities.	The Plan maintained a de-risked portfolio during the Plan Year with a high degree of alignment between assets and liabilities.
Counterparty credit	The Plan may use some interest rate and inflation swaps to hedge the Plan's interest rate and inflation risks. If the counterparties to these contracts default, the Plan may experience losses	Currently all interest rate and inflation hedging is done through investments in Gilts. The Plan does not employ any leverage within the DB assets which reduces counterparty risk.	The Plan did not utilise any leverage during the Plan Year.
Credit	The Plan may invest in credit assets and money market instruments such as Floating Rate Notes. Any defaults or downgrades of these instruments may result in losses.	The Trustee will only take on credit risk to the extent that it is satisfied that the impact on total risk is acceptable and expects to hold investments that are predominantly or wholly investment grade (including Government Bonds). The Plan's credit holdings are in predominately AAA-rated Asset Backed Securities.	The IC reviewed the Plan assets on a quarterly basis. This includes data on the allocation to investments with credit risk.
Liquidity	The liquidity of investments may change over time, and this may have an impact on the expected transaction costs.	The Trustee has reviewed the likely cash requirements of the Plan and is satisfied that the investment arrangements provide sufficient liquidity. In addition, the Trustee explicitly considers transaction costs before any major restructuring of the Plan's assets. All DB assets are currently held in relatively liquid daily-traded funds.	There was sufficient liquidity maintained to meet all cashflow requirements during the Plan Year. All assets are held in daily traded funds.

RISK/POLICY	DEFINITION	HOW IT IS MEASURED	ACTIONS OVER THE PLAN YEAR
Longevity	Longevity experience may differ from expectations, and that expectations may change over time.	The Trustee reviews the longevity assumption as part of the liability valuation every three years. Longevity risk is not currently hedged. Longevity risk is somewhat managed through a substantial funding surplus as a buffer.	The Trustee considers sensitivity analysis of different mortality experience as part of the triennial valuation.
Risks relating to the GMP underpin	The Plan has an obligation to provide additional defined benefits ("the DB Underpin") for some DC members if the value of each member's DC assets is insufficient to secure a minimum level of benefits at retirement.	The Trustee recognises that the Plan is exposed, to a certain extent, to the risks arising from these members' underlying assets relative to the DB Underpin. The Trustee seeks to mitigate this risk through investment in assets with similar characteristics but recognises that there are limited options available to fully or accurately mitigate this risk and monitors the situation on a regular basis. This risk is substantially managed through a funding surplus as buffer.	The IC reviewed (and continues to review) this risk as part of strategy reviews.
Custody of assets	The risk relating to the safekeeping of the Plan's assets.	Given that the Plan invests in pooled funds where the asset manager is responsible for custody of assets, the safekeeping of the underlying assets is undertaken by parties selected by the fiduciaries of the pooled funds. Both the asset manager and custodian are large, regulated organisations.	The Investment Committee monitored the asset position on a quarterly basis.
Environmental, Social and Governance	ESG factors can have a significant effect on the performance of the investments held by the Plan e.g. extreme weather events, poor governance.	The Trustee expects the underlying managers to evaluate ESG factors (including climate change considerations and stewardship obligations attached to investments) in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code. The Trustee has determined the following key themes as the basis for the Plans "most significant votes" in respect of the investment manager engagement activities: 1. Environment – Climate change: low-carbon transition and physical damages resilience. 2. Environment – Pollution and natural resource degradation: air, water and land (forests, soils and biodiversity). 3. Social – Human rights: Modern slavery, pay and safety in workforce and supply chains, and abuses in conflict zones. 4. Governance – Diversity, Equity and Inclusion: inclusive & diverse decision-making; Pay and Executive Remuneration; company Board composition.	These risks are substantially managed through a funding surplus as buffer and a de-risked asset allocation. The Trustee reviews its investment managers' policies and actions in relation to this on an annual basis.

Managing risks and policy actions – DC Assets

During the Plan Year, there have been two SIPs in place. The first covering from January to May and the second covering May to December. The following sets out the Trustee policies as set out in the SIP, including how they were measured and followed during that period, including to comply with the requirements of section 36 of the Pensions Act 1995. There were no changes to the risk and policies section of the SIP over 2025 and therefore each of the areas below were relevant throughout the year. The following table details policies for the DC assets within the Plan.

POLICY	DEFINITION	HOW IT IS MEASURED	ACTIONS OVER THE PLAN YEAR
Incentivising asset manager strategy alignment	How the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the Trustee's policies.	The underlying investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected. The underlying investment managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage. If the Trustee is dissatisfied, it will look to replace the manager.	If the investment objective for a particular manager's fund changes, the Trustee reviews the fund appointment to ensure it remains appropriate and consistent with the Trustee's wider investment objectives. During the Plan Year, the Trustee undertook full manager selection exercises for new appointments agreed as part of the 2024 triennial strategy review. Alignment of the managers strategies with the Trustee's policies was considered.
Incentivising asset manager decisions	How the arrangement incentivises the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.	The Trustee aims to meet with 1-2 of the underlying investment managers at each quarterly investment committee meeting and challenges decisions made including voting history and engagement activity, to try to ensure the best performance over the medium to long term. This may be increased or reduced depending on the Plan's needs. In addition, on an annual basis, it is the Trustee's policy to review the ESG policies of each of the underlying managers in the DC assets along with their voting and engagement records.	The IC invited MSIM to attend the November IC meeting as part of the regular attendance by underlying managers. They also met with a number of managers over the Plan Year as part of the manager selection processes, this included BlackRock, Wellington, Ruffer, NinetyOne and M&G as well as a number of new asset managers being considered for the strategy, such as AQR and Man Group. The Trustee considered the investment consultant's assessment of how each underlying investment manager embeds ESG into its investment process and how the manager's responsible investment philosophy aligns with the Trustee's responsible investment policy. This includes the underlying investment managers' policy on voting and engagement. Voting and engagement records are addressed later in this statement.

POLICY	DEFINITION	HOW IT IS MEASURED	ACTIONS OVER THE PLAN YEAR
Fund performance and fees policy	How the method (and time horizon) of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the Trustee's policies.	If an underlying manager is not meeting performance objectives, or their investment objectives for the fund have changed, the Trustee may review the suitability of the manager and change managers where required.	The Trustee received investment manager performance reports on a monthly basis, with a more detailed report on a quarterly basis, which presented performance information over three months, one year, three years and five years. The Trustee reviewed the absolute performance, relative performance against a suitable index used as the benchmark, and against the underlying manager's stated target performance (over the relevant time period) net of fees. Whilst the Trustee's focus is on long-term performance, they also take shorter-term performance into account. The Trustee also received, via the IC, monthly performance updates and during volatile periods ad hoc performance commentary from their investment advisors. As a result of this monitoring, the IC was able to identify underperformance which triggers additional action, e.g. request the relevant managers to attend IC meetings in order to discuss and challenge this underperformance.
Turnover policy	How the Trustee monitor portfolio turnover costs incurred by the asset manager.	The Trustee considers the DC assets portfolio turnover costs as part of the annual value for money assessment and chair statement.	Over the Plan Year, the Trustee considered the DC assets portfolio turnover costs as part of the annual Value for Members assessment, and these are also disclosed in the annual Chair's statement.
Duration of asset manager arrangement	How the Trustee considers the duration of asset manager appointment.	The Trustee makes appointments with the view to them being long term (to the extent this is consistent with the Trustee's overall investment time horizon) and there is no set duration for the manager appointments. The DC funds have no set end date for the arrangement. An underlying manager's appointment may be terminated if it is no longer considered to be optimal (when taking account of the Trustee's fiduciary responsibilities) or no longer has a place in the default strategy or general fund	The Trustee reviewed the performance of the Plan's funds quarterly. During the Plan Year, the Trustee also undertook a detailed manager review and selection process reviewing the underlying managers in the Default Diversified Option and self-select fund range as part of the triennial strategy review. Both new and replacement managers were selected through this process. The IC met with 3-4 shortlisted managers for each asset class under review. When selecting managers, no set duration is set, however the Trustee considers where the fund will be used within the default and the members experience within that fund which may be for a shorter period if used within a de-risking lifestyle.
Investment strategy	The Trustee regards its duty to be to make available a range of investment options sufficient to enable members to tailor, to their own needs, their investment strategy. How the Trustee has implemented the Plan's investment strategy relating to the default investment option and additional range of self-select funds.	The Trustee makes a default investment strategy and broad range of self-select funds available to members. The Trustee formally reviews the strategy at least once every three years or immediately following any significant change in investment policy or the Plan's member profile. A monitoring report is reviewed by the Trustee on a quarterly basis, this includes the performance of the funds that make up the Diversified Default Option and the self-select range. The monitoring report includes how each fund has performed against its specific benchmark. Monthly performance reports are also provided to the Trustee.	The last triennial review took place in September 2024. Over this Plan Year the Trustee worked to finalise the proposed strategy and select appropriate managers to implement the changes to the strategy following their triennial strategy review, which considered the overall strategic design of the investment arrangement as well as managers alignment to the Trustee objectives. The Trustee reviewed the performance of the managers on a quarterly basis, with more regular updates provided through volatile periods.

POLICY	DEFINITION	HOW IT IS MEASURED	ACTIONS OVER THE PLAN YEAR
Environmental, Social and Governance Risk	ESG factors can have a material impact on the performance of the investments held by the Plan e.g. extreme weather events, poor governance.	The Trustee expects the underlying managers to evaluate ESG factors (including climate change considerations and stewardship obligations attached to investments) in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code. The Trustee has determined the following key themes as the basis for the Plans "most significant votes" in respect of the investment manager engagement activities: 1. Environment – Climate change: low-carbon transition and physical damages resilience. 2. Environment – Pollution and natural resource degradation: air, water and land (forests, soils and biodiversity). 3. Social – Human rights: Modern slavery, pay and safety in workforce and supply chains, and abuses in conflict zones. 4. Governance – Diversity, Equity and Inclusion: inclusive & diverse decision-making; Pay and Executive Remuneration; company Board composition.	The Trustee reviews its investment managers' policies and actions in relation to ESG at least annually. Investment managers' approach to considering ESG risks and opportunities were considered as part of the manager selection process that took place over the Plan Year.
Risk management and measurement	How the Trustee measures and monitors the main risks considered by the Trustee to be financial material in relation to the DC assets, including the Diversified Default Option.	The Trustee has considered risk from a number of perspectives in relation to the DC assets, including the Diversified Default Option. The main risks considered to be financially material by the Trustee are outlined in the following section of this statement. The Trustee regularly monitors these risks and the appropriateness of the investments in light of the risks. The Trustee maintains a Risk Register that sets out the risks associated with the Plan, including those in relation to investments, and considers the impact, likelihood, controls and mitigation steps for each risk.	It is the Trustee's policy to monitor performance and rating of funds and market fundamentals on a quarterly basis. The Trustee reviewed financially material risks as part of their quarterly investment performance monitoring and risk register review. During the Plan Year, a review of the Plan's Risk Register was undertaken on a quarterly basis to reflect any significant changes / new risks as they occur.

Risk management and measurement

The Trustee has considered risk from a number of perspectives in relation to the DC assets, including the Diversified Default Option. The list below is not exhaustive, but covers the main risks considered by the Trustee to be financially material.

RISK	WHAT IT IS	HOW IT IS MANAGED	HOW IT IS MEASURED / ACTIONS OVER THE PERIOD
Market Risk	The risk that low investment returns over members' working lives or unfavourable market movements in the years just prior to retirement will secure an inadequate pension.	The Trustee provides members with a range of funds, across various asset classes, including actively and passively managed options. Members are able to set their own investment strategy to take account of their aims and risk tolerances.	The performance of the available funds is monitored on a quarterly basis by the Trustee with investment reporting provided by their adviser. The range of funds made available was last considered as part of the triennial strategy review completed in 2024 and throughout the Plan Year during the manager selection exercises for the new investment strategy.
Interest Rate Risk	The risk that unfavourable interest rate movements, particularly in the years just prior to retirement may lead to a reduction in the pension that the member's retirement account can secure.	The Trustee provides members with a range of funds, across various asset classes, which will have varying sensitivities to interest rate risk.	The performance of investment funds and market fundamentals, including interest rates, are monitored on a quarterly basis. Together this helps the Trustee understand the effect that changes in interest rates are having on the funds.
Inflation Risk	The risk that investments do not keep pace with inflation.	The Trustee provides members with a range of funds, across various asset classes, which have varying exposure to inflation risk. These include inflation index linked funds, as well as equities which are generally viewed to have inflation hedging properties.	Quarterly performance reports consider the long-term performance of the funds to help the Trustee assess whether the returns have kept pace with inflation.
Manager Risk	The risk that the chosen underlying investment manager underperforms the benchmark against which the manager is assessed.	In particular, the Trustee has considered the risk that active managers may underperform, whereas passive managers are likely to achieve a return close to any chosen benchmark. The Trustee believes active management skills exist and can be identified but not with complete certainty. As such the Trustee makes available to members both actively managed and passively managed funds.	The Trustee considers the opinion on investment strategies from their investment adviser during the selection process. It is the Trustee's policy to monitor performance and rating of funds on an ongoing basis relative to the fund's benchmark and stated targets/objective. The managers appointed within the strategy are also reviewed as part of the triennial strategy review. Where new or replacement managers are being considered, the Trustee will undertake robust selection exercises supported by their adviser. During the Plan Year, the IC, with support from its adviser, undertook multiple selection exercises for the default arrangement and self-select fund range. The exercises followed a robust process involving multiple review stages and beauty parades for short-listed managers.

RISK	WHAT IT IS	HOW IT IS MANAGED	HOW IT IS MEASURED / ACTIONS OVER THE PERIOD
Mismatch Risk	The risk that the financial assets a member is invested in as they approach retirement are not suited to the way they will access their retirement benefit.	The Trustee has made a range of funds available to members including share, cash, and bond funds that can be selected by members as they approach retirement. The Diversified Default Option follows a lifestyle strategy which progressively switches to assets the Trustee expects will be less volatile to reduce mismatch risk for members targeting income drawdown.	It is the Trustee's policy to monitor performance and rating of funds on an ongoing basis and identify how the characteristics of certain funds are suitable for different at-retirement options. The default investment strategy is designed to be flexible, supporting a broad range of outcomes. The Trustee recognises this may not be a perfect match for all but aims to be suitable for the majority. This was reviewed as part of the default strategy review in 2024. The Trustee has updated the Plan rules to allow members to select their own retirement age allowing de-risking to take a tailored approach.
Liquidity Risk	The risk that assets may not be readily marketable when required.	The pooled funds in which the Trustee allows members to invest provide the required level of liquidity. Units in the pooled funds in which the Plan invests are believed to be reasonably readily redeemable.	When considering new investment options or reviewing existing options, the Trustee considers the pricing and dealing terms of the underlying funds. When exploring illiquid assets, the Trustee will consider liquidity in stressed environments and the impact these have on the performance of the fund. This was considered in detail as part of the manager selection exercise for the Private Markets allocation during the Plan Year. Liquidity stress testing and understanding of liquidity policies in place formed key selection criteria.
Concentration Risk	The risk that a portfolio has an over-allocation to a single asset class, sector, country, or counterparty, thereby having a high exposure to non-systemic risk factors.	The Trustee has made a range of funds available to members, so that they can choose to invest in a well-diversified portfolio. The range of funds enables diversification by asset class (e.g. equity, bonds, cash), by region and includes both passively and actively managed funds, which can help achieve diversification.	It is the Trustee's policy to monitor performance and rating of funds on an ongoing basis via quarterly performance reports. The Trustee also periodically reviews the default investment option and self-select range, and as part of this considers the correlations or similarities between the available funds. This was reviewed during the 2024 triennial strategy review and considered during the selection exercises that took place during the Plan Year.
Sponsor Risk	The risk that the sponsoring company of the Plan will cease financial sponsorship.	The Trustee has considered the risk that the Company may be unwilling or unable to continue to contribute to the Plan in the future.	The Trustee has concluded that this risk is acceptable and that no further action is necessary to mitigate this risk at the current time. The Trustee will review this position in the event of any material changes in the sponsor's circumstances.

RISK	WHAT IT IS	HOW IT IS MANAGED	HOW IT IS MEASURED / ACTIONS OVER THE PERIOD
Exchange Rate Risk	The value of an investment in the member's base currency may change as a result of fluctuating foreign exchange rates.	The Trustee has made available a global equity fund that hedges a portion of its developed market currency exposure in order to manage the exchange rate risk associated with overseas investment. The allocations to global small cap equities and emerging market equities are unhedged. This fund is utilised as part of the Active Diversified Growth Fund and Active Diversified Retirement Fund, within the Diversified Default Option.	Monitoring the performance of investment funds on a quarterly basis, including quarterly market reviews considering the movements in foreign currencies relative to pound sterling. The Trustee reviews their position to currency risk as part of the triennial strategy review.
Environmental, Social and Governance Risk	ESG factors can have a significant effect on the performance of the investments held by the Plan, e.g. extreme weather events, poor governance.	The Trustee's policy on ESG risks is set out in later in this Statement.	As set out in this statement, monitoring is undertaken on a regular basis and is documented at least annually.

During the Plan Year, the Trustee did not consider non-financially material matters as part of their risk management processes and investment decision making. The current approach, which states that member views are not taken into account in the selection, retention and realisation of investments, but members have a variety of methods by which they can make views known to the Trustee, remained unchanged over 2025.

Changes to the Statement of Investment Principles (SIP)

Over the period to 31 December 2025, two SIPs were in force. The first covering January to May and the second covering May to December. The Trustee made the following changes to the SIP in May:

Clarification of the Trustee's Responsible Investment and ESG policy, which included clearer wording on how ESG, Stewardship and climate-related considerations are taken into account when appointing and monitoring investment managers and ensuring there is a clear delegation framework to support an Effective System of Governance (ESoG).

Responsible Investment and Corporate Governance

ESG AS A FINANCIALLY MATERIAL RISK

The SIP describes the Plan's policy with regards to ESG as a financially material risk and notes that good stewardship can create and preserve value for companies and markets as a whole. During the Plan Year the Trustee undertook a session focussed on ESG and investment philosophy to ensure that key risks and preferences of the Trustee are reflected in the investment strategy. The Plan is in the process of agreeing a more detailed ESG policy which describes how it monitors and engages with the investment managers. The Trustee considers the following ESG statements when setting or reviewing the strategy:

INVESTMENT APPROACH:

- Set a net zero target and develop a framework to monitor and aim to achieve the target
- If investing in private markets, the Plan will consider any impact focus
- Offer a range of self-select funds for sustainability and impact
- Support and take advantage of innovative technologies that advance ESG challenges, including environmental, climate, nature and social issues where in keeping with the Trustee's fiduciary duties

RISK MANAGEMENT:

- Seek to minimise investments in industries with significant negative social or environmental impacts to reduce financial risk caused by reputational impact
- Take account of the views of the Sponsor when considering how to integrate ESG considerations into the Plan's investment arrangements

STEWARDSHIP:

- Engage in investments, through assessments and engagements of its investment managers, in areas which may have significant negative social or environmental impacts to help them improve their ESG profile
- Beyond integrating ESG factors into the selection of managers the Plan should review and engage them annually on their ESG processes to prompt best practice
- Enhance stewardship by focusing on key themes and assessing managers' alignment

REPORTING:

- Regular investment reporting should incorporate ESG specific metrics for all (or the majority of) mandates

COLLABORATION:

- Asset managers should go beyond basic industry compliance – e.g. aligning with UN PRI and Stewardship Code – and actively collaborating with other market participants to raise ESG investment standards and facilitate best practices.

When considering how managers engage with investee companies, the Trustee recognises managers will be voting at company AGMs. The Trustee has not provided managers with clarity on which votes they consider 'most significant' prior to these AGMs. The Trustee recognises that it is not common practice to specify investment restrictions where assets are managed via pooled funds. For the DC assets, it is noted that this is particularly true given that it is Scottish Widows Limited, the Plan's investment platform provider, that has the direct relationship (and not the Trustee) with the third parties offering the funds.

The Trustee defines 'significant votes' as one which relates to the following key Stewardship Priorities:

- Environmental: Climate change – low-carbon transition and physical damages resilience; pollution and natural resource degradation: air, water, land (forests, soils, biodiversity)
- Social: Human rights – modern slavery, pay (minimum/living wage etc.) and safety in workforce and supply chains, abuses and board composition
- Governance: Diversity, Equity and Inclusion (DEI) – inclusive and diverse decision making, executive remuneration and board composition

In addition to agreeing a detailed ESG policy, the Plan publishes an annual Task Force on Climate Related Financial Disclosures ('TCFD') report. The TCFD report can be found online at the web address UK Pension Statements | Morgan Stanley.

Examples of significant votes in relation to investments held by managers within the Plan are detailed later.

The next page details our view of the managers used throughout the Plan, our actions for engagement and an evaluation of the engagement activity.

ESG summary and actions with the investment managers

As the Plan's investment adviser, Isio engages with managers throughout the Plan Year on ESG themes, challenging managers on their policies and actions in this space.

These engagements focus on continuing to develop strengths of each manager as well as highlighting any areas for potential improvement.

A summary of these activities with managers used in the Plan are outlined in the table below. These engagements are at the manager level, and not specific to the Plan or the Plan's funds.

ISIO SUMMARY	ESG SUMMARY	ACTIONS IDENTIFIED (FOR ENGAGEMENT IN THE FOLLOWING PLAN YEAR)	ENGAGEMENT WITH MANAGER COMMENTARY (DURING THE PLAN YEAR)
Baillie Gifford	Baillie Gifford has strong firm-level policies and a dedicated ESG team covering research and Stewardship activities. They also have a strong firm-level approach to Stewardship with clear priorities covering Climate, Social and Nature factors.	• Introduce a formal ESG training programme. • Increase proportion of firm assets covered by Net Zero commitments. • Reconsider position in relation to NZAMI membership following withdrawal.	Isio engaged with Baillie Gifford during the Plan Year regarding enhanced reporting by incorporating broader ESG scoring, data on carbon footprint, and implied temperature pathway in regular standard reports. The manager agreed with enhancing reporting and are including carbon footprint data in their annual Stewardship Report but are yet to explore including these metrics in regular reporting.
BlackRock	BlackRock has set explicit stewardship priorities on which to engage with investee companies, overseen by a central team. They collaborate with initiatives and institutions on a broad range of ESG risks.	• Commit to a Net Zero target, with meaningful interim targets. • Reconsider position in relation to CA100+ and NZAMI membership (following withdrawal in early 2025). • Improve reporting on both carbon emissions and non-environmental metrics.	Isio engaged with BlackRock during the Plan Year regarding improving stewardship and reporting on their passive equity mandates. This included evidencing portfolio-level engagements and their alignment with BlackRock's stewardship priorities, and enhancing metric reporting capacities, in both broad ESG scoring and specific climate, social and biodiversity metrics. BlackRock acknowledged the feedback and Isio is continuing to engage with them for further updates.
HSBC	HSBC strong firm-level policies with explicit stewardship priorities covering climate, social and nature. They actively collaborate with external bodies by participating in key global initiative such as Climate Action 100+ and NZAMI.	• Introduce a formal ESG training programme. • Expand Net Zero target to cover entirety of assets.	Isio engaged with HSBC, during the prior Plan Year, covering risk management, climate and reporting. This included making sustainability training compulsory for the investment team, reporting on Scope 3 emissions and providing more consistent and granular ESG scoring whilst also working to improve data coverage. The manager agreed on reporting Scope 3 emissions, with emissions data available upon request. Isio is continuing to engage with the manager for updates.
LGIM	LGIM has strong firm-level policies, such as their commitment to achieving net zero emissions by 2050. They also maintain a robust approach to stewardship and collaboration. Additionally, LGIM is an active member of over 50 ESG initiatives and networks.	• Introduce a formal ESG training program with defined priorities. • Consider developing connections with leading academic institutions to develop robust risk management frameworks.	Isio engaged with LGIM during the Plan Year covering fund investment approach and reporting. This included considering having fund level ESG objectives and measuring of wider fund ESG metrics. The manager confirmed its Future World Annuity Aware Fund incorporates ESG considerations as part of the investment strategy. Isio is continuing to engage with the manager for further updates.

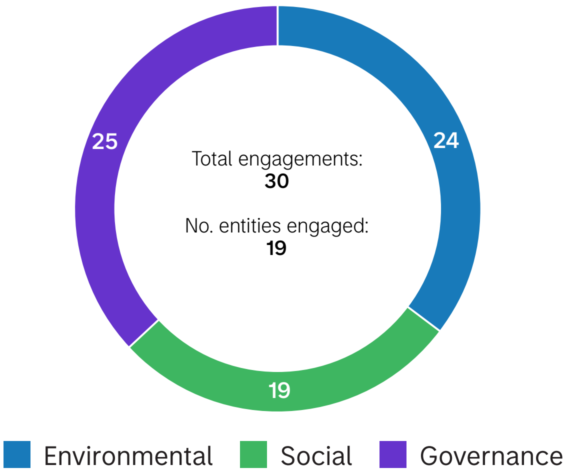
ISIO SUMMARY	ESG SUMMARY	ACTIONS IDENTIFIED (FOR ENGAGEMENT IN THE FOLLOWING PLAN YEAR)	ENGAGEMENT WITH MANAGER COMMENTARY (DURING THE PLAN YEAR)
M&G	M&G has established robust firm-level policies, including a commitment to achieving net zero emissions by 2050. Their stewardship approach is well-defined.	• Enhance collaboration with academic institutions to develop risk management frameworks. • Increase the mandatory training to cover topics more topics than just Greenwashing.	Isio engaged with M&G during the Plan Year on reporting. This included and improving the proportion of emission data covered by the Fund. Isio is continuing to engage with the manager for updates.
Morgan Stanley	Morgan Stanley has set a firm-level ESG policy and have a strong firm-level approach to Stewardship and Collaboration. Additionally, they have signed to multiple initiatives, including the UN PRI and UK Stewardship Code.	• Consider establishing a firm-level net zero commitment. • Become a signatory of the Net-Zero Asset Manager's Initiative (NZAMI) and Climate Action 100+.	Isio engaged with Morgan Stanley during the Plan Year regarding the firm-level investment approach and collaboration on ESG. This included setting a firm-level net-zero commitment with agreed interim decarbonisation targets and considering becoming a signatory to the Net-Zero Asset Manager's Initiative and Climate Action 100+. MSIM presented to the IC of the Plan during the Plan Year. Isio is continuing to engage with the manager for updates.
Ninety One	Ninety One has established robust firm-level policies, including a strong commitment to achieving net zero emissions by 2050. Collaboration is one of their strengths, as evidenced by their active participation in key global initiatives. Additionally, they have partnered with academics to provide training for their investment specialists.	• Introduce a supporting decarbonisation target alongside the net zero commitment for the majority of assets under management. • Introduce explicit stewardship priorities around social factors. • The ESG team could be integrated into investment teams to ensure ESG risks are considered throughout the investment process.	Isio engaged with Ninety One during the Plan Year on, risk management and reporting. This included keeping the ESG scorecard up to date with annual reviews, continuing to develop climate scenario analysis, and increasing the coverage GHG reporting. Isio is continuing to engage with the manager for updates.
Nordea	Isio has historically had little to no exposure to Nordea 15 Alpha MA, therefore no actions were identified during the Plan Year.		
Ruffer	Ruffer has set strong firm-level policies along with a Net Zero commitment by 2050. They have a strong approach to Stewardship led by a stand-alone responsible investment team. They participate in multiple ESG initiatives with strong engagement aimed at improving ESG metrics.	• Introduce a supporting decarbonisation target alongside the net zero commitment.	Isio engaged with Ruffer during the Plan Year regarding their investment approach, reporting, and risk management. This including considering the exclusion of investments in UNGC violators and and thermal coal, reporting on equity, diversity and inclusion metrics, and employing a quantitative process to identify ESG risks at the fund-level. Isio is continuing to engage with the manager for updates.
Sands Capital	Isio has historically had little to no exposure to Sands Capital Emerging Markets Growth fund, therefore no actions were identified during the Plan Year.		
Threadneedle	Columbia Threadneedle (CT) has a strong firm-level ESG policy with established stewardship priorities focused on climate, nature, and social issues. CT provides comprehensive ESG training to all employees.	• Further refine its ESG policy for engaging with portfolio companies. • Further integrate the ESG team in asset class or PM team.	Isio engaged with CT during the Plan Year regarding their investment approach, and reporting. This included suggesting the inclusion an ESG scorecard to score assets in the portfolio as part of the due diligence process and reporting on the temperature pathway alignment of the Property Fund. Isio is continuing to engage with the manager for updates.
Western Asset Management	Isio has historically had little to no exposure to Western Asset Management Multi Asset Credit fund, therefore no actions were identified during the Plan Year.		

ISIO SUMMARY	ESG SUMMARY	ACTIONS IDENTIFIED (FOR ENGAGEMENT IN THE FOLLOWING PLAN YEAR)	ENGAGEMENT WITH MANAGER COMMENTARY (DURING THE PLAN YEAR)
Wellington	Wellington has set strong firm-level policies across climate and social factors. They also have a comprehensive ESG training programme for analysts. They have a strong approach to Stewardship and Collaboration, including with academic institutions.	• Introduce specific Stewardship priorities to guide engagement • Strengthen engagement escalation policy following engagement with portfolio companies. • Expand Net Zero target to cover entirety of assets.	Isio engaged with Wellington during the Plan Year regarding their investment approach and stewardship. This included expanding the firm's Net Zero targets to cover the entirety of assets and strengthening the stewardship process through specific priority areas and the monitoring of progress and key milestones. Isio is continuing to engage with the company for updates. Wellington also met with the IC during the Plan Year providing a deep dive of the Wellington Global Impact Fund as used within the Plan.

Engagement

As the Plan 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 31 December 2025.

Baillie Gifford Long Term Global Growth



Baillie Gifford consider active ownership, stewardship and ESG matters as core beliefs in their investment management and how they interact with clients. They have provided stewardship principles and guidelines in a firm-wide document. These principles include long-term value creation, alignment in vision and practice, governance fit for purpose and sustainable business practices. Within these principles, it is further integrated with ESG factors which includes governance arrangements, human rights and labour rights, principles of the UNGC, diversity and inclusion, climate change and nature and biodiversity.

Engagement example:

TOPIC – SOCIAL SOCIAL (HUMAN CAPITAL MANAGEMENT)

Baillie Gifford engaged with Amazon on an ongoing basis. This engagement was between Baillie Gifford and Amazon's head of ESG engagement and ESG engagement specialist to discuss employee working conditions, unionisation and freedom of association, and supply chain labour standards. Baillie Gifford was also seeking to gain some further insight about Project Nimbus and how Amazon considers it within the context of human rights commitments.

The discussion allowed Baillie Gifford to review the progress made by Amazon's continued investment in employee health and safety as well as discussing unionisation and migrant worker issues in Saudi Arabia. Ultimately, Baillie Gifford was reassured with the actions being taken by Amazon and will continue to use their constructive relationship to monitor developments. However, they were unable to gain any further clarity about the allegations against Amazon and Project Nimbus and are therefore continuing to encourage greater transparency on the topic.

The Plan is comfortable that Baillie Gifford is aligned with the Plan's social stewardship focus regarding human rights, as the engagement example above relates to this focus area. The manager also notes social factors as an engagement priority.

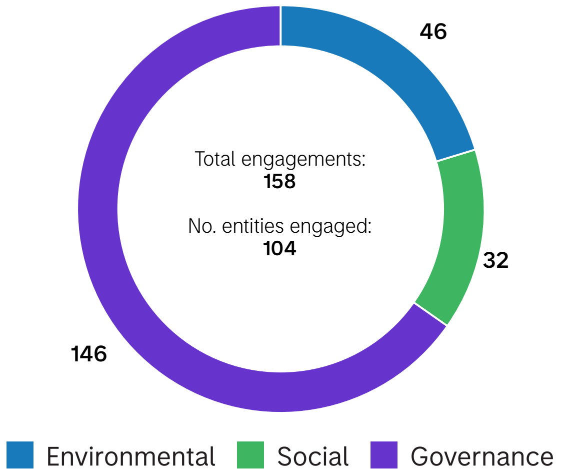
BlackRock Equity Funds

BlackRock provided a firmwide policy document which sets out their engagement priorities. The five engagement priorities are: board quality and effectiveness; strategy, purpose, and financial resilience; incentives aligned with financial value creation; climate and natural capital; and company impacts on people. The BlackRock Investment Stewardship ("BIS") engagement priorities reflect the themes on which the team most frequently engages companies, where they are relevant, as these can be a source of material business risk or opportunity.

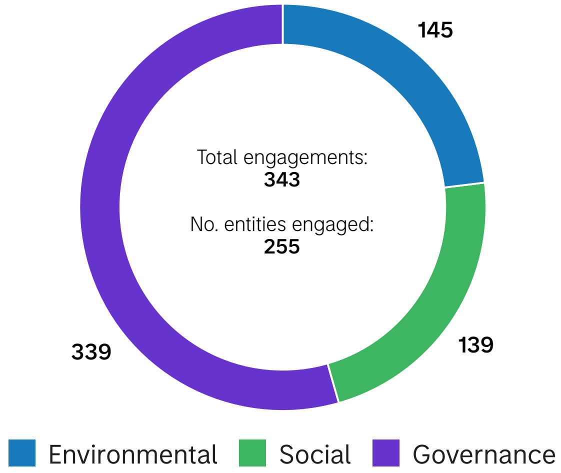
BIS's five engagement priorities are: board quality and effectiveness; strategy, purpose, and financial resilience; incentives aligned with financial value creation; climate and natural capital; and company impacts on people. The BIS's engagement priorities reflect the themes on which the team most frequently engages companies, where they are relevant, as these can be a source of material business risk or opportunity.

The BIS team primarily engages public companies on behalf of client assets invested in index strategies, and makes its company analysis and engagement meeting notes available to BlackRock's active portfolio managers. BIS's global reach and local presence enables more frequent and better-informed dialogue with companies, often in the local language. Other teams across BlackRock may engage with companies to help inform their work on a broad spectrum of risk and value drivers in their investible universe.

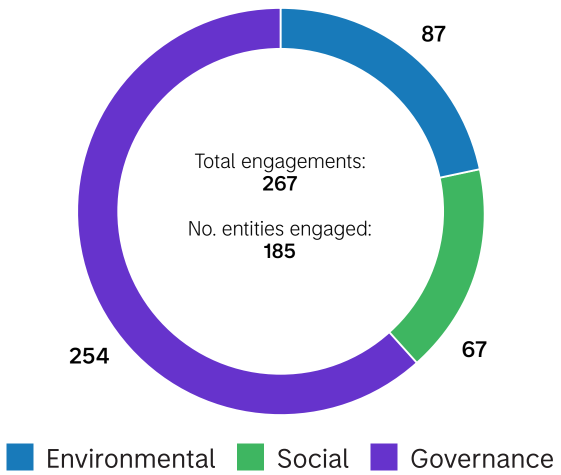
BlackRock
ACS UK Equity Tracker Fund



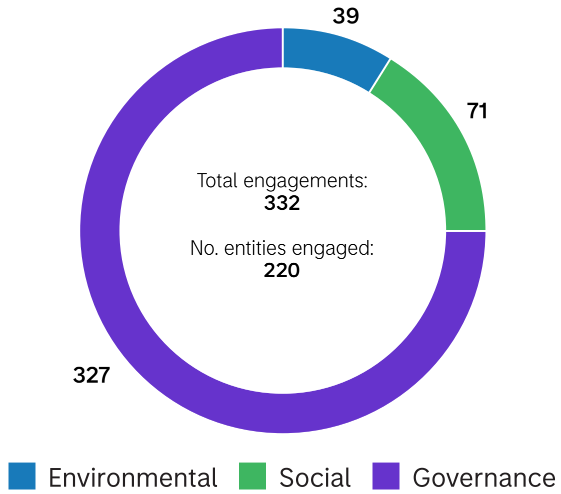
BlackRock
ACS US Equity Tracker Fund



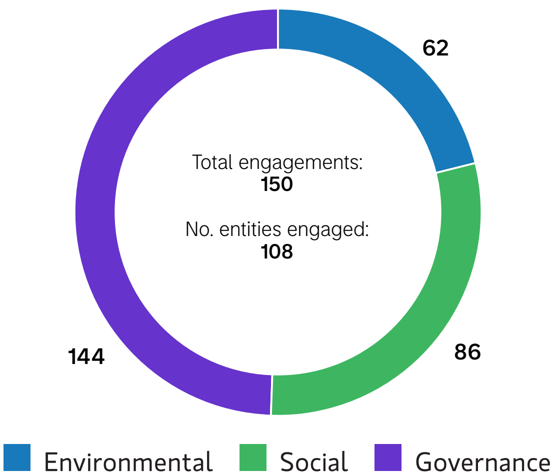
BlackRock
ACS Continental European Equity Tracker Fund



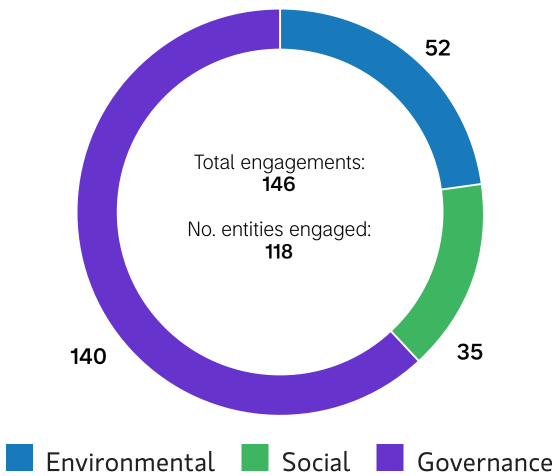
BlackRock
ACS Japan Equity Tracker Fund

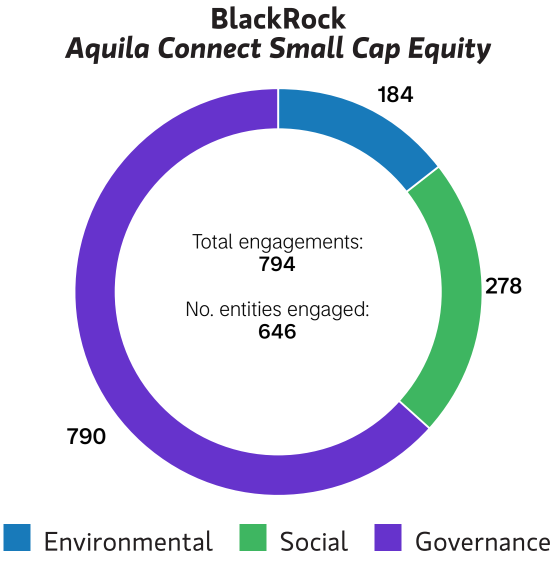


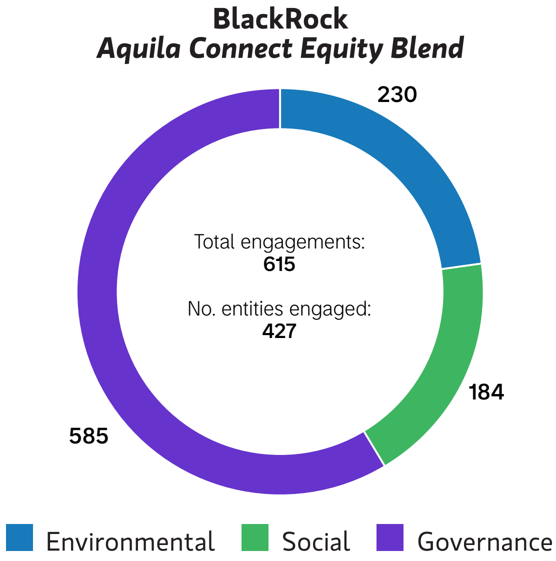
BlackRock
Aquila Connect Pacific Rim Equity Fund



BlackRock
Aquila Connect Emerging Markets







Engagement example:

ENGAGEMENT TOPIC – OVERCOMMITMENT

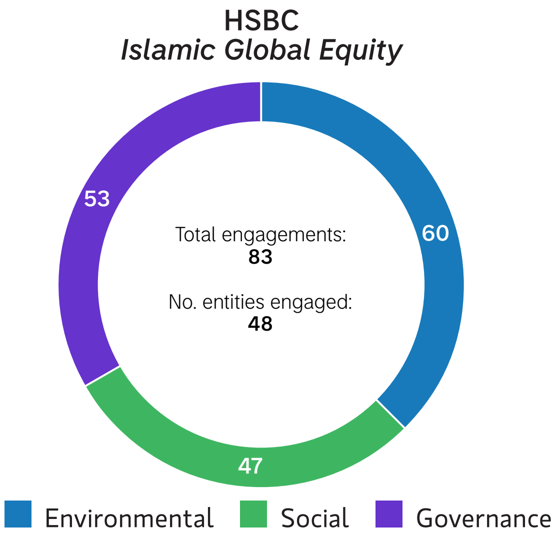
BlackRock engaged with Carlsberg A/S (Carlsberg), a Danish alcoholic beverages company with a portfolio of over 140 brands that operates extensively across Europe and Asia.

Carlsberg were faced with two directors who may be considered to have overcommitment issues. BlackRock have guidelines set out specifying a maximum number of boards on which a director may serve before they are considered to be overcommitted. BlackRock had previously voted to communicate director capacity-related concerns at the March 2024 AGM.

Ahead of the March 2025 AGM, BlackRock engaged with members of Carlsberg's management team to better understand the company's approach to board composition. Carlsberg addressed the issues raised, resulting in BlackRock voting in support of all director elections at the AGM.

All director nominees received majority shareholder support at the March 2025 AGM.

The Plan is comfortable that BlackRock is aligned with the Plan's governance stewardship focus as the engagement example above relates to this focus area. The manager also notes governance (strategy, purpose and financial resilience) as an engagement priority.



HSBC have provided firmwide policy on their Stewardship plan and core engagement themes. The Stewardship plan is built on 7 steps: identifying core engagement themes, prioritising companies, carrying out engagement, monitoring engagement progress, voting at company meetings, investment implications and escalation. In 2025, HSBC have 6 core engagement themes covering: climate change, human rights, corporate governance, bioeconomy and natural capital, social opportunities and trusted technology and data.

Engagement example:

ENGAGEMENT TOPIC – TRUSTED TECHNOLOGY AND HUMAN RIGHTS

HSBC engaged with Microsoft Corp, an American multinational technology company that develops, manufactures and supports a wide range of software, hardware and services.

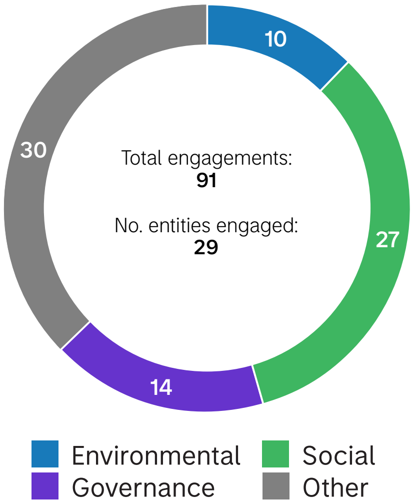
Microsoft has worked with government defence departments for many years as technology companies are playing a major role in how warfare evolves. HSBC had concerns on the impacts of the company following a shareholder proposal at Microsoft's AGM that requested a report on the risks of operating in companies with significant human rights concerns. The proposal received considerable support, however Microsoft did not commit to any revisions and only emphasised its current human rights commitments.

HSBC has been engaging on Microsoft's involvement in defence and has been pleased with the response so far, with the company emphasising its commitment to being a platform leader for businesses rather than a defence contractor, as demonstrated by its decision to sell its military headset unit business. They also reiterated that in certain geographies it conducts additional due diligence for human rights impact assessments.

HSBC plans to keep Microsoft on its priority list, monitoring how its products and services are being utilised by the defence industry to inform their analysis and decision-making process.

The Plan is comfortable that HSBC is aligned with the Plan's social and governance stewardship focus as the engagement example above relates to these focus areas. The manager also highlights climate change and board composition as engagement priorities.

Morgan Stanley
Global Brands



Morgan Stanley's ESG engagements generally have three key purposes:

- Assessment of specific ESG issues relevant to companies that are potentially financially material
- Monitoring of progress
- Encouraging companies towards better practices

Morgan Stanley may go into the engagement with specific objectives and track the company's response, for example look for improved disclosure, behaviour change, and/or credible target-setting.

Engagement example:

ENGAGEMENT TOPIC – ENVIRONMENT

Whilst Morgan Stanley do not consider this engagement to be directly connected to the UN SDGs, they believe this example aligns with SDG 6 (Clean Water and Sanitation), 12 (Responsible Consumption and Production) and 13 (Climate Action).

The objective was to assess how potentially financially material operational risks such as water availability, packaging, and climate resilience are being managed following the company's December 2024 revision of several sustainability targets.

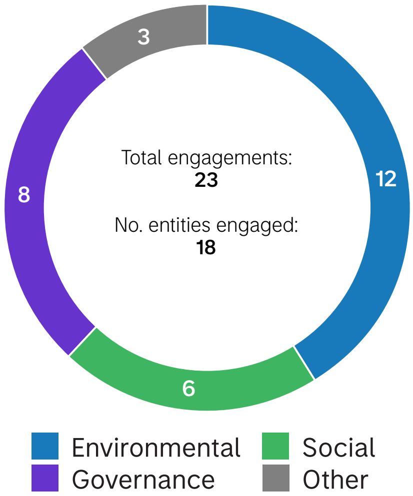
Morgan Stanley engaged across the Coca-Cola system, including a site visit to Coca-Cola FEMSA's facility in São Paulo. Engagement covered topics starting with sugar, discussing product-mix and the regulatory exposure, with Coca-Cola aiming for diversification to mitigate this and Morgan Stanley encouraging greater transparency on the topic.

They then covered potentially financially material operational risks such as bottling outsourcing, water availability and packaging costs, with Morgan Stanley requesting clearer quantification of some of the costs this impose across operations.

Overall, Morgan Stanley was comfortable that the company is taking the appropriate steps to build a more resilient system by tackling these ESG risks.

The Plan is comfortable that Morgan Stanley is aligned with the Plan's environmental stewardship focus regarding climate change. The manager also notes climate factors as an engagement priority.

Ninety One
Emerging Markets
Local Currency Debt



Ninety One have a firmwide stewardship policy which sets out their stewardship principles. Ninety One's approach to engagement and voting is informed by policies in relation to five areas of corporate governance, which it considers key to ensuring long-term value:

- Leadership and strategic control
- Alignment with the long term
- Sustainability risks including climate change
- Protecting client capital
- Audit and disclosure

Engagement example:

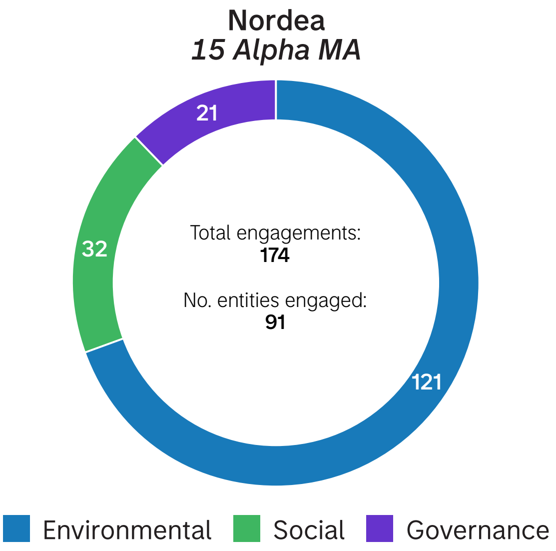
ENGAGEMENT TOPIC – CLIMATE CHANGE, POLLUTION AND STRATEGY AND DISCLOSURE

Ninety One engaged with PEMEX, a Mexican state-owned petroleum corporation, to discuss updates covering corporate restructuring, sustainability governance and emissions, as well as engaging on methane flaring, OGMP alignment and the use of World Bank support. This engagement aligns with Ninety Ones sovereign ESG framework and focus on climate transition and governance risks.

The engagement included a detailed call with senior management on objectives for PEMEX, such as improved emissions management, methane disclosure and credible sustainability planning.

PEMEX has embedded sustainability more formally into its legal framework, committed to regular sustainability plan updates, completed methane inventory and advanced toward OGMP Level 4. Ninety One plans to continue engaging with PEMEX to assess implementation progress.

The Plan is comfortable that Ninety One is aligned with the Plan's environmental stewardship focus regarding climate change. The manager also notes climate factors within its corporate governance policies.



Nordea provided a firmwide responsible investment report which details their stewardship goals and how they engage with companies. These engagements are built on 4 focus areas:

- Biodiversity
- Climate
- Good governance
- Human rights

Engagement example:

ENGAGEMENT TOPIC – CLIMATE

Nordea engaged with NVIDIA, a world leader in accelerated computing and AI, designing high-performance GPUs and full-stack software platforms that power gaming, professional visualisation and data centres, and serve as the primary engine behind modern artificial intelligence applications.

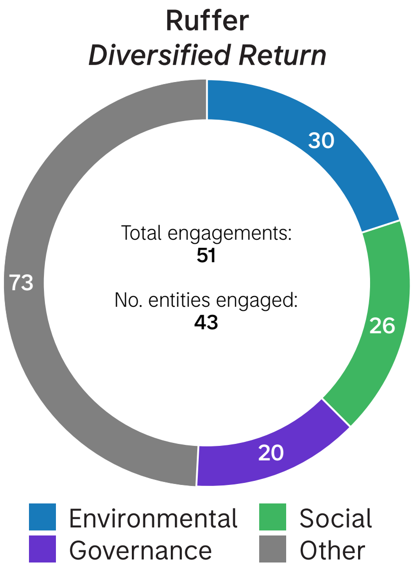
Nordea engaged with them on the company's Scope 3 emissions management, reflecting the ongoing concerns about the sustainability implications of the rapidly expanding AI infrastructure market. This engagement was prompted by NVIDIAs FY25 results, showing that Scope 3 emissions nearly doubled year-on-year, despite the company's commitment to reduce scope 3 emissions intensity from use of sold GPU products by 75% by FY30.

The discussion centred on understanding how the company plans to achieve its ambitious emissions intensity reduction target while managing absolute emission growth.

Nordea found the engagement revealed NVIDIA's sophisticated understanding of the technical levers available for emissions intensity improvement, but highlighted gaps in quantitative disclosure and methodology transparency. The company demonstrated awareness that their estimation approach may overstate emissions as large customers transition rapidly to renewable energy and committed to conservative estimates subject to audit verification.

Nordea is planning to continue engagement with a focus on AI governance topics and expects the company's AI team to participate in future discussions. They expect NVIDIA to provide more granular disclosure on emission reduction methodologies and clearer evidence of how their technological innovations translate to net environmental benefits across the value chain. However, they are happy that NVIDIA's receptiveness to suggestions for impact studies and protocol development indicates constructive potential for continued progress on emissions transparency and management.

The Plan is comfortable that Nordea is aligned with the Plan's environmental stewardship focus regarding climate change. The manager also notes climate factors within its key focus areas.



Ruffer provide firm level quarterly engagement reports which detail their goals alongside numerous case studies. Ruffer's responsible investment policy and stewardship principles are built on environmental, social and governance (ESG) factors, integration, ethical investment restrictions and client and investor reporting.

Engagement example:

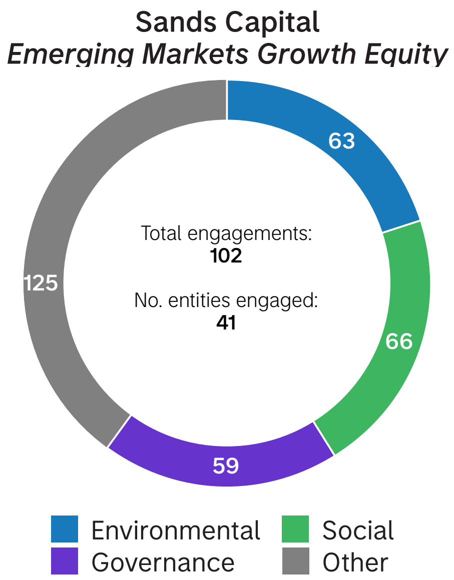
ENGAGEMENT TOPIC – SOCIAL

Ruffer engaged with ArcelorMittal, a Luxembourg-based multinational steel manufacturing corporation. Ruffer met with the directors to gain insights into the implementation and reporting of the findings contained in the DSS+ safety audit that was undertaken following an industrial accident at one of their coal mine and steelmaking sites in 2023. ArcelorMittal had not made the full report available to stakeholders, therefore Ruffer was interested in the board's involvement in and reaction to the safety audit.

The board of ArcelorMittal confirmed they were heavily involved in the audit and stated that safety remained a key discussion point and highest priority, noting that the audit findings suggested a change of culture is needed. Ruffer queried whether they could expect regular updates on the implementation of the recommendations and questions how investors may assess whether changes are working. ArcelorMittal replied that they will continue to provide updates, with the first potentially expected before the next AGM. They continued on to say that metrics related to improving leading indicators will translate into improved lagging indicators (like LTIFR), implementation of the recommendations will be a series of steps, rather than a simple solution.

Ruffer plan to continue participating in a collaborative engagement with ArcelorMittal on health and safety, seeking a dedicated meeting with directors.

The Plan is comfortable that Ruffer is aligned with the Plan's social stewardship focus as the engagement example above relates to these focus areas.



Sands Capital provide firm level annual engagement reports which detail their goals alongside numerous case studies. Sands Capital's investment approach and stewardship are built on environmental, social and governance (ESG) factors, culture, compliance, client relationships and company engagements.

Engagement example:

ENGAGEMENT TOPIC – LABOUR RIGHTS AND HUMAN RIGHTS

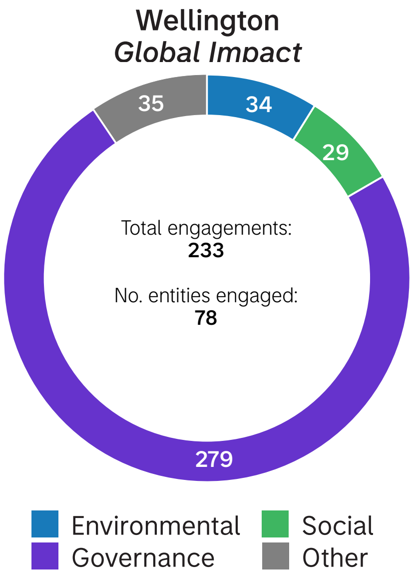
Sands Capital engaged with BYD, a Chinese high-tech conglomerate specializing in new energy vehicles, battery technology, electronics and rail transit. This engagement came following reports in late 2024 regarding labour conditions at a factory construction site in Brazil operated by a third-party contractor. This highlighted how labour practices across construction sites and outsourced operations have become increasingly material to the company's long-term growth.

The engagement included monitoring regulatory developments and public disclosures following the investigation and Sands Capital sought direct dialogue with the company; this included an in-person research visit to the site to discuss with management and better understand the company's response, contractor oversight framework, and approach to aligning with local labour standards.

Sands Capital was comfortable that BYD acted to address the immediate issues by ending its relationship with the contractor, improving worker accommodations, and shifting to a local construction partner. With management indicating that the incident has not materially disrupted manufacturing plans in Brazil and describing the episode as a learning experience as it scales globally.

Sands Capital will continue to monitor developments related to the Bahia site and engage with BYD on how it is embedding more systematic contractor due diligence, accountability mechanisms, and local stakeholder engagement into its international expansion strategy.

The Plan is comfortable that Sands Capital is aligned with the Plan's social stewardship focus as the engagement example above relates to these focus areas.



The goal of Wellington's stewardship activities—engaging with company managements and voting proxies on their clients' behalf—is to support decisions that they believe will deliver sustainable, competitive investment returns and maximize the long-term value of securities we hold in client portfolios. Their commitment to active ownership combines deep research and constructive dialogue. This commitment anchors their investment philosophy and stewardship approach across asset classes.

Engagement example:

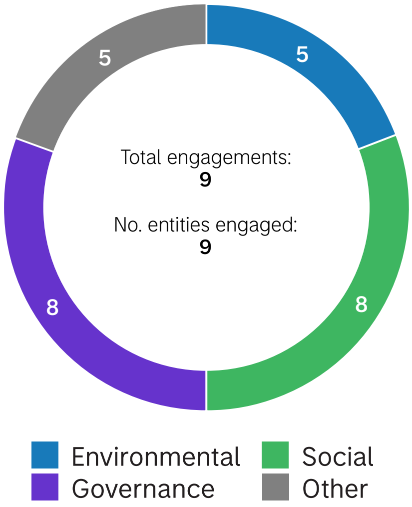
ENGAGEMENT TOPIC – STRATEGY; SOCIAL – PUBLIC HEALTH

Wellington engaged with Merck, a global biopharmaceutical company with a focus on oncology, vaccines, infectious diseases and heart disease at Wellington's healthcare buyside conference in November. They were encouraged by the company's pipeline development, including a recent acquisition which Wellington believe will help the company to grow revenues despite the mid-term loss of revenues.

Wellington discussed with the CEO and other members of senior management to deepen their understanding of how pricing agreements with the US government set the company up to deliver improved results and revenue performance in the coming years.

Wellington subsequently added to their position as they expect improved pricing clarity and new pipeline developments to drive multiple re-rating. The Plan is comfortable that Wellington is aligned with the Plan's stewardship focus areas; Wellington groups its impact themes under three categories: life essentials, human empowerment and environment.

Western Asset
Multi-Asset Credit



Western prioritises engagements with issuers that exhibit financially material ESG risks, in particular those the Firm has a large exposure to. The issues specifically explored during engagement are determined by analysts consistent with their ESG frameworks, which outline the material factors specific to each sector. The Firm's Analysts also prioritize engaging with companies that are at risk of violating the UNGC principles. The UNGC principles are widely accepted standards that meet fundamental responsibilities in the areas of anti-corruption, human rights, labour, and the environment.

Engagement example:

ENGAGEMENT TOPIC – STRATEGY, FINANCIAL AND REPORTING

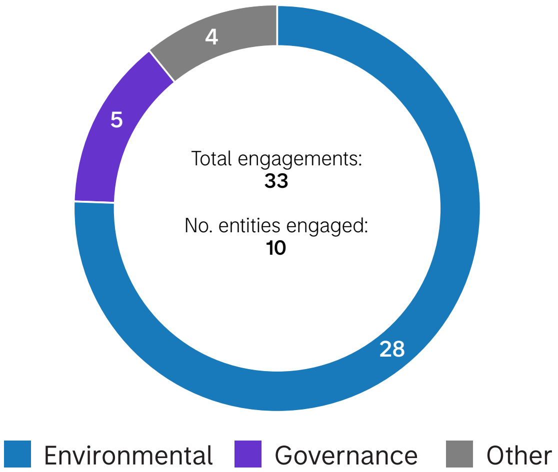
Western engaged with Ford Motor Co, an American multinational automobile manufacturer that sells vehicles under the Ford brand and its Lincoln Brand.

The engagement was focussed on receiving an update one sustainability initiatives and also to discuss the challenges created by tariff negotiations on critical minerals and batteries. Western asked a number of questions which Ford was able to answer to an acceptable level. Key outcomes from their responses include that Ford are on track to start production of LFP batteries (already licensing the technology) which will reduce the imports from China and they will preview new changes to EV platform on 8/11 at an event open to investors and shareholders.

Western will revisit the internal ESG rating after the 8/11 EV event and re-engage with Ford after their 2026 CSR is released.

Whilst the engagement example is not directly linked to one of the Plan's stewardship priorities, the Plan is comfortable that Western is aligned with its focus areas as Western engages with companies that are at risk of violating the UNGC principles, which covers anti-corruption, human rights, labour and the environment.

M&G
All Stocks Corporate Bond



M&G Investments believes that the long-term success of companies is supported by effective investor stewardship, high standards of corporate governance and transparent engagement policies. The prioritisation of their resources is based on a range of factors, including the materiality of an issue and the size of their holding. their focus will be on issues that are likely to be material to the value of the company's shares.

Engagement example:

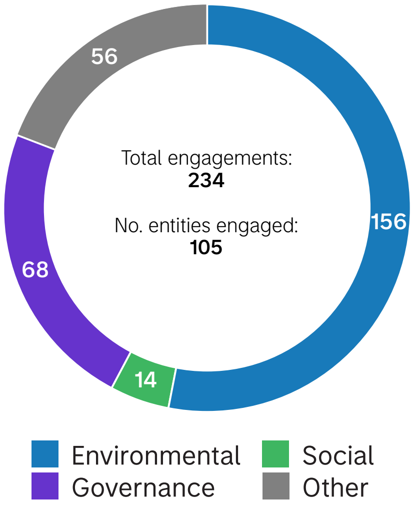
ENGAGEMENT TOPIC – ENVIRONMENTAL

M&G engaged with Anglian Water, a water and water recycling company in England and Wales, to encourage the company to improve its biodiversity disclosures after the company was identified as not meeting the MSCI's biodiversity "Do No Significant Harm" criteria.

Anglian Water would qualify as a sustainable investment for Article 9 bond funds if it were to align with MSCI's requirements, this was communicated to them when M&G met with the Head of IR, the assistant treasurer and the Climate and Biodiversity lead. They therefore undertook internal research and an assessment against Nature Action 100's benchmark indicators to identify ways to remediate the issues and as a result it was decided that the company would provide an updated, more comprehensive Biodiversity Strategy or Policy by June 2026. Despite numerous expected challenges, Anglian Water remains hopeful that the actions requested by M&G are achievable within a year.

The Plan is comfortable that M&G is aligned with the Plan's environmental stewardship focus regarding climate change. The manager also notes climate factors as an engagement priority.

LGIM
Future World Annuity Aware



L&G's Investment Stewardship team aims to drive long-term value creation by engaging with companies and policy stakeholders, specifically in relation to key engagement themes it believes are financially material. L&G's core engagement themes are climate & nature, social resilience and governance.

Engagement example:

ENGAGEMENT TOPIC: SOCIAL AND ENVIRONMENTAL

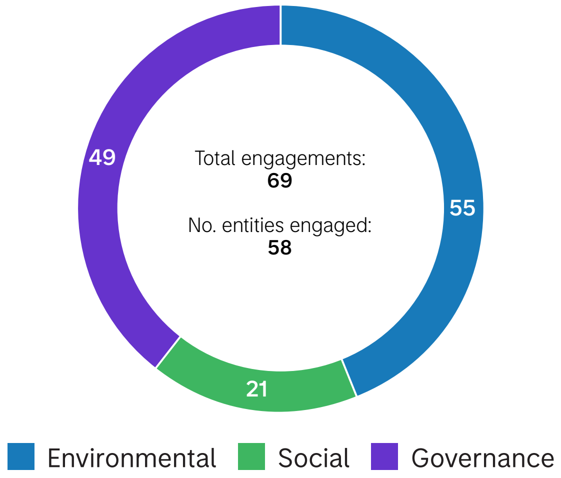
L&G engaged with McDonalds Corp' three times during the Plan Year, on a range of topics, including environmental opportunities, corporate strategy and board composition. Full details on the engagement and outcome have not been provided, however the engagement is in line with the Trustee's environmental, social and governance stewardship priorities. The company acknowledged two of the engagements and L&G have set target completion dates in 2027.

The Plan is comfortable that L&G is aligned with the Plan's social and environmental stewardship focus areas. The manager also notes climate and social factors within their engagement pillars.

Threadneedle Property

The Fund's primary investment focus is on direct UK commercial property. Given the nature of these investments, which involve direct ownership and management of physical assets rather than equities or bonds, traditional engagement practices associated with shareholder activism do not apply. Instead, the Fund's engagement efforts are centred around active property management, tenant relations, and sustainable practices to enhance property value and ensure long-term viability. This includes maintaining regular communication with tenants, implementing environmentally sustainable initiatives, and ensuring compliance with local regulations and standards.

MSIM
Global Credit



Morgan Stanley Investment Management (MSIM) Fixed Income has developed a targeted and thematic engagement programme on ESG issues. Their approach is fully integrated into their research and investment processes to identify opportunities for improved risk management and alpha generation through constructive dialogues with issuers, while encouraging them to pursue positive sustainability outcomes.

Engagement example:

ENGAGEMENT TOPIC: ENVIRONMENTAL

MSIM engaged with Wells Fargo, a multinational financial services company based in the United States. The engagement involved investor relations and sustainability leadership.

The engagement focused on portfolio-related climate strategy following significant changes in the company's climate commitments, including abandoning its net-zero 2050 portfolio emissions ambition, withdrawing its 2030 sectoral emissions reduction targets and removing prior climate-related disclosures and policies from its website.

The engagement aimed to clarify the company's evolving climate strategy, understand internal drivers of change, and assess how the firm frames climate considerations as business risks and opportunities rather than abstract commitments.

Wells Fargo was receptive to the engagement, providing explanations such as contextual challenges, strategic reset and organisational changes in response to the concerns raised by MSIM.

MSIM are comfortable that the meeting was constructive, with no immediate changes to investment following the engagement, however the issue remains ongoing. MSIM plan to re-engage to review the next iteration of the climate-related policies and disclosures. They expect to provide feedback and outline expectations to the company.

The Plan is comfortable that MSIM is aligned with the Plan's stewardship priority regarding climate change. The manager also notes climate factors as an engagement priority.

BlackRock Aquila Connect All Stocks UK Gilt Index, iShares Index Linked Gilt Index, iShares Overseas Government Bond Index, BlackRock Sterling Liquid Environmentally Aware

The BIS team focuses its engagement efforts on public equity and corporate bond funds. As a result, they have not conducted any engagement activities or provided engagement data for the cash and gilt funds in which the Plan is invested. Consequently, there are no engagement examples or data available for these particular asset classes within the Plan.

Defined Benefit assets – BlackRock Gilt funds and Asset Backed Securities

Within Asset Backed Securities, BlackRock have set explicit stewardship priorities on which to engage with investee exposures, overseen by a central team. This is a developing area relative to engagement with companies within corporate credit.

BlackRock collaborate with initiatives and institutions on ESG risks. The Fund has qualitative ESG objectives, assessed via the baseline screening process, again this a newer development with Asset Backed Securities where data remains a challenge.

Within Gilt funds there is less scope for engagement and integration of sustainability considerations. The Plan does not employ any leverage within the DB assets and therefore there are no third-party counterparties outside of the UK Government.

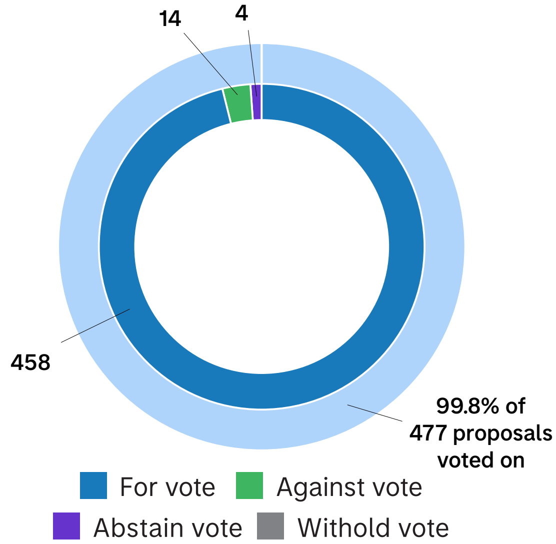
Voting (for Equity and Multi-Asset funds only)

The Trustee uses pooled investment funds within the Plan, as such voting activity is delegated to the underlying managers. The Trustee monitors this voting activity to ensure it aligns with their own beliefs and stewardship priorities and confirms that the voting activity during the Plan Year reflects the Trustee's voting policy.

The Plan's fund managers have provided details on their voting actions including a summary of the activity covering the reporting year up to 31 December 2025 .

As no equity funds are held within the DB assets of the Plan, the below votes related to the DC assets only.

Baillie Gifford
Long Term Global Growth



Manager's voting approach

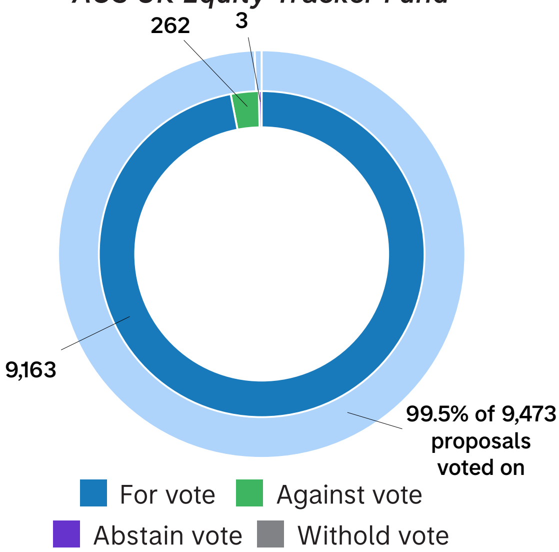
Baillie Gifford determine a significant vote to be:

- Current holding has a material impact on the outcome of the meeting
- Resolution receives 20%+ support/opposition
- Misaligned remuneration
- Controversial equity issuance
- Significant audit failing
- Mergers and acquisitions
- Opposing the annual report/financial statement
- Opposing the election of directors and executives
- Identifying material ESG issues that result in opposing management

Baillie Gifford prioritise thoughtful voting of their clients' holdings as part of our stewardship commitment. Their ESG team, alongside investment managers, oversees voting analysis and execution.

Baillie Gifford proxy voting guidelines can be found here. For further information on Baillie Gifford's voting and engagement policies, please refer to the following webpage which can be found here.

BlackRock
ACS UK Equity Tracker Fund



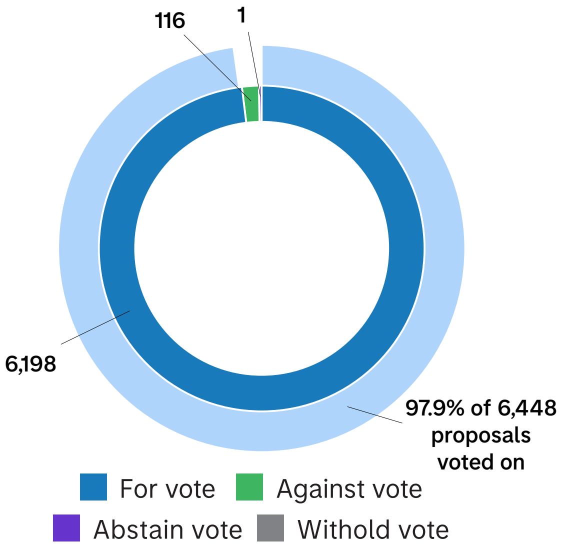
Manager's voting approach

BlackRock do not have a set criteria for assessing a vote to be significant, but it does have a firm-wide voting policy. **BIS Global Principles (blackrock.com)**

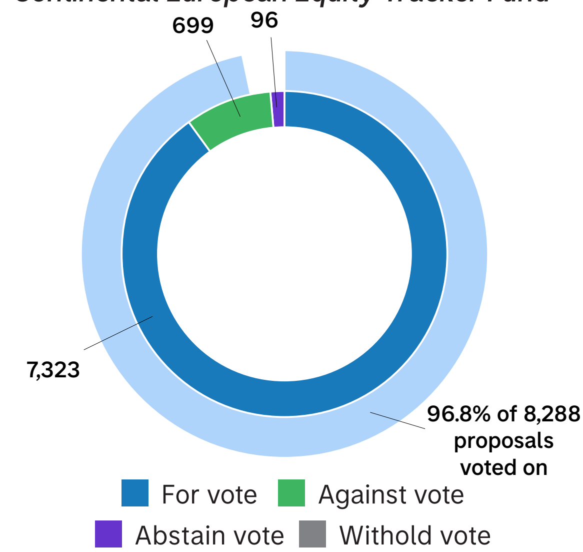
For further information on BlackRock's voting and engagement policies, please refer to the following webpage which can be found **here.**

BlackRock use Institutional Shareholder Services' (ISS) electronic platform to execute their vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting For more information on BlackRock's use on proxy services, please refer to the following documents available on their website here.

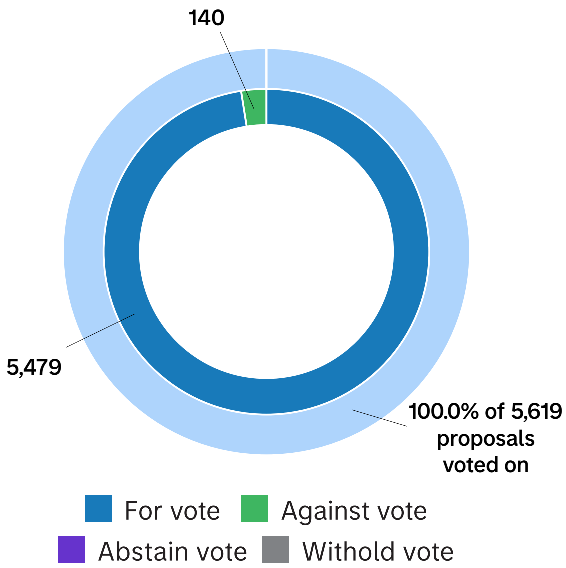
ACS
US Equity Tracker Fund



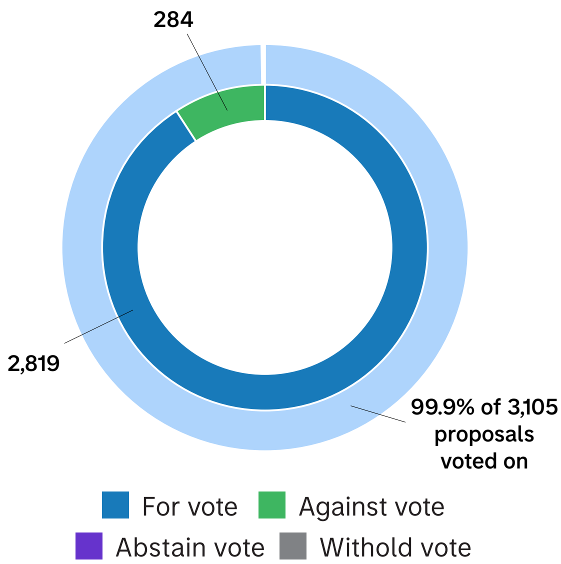
ACS
Continental European Equity Tracker Fund



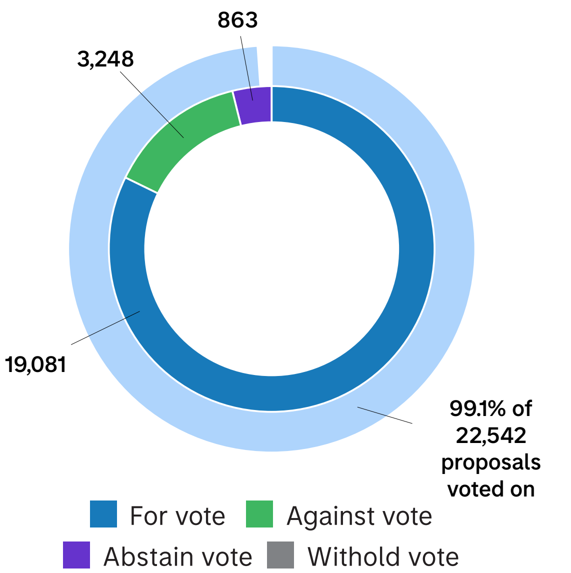
ACS
Japan Equity Tracker Fund



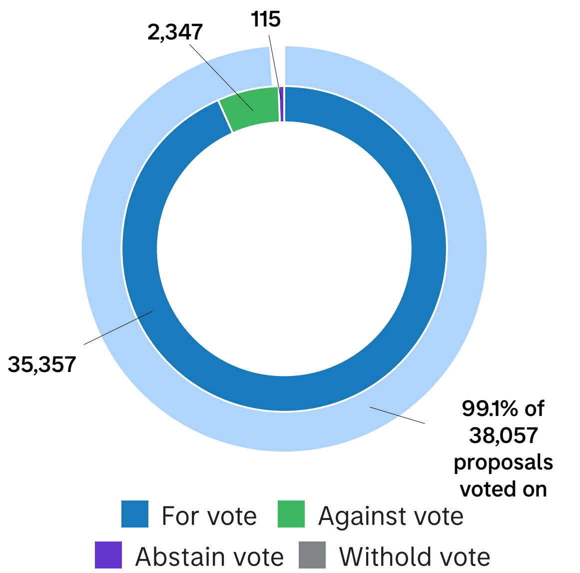
Aquila
Connect Pacific Rim Equity Fund

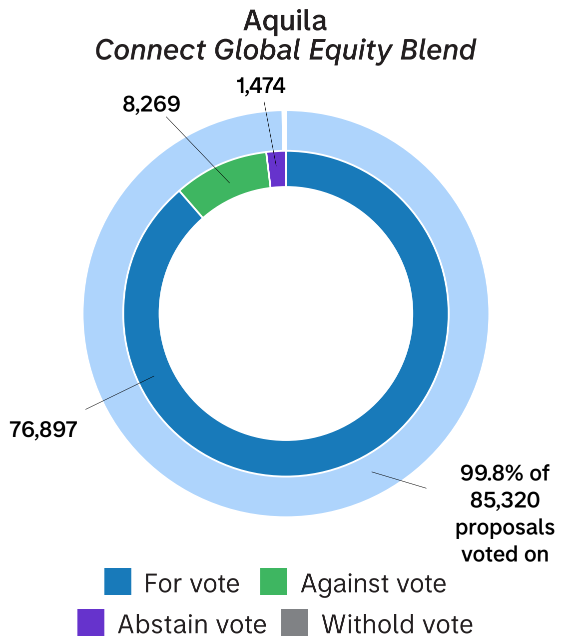


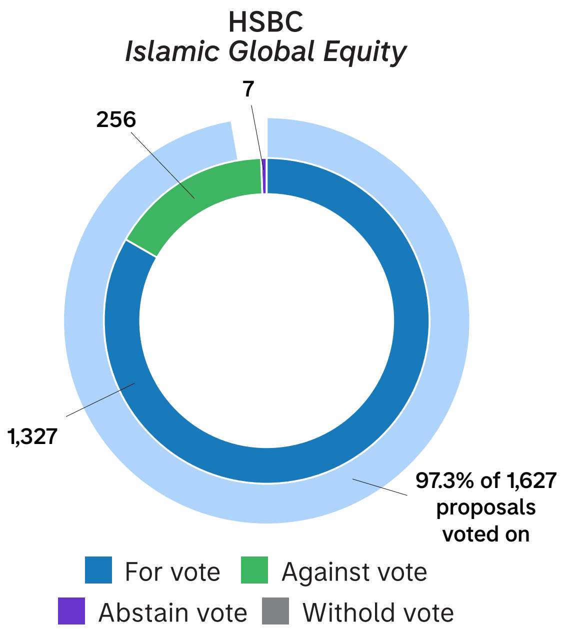
Aquila
Connect Emerging Markets



Aquila
Connect Global Small Cap Equity







Manager's voting approach

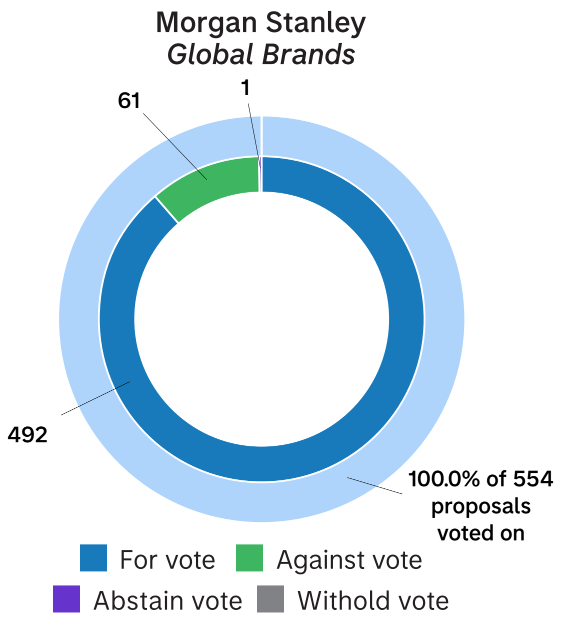
HSBC determine a significant vote to be:

- Votes against management recommendation
- Companies with significant portfolio weighting
- Climate related resolution

HSBC use ISS' voting research and platform to assist with the global application of their own bespoke voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene HSBC's guidelines. The bulk of holdings are voted on in line with the recommendation based on HSBC's guidelines.

More information on HSBC's global voting guidelines can be found **here**.

For further information on HSBC's voting and engagement policies, please refer to the following webpage which can be found **here**.

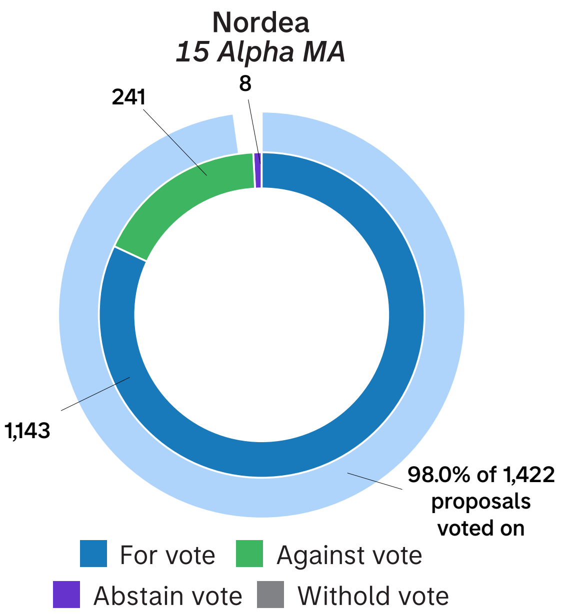


Manager's voting approach

Morgan Stanley do not have a set criteria for assessing a vote to be significant, however votes against management or in support of shareholder resolutions are potentially significant.

MSIM has retained Research Providers to analyse proxy issues and to make vote recommendations on those issues. While they review the recommendations of one or more Research Providers in making proxy voting decisions, they are in no way obligated to follow such recommendations. MSIM votes all proxies based on its own proxy voting policies in the best interests of each client. In addition to research, ISS provides vote execution, reporting, and recordkeeping services to MSIM.

For further information on Morgan Stanley's voting and engagement policies, please refer to the following webpage which can be found here.



Manager's voting approach

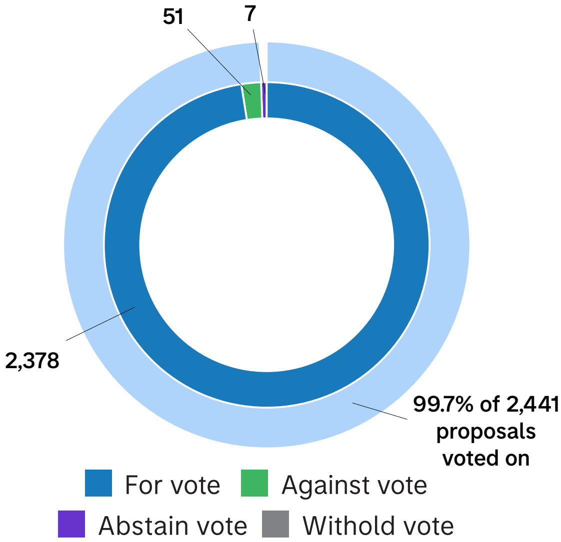
Nordea determine a significant vote to be:

- The board lacks oversight of ESG risks
- Board lacks diversity
- Climate resolutions if expectations are not met
- Company remuneration plans and reports fail to meet criteria
- Companies without a climate transition plan that aligns with Paris agreement
- Company with deficient corporate governance

Every vote Nordea cast is considered individually based on their bespoke in-house voting policy.
They use ISS and NIS for proxy voting facilitation, execution, and analytic input. Glass Lewis is used for additional analytic input.

For further information on Nordea's voting guidelines and engagement policies, please refer to the following webpage here.

Ruffer
Diversified Return



Manager's voting approach

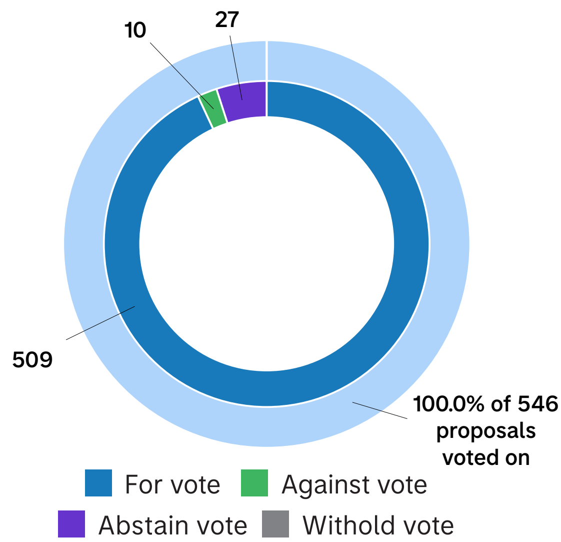
Ruffer determine a significant vote to be:

- Any vote against management or ISS recommendation
- Any vote misaligned with Ruffer's internal voting criteria
- Any shareholder resolution
- Any management proposed climate related resolution
- Dissident shareholder slate (US only)

Ruffer uses ISS as a proxy voting advisor but relies on their own internal voting guidelines. While ISS recommendations are considered, all voting decisions are made in-house by research analysts and the responsible investment team, who review issues on a case-by-case basis.

For further information on Ruffer's voting guidelines and engagement policies, please refer to the following document here.

Sands Capital
Emerging Markets Growth Equity



Manager's voting approach

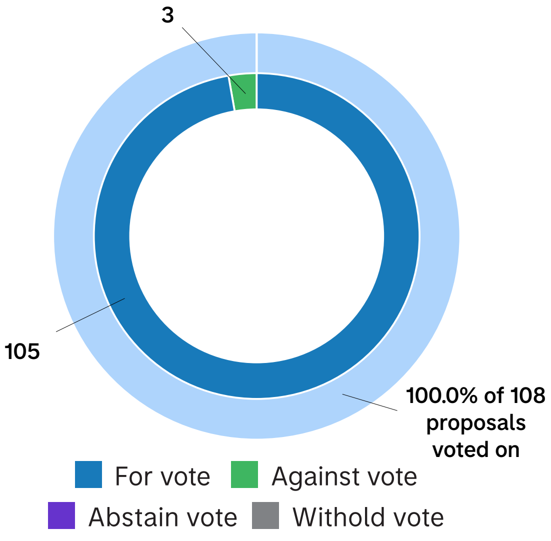
Sands Capital determine a most significant vote to be:

- Votes at the dissent level
- Voting FOR shareholder proposals
- Voting AGAINST management or ISS
- Historical votes on similar proposals
- Overall relevance to the strategy

Sands Capital take a proactive approach to voting as they retain the responsibility of voting proxies themselves. They consider the recommendations of proxy advisors (ISS and Glass Lewis) in their voting decisions.

For further information on Sands Capital's voting guidelines and engagement policies, please refer to the following webpage here.

Wellington
Global Impact Fund



Manager's voting approach

Wellington determine a most significant vote to be:

- Votes against management
- Type of proposal
- Holding size

As inputs into their internal analysis, Wellington subscribes to the research services of Glass Lewis & Co. and ISS. They operate their own voting policy rather than the benchmark or "house" policy offered by proxy advisers. Wellington also subscribes to the Viewpoint voting platform provided by Glass Lewis & Co. to facilitate electronic receipt and execution of ballots, recordkeeping, and reporting services.

For further information on Wellington's voting and engagement policies, and proxy voting guidelines, please refer to the following webpage which can be found **here**.

FUND NAME	COMPANY NAME	DATE OF VOTE	WHY THE VOTE IS SIGNIFICANT AND THEME	FUND HOLDING	SUMMARY OF RESOLUTION	HOW THE MANAGER VOTED	IF VOTED AGAINST MANAGEMENT, WAS IT SHARED AHEAD OF TIME WITH COMPANY	VOTING RATIONALE	OUTCOME OF VOTE	NEXT STEPS
Baillie Gifford Long Term Global Growth	Atlassian Corporation	02/12/2025	Vote opposed remuneration due to misalignment, in line with the Trustee's governance stewardship priority	1.7%	Incentive Plan	Against	No	Baillie Gifford voted against the resolution due to concerns over potentially high dilution from the initial share request, the added impact of evergreen provisions, and the overall cost of the plans.	Pass	Baillie Gifford plan to follow up to communicate their concerns with the company
BlackRock ACS UK Equity Tracker Fund	The Sage Group plc.	06/02/2025	Aligns with Trustee's governance stewardship priority	n/a	Approve Remuneration Policy	For	n/a	BlackRock believed that, following significant growth of the business, this was necessary as the remuneration policy was poorly structured and there was poor use of remuneration committee discretion regarding increases.	Pass	n/a
BlackRock ACS US Equity Tracker Fund	Alphabet Inc.	06/06/2025	Aligns with Trustee's social stewardship priority	n/a	Publish a human rights impact assessment of AI driven targeted advertising	Against	n/a	BlackRock had supported a similar proposal in the 2024 AGM, following which the company made changes to its AI-related disclosures during the 2024-25 proxy year. As a result, BlackRock believe the company already provides sufficient disclosure regarding this issue.	Fail	n/a
BlackRock ACS Continental European Equity Tracker Fund	Equinor ASA	14/05/2025	Aligns with Trustee's climate stewardship priority	n/a	Proposal to discontinue the wind power business and decommission all wind power plants	Against	n/a	BlackRock believes the proposal lacked economic merit and would have been overly prescriptive to management's decision making.	Fail	n/a
BlackRock ACS Japan Equity Tracker Fund	Takeda Pharmaceutical Co., Ltd	25/06/2025	Aligns with Trustee's governance stewardship priority	n/a	Approve Annual Bonus	Against	n/a	BlackRock believes the proposal lacked economic merit and would have been overly prescriptive to management's decision making.	Fail	n/a
BlackRock Aquila Connect Pacific Rim Equity Fund	First Pacific Company Limited	18/06/2025	Aligns with Trustee's governance stewardship priority	n/a	Elect Edward K.Y. Chen as Director	Against	n/a	Three of the five independent non-executive directors had served for at least 12 years and insufficient information has been provided to explain how independence is maintained. As such, BlackRock does not consider these directors as independent and the company's board is composed of less than one-third independent directors.	Pass	n/a
BlackRock Aquila Connect Global Small Cap Equity	MaxLinear, Inc.	20/05/2025	Aligns with Trustee's governance stewardship priority	n/a	Advisory Vote to ratify named executive officers' compensation.	Against	n/a	BlackRock believe pay is not aligned with performance and peers.	Fail	n/a

FUND NAME	COMPANY NAME	DATE OF VOTE	WHY THE VOTE IS SIGNIFICANT AND THEME	FUND HOLDING	SUMMARY OF RESOLUTION	HOW THE MANAGER VOTED	IF VOTED AGAINST MANAGEMENT, WAS IT SHARED AHEAD OF TIME WITH COMPANY	VOTING RATIONALE	OUTCOME OF VOTE	NEXT STEPS
BlackRock Aquila Connect Global Equity Blend	Amazon.com, Inc.	21/05/2025	Aligns with Trustee's climate stewardship priority	n/a	Report on impact of data centres on climate commitments	For	n/a	BlackRock believe this proposal is in alignment with the investment objectives of the funds in scope of the BIS Climate and Decarbonization Stewardship Guidelines.	Fail	n/a
HSBC Islamic Global Equity	NVIDIA Corporation	25/06/2025	NVIDIA has a significant weight in the portfolio and they voted against management	8.3%	Enhance workforce data reporting	For (against management)	No	HSBC believe that the proposal to enhance workforce data reporting would enhance accountability to shareholders.	Fail	HSBC will continue to support shareholder proposals on this issue as long as it is needed
Morgan Stanley Global Brands	SAP SE	13/05/2025	Vote was against management and aligns with Trustee's governance stewardship priority	7.5%	Allow shareholder meetings to be held in virtual-only format	Against (Against management)	No, MSIM do not share voting intentions with any parties internally or externally prior to votes	MSIM believe this proposal restrict meaningful exchange between the company and shareholders as it authorises virtual—only meetings.	Pass	MSIM will continue to engage on the matter if they consider it to be a potentially financially material long-term ESG risk or opportunity
Nordea 15 Alpha MA	Meta Platforms, Inc.	28/05/2025	Resolution is severely against Nordea's principles and they feel the need to enact change in the company	0.4%	Report on combatting risks of online child exploitation.	For (against management)	No	Nordea believe the company's current disclosures provide insufficient transparency to properly assess the associated risks and opportunities.	Fail	Nordea will continue to support shareholder proposals on this issue as long as it is needed
Ruffer Diversified Return	Rio Tinto	03/04/2025	Vote was related to a climate related resolution	n/a	Approve climate action plan regarding climate target setting	For	n/a	Ruffer believe that while the company faces sector wide challenges, they publish a thorough greenhouse gas emissions footprint and has set specific Scope 3 targets.	Pass	Ruffer will continue to monitor Rio Tinto and may seek to engage if no progress is seen
Sands Capital Emerging Markets Growth Equity	BYD Company Limited	04/06/2025	Vote against management	1.8%	Authorize Board to determine the proposed plan for the issuance of debt financing instrument(s)	Against (against management)	No	Sands Capita believe there was a lack of detailed information to help them assess whether these actions would be in the best interest of minority shareholders	Pass	None
Wellington Global Impact	Tecnoglass Inc	19/12/2025	Aligns with Trustee's governance stewardship priority	1.2%	Advisory vote on executive compensation	For	n/a	Wellington is addressing this through further engagement.	Not available	Wellington will potentially enhance engagement with the company

There were no significant votes made in relation to the BlackRock Aquila Connect Emerging Markets Equity Fund over the reporting period.