Fujifilm UK Limited Pension and Life Assurance Scheme

2025 Annual Implementation Statement

Contents

Section 1

Introduction

This statement is produced in accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 and subsequent amendments; and the statutory and non-statutory guidance from the Department of Work and Pensions. The statement sets out:

- how and the extent to which, in the opinion of the Trustees of the Scheme, the Statement of Investment Principles (‘SIP’) produced by the Trustees has been followed during the period 1 January 2025 to 31 December 2025 (‘the Scheme Year’);
- details of any review of the SIP during the Scheme Year;
- subsequent changes made with the reasons for the change; and
- the dates of the last review of the SIP.

The Implementation Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, the Trustees (including the most significant votes cast by the Trustees or on their behalf) and state any use of the services of a proxy voter during the Scheme Year. This is set out in this Statement.

This Implementation Statement covers both the Scheme's defined benefit (‘DB’) section and the Scheme's defined contribution (‘DC’) section. The statement is in accordance with and should be read in conjunction with the Scheme’s SIPs that were in place over the Scheme Year. The latest version of the SIP in force during the Scheme Year was dated March 2025 and can be found at the link below:

Fujifilm_UK_Limited_Pension_Life_Assurance_Scheme_SIP_2025.pdf

Section 2

Investment objectives of the Scheme

DB Section

After consultation with the Sponsoring Employer, the Trustees' objective is to implement a low-risk investment strategy ahead of a buy-in of the Scheme's liabilities with an insurance company.

DB Investment Strategy

During the financial year, in line with the Scheme's investment objective and after considering appropriate investment advice, the Trustees reviewed the investment strategy to reduce the level of investment risk within portfolio and reduce the potential impact of market volatility on the Scheme's funding position ahead of a buy-in.

As part of this review, the Scheme disinvested from the Diversified Growth Funds ("DGF") and Liability Driven Investment ("LDI") funds, invested in pooled funds containing long-dated gilts and index-linked gilts and maintained the investment in the active corporate bond fund. The new investment strategy aimed to fully hedge the interest rate and inflation risk of the liabilities and removed the growth asset risk.

DC Section

The Trustees aim to provide suitable investment options that are aligned to the needs of their members.

The Trustees recognise that in a defined contribution arrangement, members assume investment risks themselves. The Trustees further recognise that members are exposed to different types of risk at different stages of their working lifetimes (those risks are summarised in section 2 of the SIP and expanded upon in section 5).

The Trustees are mindful of their responsibility to provide members with an appropriate range of investment funds and a suitable default lifestyle strategy.

The Trustees will review the investment approach from time to time and make changes as and when it is considered appropriate.

Section 3

Review of the SIP

The Trustees review the SIP at least once every three years as part of the triennial Actuarial Valuation and/or after any significant change in investment policy.

During the Scheme Year, the SIP was updated in March 2025, primarily to reflect the DB Section’s investment into a Trustee Investment Policy through Mobius Life Limited.

The SIP was also updated after the Scheme Year end, in April 2026. This was mainly to reflect the Scheme’s new investment objective and low risk investment strategy as detailed in Section 2 of this Statement. Other updates in the April 2026 SIP also included updating the Trustees’ policies on ESG and Stewardship.

Assessment of how policies in the SIP have been followed during the Scheme Year

The information provided in the table below summarises the work undertaken by the Trustees during the Scheme Year (or over a longer term where relevant) and sets out how this work has followed the Trustees' policies in the SIP.

DB Section

	Matter	Summary of Trustees' policy / key extracts from policy	Summary description and evaluation of work undertaken in the Scheme Year
1	Securing compliance with the legal requirement to obtain and consider proper advice on the question of whether an investment is satisfactory.	*In preparing the SIP, the Trustees have:* • *obtained and considered written advice from a suitably qualified individual, employed by their Investment Adviser, Mercer, whom they believe to have a degree of knowledge and experience that is appropriate for the management of their investments; and* • *consulted with the Sponsoring Employer, although they affirm that no aspect of their strategy is restricted by any requirement to obtain the consent of the Sponsoring Employer.* *SIP Introduction*	In September 2025, the Trustees, implemented a low-risk investment strategy for the DB Section ahead of a potential buy-in of the Scheme's liabilities with an insurance company. The Trustees received appropriate investment advice and consulted with the Company before implementing the change. During the Scheme year, the Trustees updated the SIP in March 2025, and post Scheme Year end in April 2026, as described in Section 3. Again, the Trustees received appropriate advice and consulted with the Company before adopting the new SIPs. The latest SIP is available on the Company's website as shown in Section 1.
2	The kinds of investments to be held.	*The Trustees note that the actuarial value of the DB Section's future benefits payments to members is sensitive to changes in long term interest rates and long-term inflation*	During the year, the Scheme disinvested from the DGF and LDI funds and invested in pooled funds containing long-dated gilts and index-linked gilts.

	Matter	Summary of Trustees' policy / key extracts from policy	Summary description and evaluation of work undertaken in the Scheme Year
		expectations. The Trustees have therefore decided to invest in pooled funds containing gilts, index-linked gilts and corporate bonds with the intention that the Scheme's assets respond in a similar way to changes in these factors and reduce the volatility of the Scheme's funding position. *SIP section 4.3*	The Scheme's investment in the active corporate bond fund was maintained. The new investment strategy aims to reduce the impact of potential market volatility on the Scheme's funding position, and targets full interest rate and inflation hedging of the liabilities. The Trustees received semi-annual investment performance reports over the Scheme Year from the investment consultant and used the reports to monitor the investments and funding level of the Scheme. The Trustees hold a buy-in policy with PIC. The policy insures the interest rate, inflation and longevity risks associated with the pensioner members covered by the policy.
3	The balance between different kinds of investments.	*Within the DB investments the Trustees have established a strategic benchmark for the Scheme assets.* *The Trustees monitor the asset allocation from time to time and may rebalance the Scheme's investments if necessary to bring them in line with the strategic benchmark.* *SIP section Appendix 1 & Appendix 3*	During the Scheme Year, as a result of the investment strategy review, the Trustees established a new strategic benchmark for the Scheme assets, and the assets were transitioned in September 2025 to align with the new benchmark. At each Trustee meeting, the Scheme's semi-annual performance reporting is reviewed and actual allocation is compared to the strategic benchmark allocation. An under or overweight position acts as a trigger for discussion.

	Matter	Summary of Trustees' policy / key extracts from policy	Summary description and evaluation of work undertaken in the Scheme Year
			No rebalancing was required over the Scheme Year, apart from the transition to the new investment strategy in September 2025.
4	Risks, including the ways in which risks are to be measured and managed.	*Under the Pensions Act 2004, the Trustees are required to state their policy regarding the ways in which risks are to be measured and managed. These are set out in section 5 of the SIP.* *SIP section 5*	The Trustees consider both quantitative and qualitative measures for these risks when deciding investment policies, strategic asset allocation, the choice of fund managers / funds / asset classes. Over the Scheme Year, the move to the low risk, unleveraged investment strategy was implemented, which further reduces the level of risks within the Scheme. The new funds invested in are passively managed gilt and index linked gilt funds, which remove the risks associated with active management for these assets. The use of unleveraged funds also removes risks in relation to the leverage management of the LDI funds in which the Scheme previously invested.
5	Expected return on investments.	*The Scheme's assets are expected to provide an investment return commensurate with the level of risk being taken.* *SIP section 2*	The investment monitoring report is reviewed by the Trustees on a semi-annual basis. The monitoring report includes how each investment manager is delivering against their specific mandates. The new, low risk investment strategy reflects the improved funding position of the Scheme, and the

	Matter	Summary of Trustees' policy / key extracts from policy	Summary description and evaluation of work undertaken in the Scheme Year
			key objective being to protect the funding position rather than taking risk to generate additional returns.
6	Realisation of investments.	*Ad hoc cashflow requirements are taken from the Scheme's assets in a manner consistent with the strategic asset allocation.* *The Trustees consider the liquidity of the investment in the context of the likely needs of members.* *SIP section Appendix 3 & Cashflow Policy*	The Scheme's assets are invested in daily dealt pooled investment vehicles that facilitate the availability of assets to meet benefits outflows. The disinvestment policy for meeting benefit payments consists of disinvesting assets in proportion to the strategic allocation, and is set out in the Trustees' Cashflow Policy, which was updated over the Scheme Year to reflect the low risk investment strategy.
7	Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments.	*The Trustees consider financially material considerations in the selection, retention and realisation of investments.* *The assets of the DB Section are invested in pooled funds through the Mobius TIP. The Trustees therefore have very limited ability to influence the ESG policies and practices of the companies in which their manager invests. Furthermore, given the Trustees' key objective is to reduce risk relative to the value of the Scheme's liabilities, the Scheme's assets are largely invested in pooled funds containing gilts and index-linked gilts issued by the UK Government, and ESG*	The Scheme's SIP includes the Trustees' policy on Environmental, Social and Governance ('ESG') factors, stewardship and Climate Change. This policy sets out the Trustees' beliefs on ESG and climate change, the Trustees stewardship priorities, and the processes followed by the Trustees in relation to voting rights and stewardship. The Trustees keep their policies under regular review with the SIP subject to review at least triennially. As noted above, the SIP was reviewed during the Scheme Year, and after the end of the Scheme Year. As part of these reviews, the Trustees' policies were updated. The investment performance report is reviewed by the Trustees on a semi-annual basis – this includes

	Matter	Summary of Trustees' policy / key extracts from policy	Summary description and evaluation of work undertaken in the Scheme Year
		considerations do not readily apply to these investments. *The Trustees' policy is to invest with investment managers where responsible investment is embedded appropriately in their approach to investment.* *SIP section 4.4 & 4.6*	Mercer's ratings and ESG assessments, where relevant. The Trustees also considered Mercer's ratings of the new funds as part of their strategic review. The Trustees are satisfied that the funds in which the Scheme invests have appropriate ratings, and that responsible investment is embedded appropriately in the investment managers' approach to investment.
8	The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments.	*The Trustees do not take account of non-financially material considerations.* *SIP section 4.5*	Not applicable.
9	The exercise of the rights (including voting rights) attaching to the investments.	*Investment managers are expected to evaluate these factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.* *SIP section 4.4 & 4.6*	The Scheme's assets are invested in pooled funds, via Mobius, and the Trustees therefore have no direct voting rights. At the start of the Scheme Year, the majority of the Scheme's assets were invested in bond based pooled funds, which have no voting rights. In September 2025, the de-risking was undertaken, and subsequently all the Scheme's assets were invested in such funds. As the Trustees have no direct voting rights, they do not use the services of a proxy voter.

	Matter	Summary of Trustees' policy / key extracts from policy	Summary description and evaluation of work undertaken in the Scheme Year
			The Trustees have summarised in Section 5 of this Statement the voting information which was provided by each of the underlying investment managers that were held for the period up to September 2025. Section 6 of this Statement sets out the Trustees' significant vote criteria, and the Trustees note that no votes in respect of these funds met the Trustees' criteria for the period to September 2025.
10	Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the Trustees would monitor and engage with relevant persons about relevant matters).	*The Trustees consider how ESG, climate change and stewardship is integrated within investment processes, in appointing new investment managers and monitoring existing investment managers. This includes the investment managers' policy on voting and engagement.* *Outside of those exercised by investment managers on behalf of the Trustees, no other engagement activities are undertaken.* *SIP section 4.4 & 4.6*	The Scheme's assets are invested in pooled funds, via Mobius, and the Trustees therefore have no ability to engage directly with the investee companies. As the Scheme invests solely in pooled funds, the Trustees require their investment managers to engage with the underlying companies on their behalf. From September 2025, the Scheme's assets are mostly invested in pooled funds containing gilts and index-linked gilts issued by the UK government. There is therefore very limited ability to influence behaviour by engagement. The Trustees have included an example of the engagement activity undertaken by Legal & General in relation to the corporate bond fund held in Section 9 of this Statement.

	Matter	Summary of Trustees' policy / key extracts from policy	Summary description and evaluation of work undertaken in the Scheme Year
11	How the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the Trustees' policies required under sub-paragraph (b) of Regulation 2(3) of the Occupational Pension Schemes (Investment) Regulations 2005 [concerning the matters described in rows 2-8 of this Statement]	*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 or classes they are selected to manage.* *The Scheme currently invests entirely in pooled investment vehicles, and therefore the Trustees accept that it has no direct ability to specify the risk profile and return targets of the managers, but appropriate mandates can be selected to align with the overall investment strategy.* *SIP section 3.3*	As part of the de-risking of the Scheme undertaken over the Scheme Year, the Trustees considered Mercer's ratings of the new funds invested in. These new funds are passively managed, and therefore the manager's mandate is to track the index for a low level of fee, rather than to take risk to beat the index. The Trustees are satisfied that the funds in which the Scheme invests have appropriate ratings and are therefore satisfied that the fund choices are consistent with their long-term objective.
12	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	*The investment manager is aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage.* *SIP sections 3.3 & 6.2*	The Trustees review the performance of each manager with a long-term perspective. The Trustees are content that the investment managers of the funds held over the Scheme Year maintain a long-term perspective when managing the underlying investments, and are consistent with the Scheme's investment objectives; particularly with regard to ESG factors that are considered in the investment processes of the underlying managers. Over the Scheme Year, pooled funds containing gilts and index linked gilts were introduced as part of the low risk investment strategy, The Trustees note that

	Matter	Summary of Trustees' policy / key extracts from policy	Summary description and evaluation of work undertaken in the Scheme Year
	performance in the medium to long-term.		there is little, if any, opportunity for the investment manager to engage with the UK Government in respect of the underlying holdings of the funds.
13	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 Trustees' policies required under sub-paragraph (b) of Regulation 2(3) of the Occupational Pension Schemes (Investment) Regulations 2005	*The Trustees are a long term investor and are not looking to change the investment arrangements on a frequent basis.* *The Trustees receive performance reports from Mercer on a semi-annual basis, which present performance over a variety of periods. Mobius reports are also available to the Trustees on a quarterly basis.* *For the non-buy in assets, the investment managers are remunerated by ad valorem charges based on the value of the assets that they manage on behalf of the Scheme. The Trustees believe that this is the most appropriate basis for remunerating managers. None of the investment managers in which the Scheme's assets are invested have performance based fees which could encourage the manager to make short term investment decisions to hit their profit targets.* *SIP sections 3.3 & 6.2*	The Trustees have considered the long term investment performance of the managers as part of the semi-annual monitoring, as well as their investment consultant's views of the investment managers, and are comfortable that the manager arrangements, longer term performance and forward-looking capabilities remained suitable. Over the Scheme Year, passively managed funds were introduced as part of the low risk investment strategy. It is expected that these funds will closely track their benchmarks for a low level of investment charge.
14	How the Trustees monitor portfolio turnover	*For the DB Section, the Trustees have not historically monitored the investment*	The Trustees do not monitor portfolio turnover costs, although the performance monitoring which they

	Matter	Summary of Trustees' policy / key extracts from policy	Summary description and evaluation of work undertaken in the Scheme Year
	costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range.	*manager's ongoing transaction costs explicitly but measure these implicitly through ongoing performance assessments which are net of these costs. The Trustees seek to explicit report on ongoing costs for the appointed investment manager.* *SIP section 6.3*	receive is net of all charges, including such transaction costs. Over the Scheme Year, passively managed funds were introduced as part of the low risk investment strategy. The turnover within these funds and internal transaction costs are expected to be low.
15	The duration of the arrangement with the asset manager.	*There is typically no set duration for the manager appointment. However, appointments typically can be terminated at short notice.* *SIP sections 3.3*	The new funds invested in as part of the de-risking exercise over the Scheme Year are daily dealing pooled funds, with no set duration, consistent with the Scheme's existing funds.

DC Section

	Policy requirement	Policy	Summary description and evaluation of work undertaken in the Scheme Year
1	**Securing compliance with the legal requirements about choosing investments**	***SIP Section 1*** *In preparing the SIP, the Trustees have:* • *obtained and considered written advice from a suitably qualified individual, employed by their Investment Adviser, Mercer, whom they believe to have a degree of knowledge and experience that is appropriate for the management of their investments; and* • *consulted with the Sponsoring Employer, although they affirm that no aspect of their strategy is restricted by any requirement to obtain the consent of the Sponsoring Employer.*	No new investment funds were chosen during the year and as such the Trustees were not required to take appropriate investment advice. The next investment strategy review is scheduled for 2027.
2	**The kinds of investments to be held.**	***SIP Section 4.3*** *The Trustees recognise the benefits of diversification across asset classes, as well as within them, in reducing the risk that results from investing in any one particular market.* *The Trustees have chosen Target Date Funds (TDFs) for the Default Arrangement. The TDF manager selects and manages allocations across a diversified spectrum of assets based on the target date of the specific fund. The self-*	Over the Scheme Year the Trustees monitored the performance of the Default Arrangement and the self-select range at each meeting with support from their Investment Consultant. The Trustees remain comfortable with the kinds of investments within the DC fund range. The Trustees reviewed the appropriateness of the default strategy in 2024 and agreed that both the default strategy and self-select fund range remain appropriate and in line with their investment

	Policy requirement	Policy	Summary description and evaluation of work undertaken in the Scheme Year
		select fund range allows the members to invest in the following: • UK, Overseas and Emerging Market Equities • *UK* Government Bonds, Fixed and Inflation-linked • Corporate Bonds • Property • Diversified Growth Funds and • Cash*.*	objectives. The next investment strategy review is scheduled for 2027.
3	**The balance between different kinds of investments.**	***SIP Appendix 2*** *The Default Arrangement uses TDFs to provide members with "lower expected volatility of returns as they approach retirement" by gradually shifting their savings from long-term growth funds to those with lower volatility. Members further from retirement have opportunities for asset growth, albeit with some volatility in asset values. As they near retirement, "the level of diversification is increased" and more assets are switched into defensive funds to reduce expected investment volatility.* ***SIP Section 4.1*** *The Trustees also offer members a suitable range of self-select funds as an alternative to the default option.*	Over the Scheme Year the Trustees monitored the performance of the Default Arrangement and the self-select range at each meeting with support from their Investment Consultant. The Trustees remain comfortable with the balance of investments within the DC fund range. The Trustees reviewed the appropriateness of the default strategy in 2024 and agreed that both the default strategy and self-select fund range remain appropriate and in line with their investment objectives. The next investment strategy review is scheduled for 2027.

	Policy requirement	Policy	Summary description and evaluation of work undertaken in the Scheme Year
4	**Risks, including the ways in which risks are to be measured and managed.**	*The Trustees have considered risk from several perspectives. These are set out in section 5 of the SIP.*	The Scheme maintains a risk register, which includes investment risks. This rates the potential impact and likelihood of the risks occurring and summarises existing mitigations and additional actions. The risk register was reviewed and updated during the year, in March 2025. The Trustees consider both quantitative and qualitative measures for risks when deciding investment policies, fund managers, investment funds and asset classes. While recognising that DC members assume investment risk themselves, the Trustees provide a Default Arrangement which manages risk within a Target Date Fund structure during a member's savings journey and a range of self-select funds. In the Trustees' opinion, this gives members the ability to choose the level of investment risk and expected returns they would like to target in line with their individual preferences if desired.
5	**Expected return on investments.**	***SIP Section 2*** *The Trustees have determined their investment policy in such a way as to address the risks.* *The Trustees are mindful of their responsibility to provide members with an appropriate range of investment funds and a suitable default lifestyle strategy.*	Investment performance reports are reviewed by the Trustees at each meeting which assess how each investment manager is delivering against their specific mandates. The Trustees scrutinised fund performance during the Scheme Year, particularly any funds underperforming their benchmarks. The Trustees understood the reasons for any underperformance

	Policy requirement	Policy	Summary description and evaluation of work undertaken in the Scheme Year
		The Trustees will review the investment approach from time to time and make changes as and when it is considered appropriate.	and were satisfied with investment performance over the Scheme Year.
6	**Realisation of investments.**	***SIP Section 5*** *The Trustees consider the liquidity of the investment in the context of the likely needs of members.*	The Trustees recognise that there is a risk in holding assets that cannot be easily realised should the need arise. To avoid this, the assets are currently invested in liquid investments. All funds, including those in the Default Arrangement, are daily-dealt pooled investment arrangements, therefore, assets should be realisable at short notice, based on member and the Trustees' demands. The Trustees note that in exceptional circumstances some asset classes may lack liquidity (such as those held in property). Over the Scheme Year the Trustees received administration reports that confirmed the timeframes for processing core financial transactions compared to Service Level Agreements (SLAs) and regulatory timelines. The Trustees were satisfied that no issues arose during the Scheme Year due to the liquidity of the Scheme's assets.
7	**Financially material considerations over the appropriate time horizon of the investments, including how those**	***SIP Section 4.4*** *The Trustees understand that they must consider all factors have the ability to impact the financial performance of the Scheme's investments over the appropriate time horizon. This includes, but is not limited to,*	Investment performance reports are reviewed by the Trustees on a quarterly basis. The Trustees have given appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations

	Policy requirement	Policy	Summary description and evaluation of work undertaken in the Scheme Year
	considerations are taken into account in the selection, retention and realisation of investments.	*environmental, social and governance (ESG) factors.* *The Trustees recognise that ESG factors, such as climate change, can influence the investment performance of the Scheme's portfolio and it is therefore in members' and the Scheme's best interests that these factors are taken into account within the investment process.* *The Trustees further recognise that investing with a manager which approaches investments in a responsible way and takes account of ESG related risks may lead to better risk adjusted performance results as omitting these risks in investment analysis could skew the results and underestimate the level of overall risk being taken. Therefore, other factors being equal, the Trustees would seek to invest in funds which incorporate ESG principles.*	attached to the investments, in accordance with their own corporate governance policies and current best practice. The Trustees had no concerns over any funds during the Scheme Year due to ESG considerations.
8	**The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments.**	***SIP Section 4.5*** *The Trustees' objective is that the financial interests of the Scheme members are its first priority when choosing investments.* *They have decided not to consider non-financial considerations, when setting the investment strategy.*	The Trustees do not consider non-financial considerations, such as member views, when setting investment strategy.

	Policy requirement	Policy	Summary description and evaluation of work undertaken in the Scheme Year
9	**The exercise of the rights (including voting rights) attaching to the investments.**	***SIP Section 4.6 (paraphrased)*** *The Trustees have concluded that the decision on how to exercise voting rights should be left with their investment managers, who will exercise these rights in accordance with their respective published corporate governance policies.*	As the Scheme invests in pooled funds, the voting rights associated with the Scheme's investments are held by the investment managers on the Trustees' behalf. Voting activity during the Scheme Year in respect of the Trustees' stewardship priority areas has been reviewed by the Trustees and is set out in Appendix A of this statement. The Trustees have not deemed it necessary to challenge any underlying managers regarding their voting activity over the Scheme year.
10	**Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the Trustees would monitor and engage with relevant persons about relevant matters).**	***SIP Section 4.6 (paraphrased)*** *Investment managers are expected to evaluate these factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.* *Outside of those exercised by investment managers on behalf of the Trustees, no other engagement activities are undertaken.*	As the Scheme invests solely in pooled funds, the Trustees require the Scheme's investment managers to engage with underlying invested companies on their behalf. At present, the investment adviser's ESG ratings are provided annually as part of the Trustees' Value for Members assessment which helps the Trustees to understand how each manager is engaging and integrating ESG issues into their investment decision-making. The Trustees have reviewed voting activity undertaken on their behalf by the Scheme's investment managers. This is detailed later in this Statement.

	Policy requirement	Policy	Summary description and evaluation of work undertaken in the Scheme Year
11	**How the arrangement with the asset managers incentivises the asset managers to align investment strategy and decisions with the Trustees' policies.**	***SIP Section 3.3*** *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 for.*	Investment manager appointments are made based on their ability to deliver against their investment objectives. Regular performance monitoring and the Trustees' investment strategy review provided evidence that all investment funds were delivering against long-term objectives. No managers were appointed or removed during the Scheme Year.
12	**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 Trustees are long-term investors and do not look to change the investment arrangements on a frequent basis.* *A manager's appointment may be terminated if it is no longer considered to be optimal nor have a place in the default strategy or general fund range.* *SIP Section 3.3*	The Trustees review the performance of each manager with a long-term perspective. The Trustees receive monitoring reports on the performance of the underlying investment managers on a quarterly basis, which presents performance information over short and longer-term periods. The Trustees may review a manager's appointment if: • There are sustained periods of underperformance; • There is a change in the portfolio manager; • There is a change in the underlying objectives of the investment fund manager; • There is a significant change to Mercer's rating of the manager. No investment managers were changed during the Scheme Year.
13	**How the method (and time horizon) of the**	***SIP sections 3.3 & 6.2***	The Trustees reviewed the long-term investment performance of their investment managers at each

	Policy requirement	Policy	Summary description and evaluation of work undertaken in the Scheme Year
	evaluation of the asset managers' performance and the remuneration for asset management services are in line with the Trustees' policies.	*The Trustees are a long-term investor and are not looking to change the investment arrangements on a frequent basis.* *The investment managers are remunerated by ad valorem charges based on the value of the assets that they manage on behalf of the Scheme.* *The Trustees receive monitoring reports on the performance of the underlying investment managers from Mercer on a semi-annual basis, which presents performance information over 3 months, 1 year and 3 years.*	meeting and considered the views of their investment consultant. Over the year the Trustees were comfortable that longer-term performance and forward-looking capabilities remained suitable.
14	**How the Trustees monitor portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range.**	***SIP section 6.3*** *The Trustees consider portfolio turnover costs as part of the annual Value for Members assessment and asks investment managers to include portfolio turnover and turnover costs in their presentations and reports to the Trustees. Portfolio turnover costs means the costs incurred as a result of the buying, selling, lending or borrowing of investments.* *The Trustees are also aware of the requirement to define and monitor targeted portfolio turnover and turnover range.*	The Trustees reviewed transaction costs as part of their annual Value for Members assessment and published a summary of their findings in the Chair's Statement. The Trustees understand that there are challenges in assessing transaction costs as there are currently no established industry-wide benchmarks for comparison purposes. As the Scheme invests in a range of pooled funds, many of which invest across a wide range of asset classes, the Trustees do not have an overall portfolio turnover target for the Scheme.

	Policy requirement	Policy	Summary description and evaluation of work undertaken in the Scheme Year
15	**The duration of the arrangement with the asset manager.**	***SIP section 3.3*** *The Trustees are a long-term investor and is not looking to change investment arrangements on a frequent basis.*	Funds are open-ended with no set end date for the arrangement. The Scheme's investment strategy is reviewed on at least a triennial basis. A manager's appointment may be terminated if it is no longer considered to be optimal nor have a place fund range. No changes were made to the fund range during the Scheme Year.

Section 4

Voting Activity

Investment Manager Voting Summary

Voting activity is reported annually to the Trustees. The Trustees have delegated their voting rights to the investment managers. As a result, the Trustees do not use the direct services of a proxy voter, although the investment managers may employ the services of proxy voters in exercising their voting rights on behalf of the Trustees. Where the Trustees are specifically invited to vote on a matter relating to a policy or contract held with any of the Scheme's investment managers, the Trustees will exercise their rights in accordance with what they believe to be in the best interests of the majority of the Scheme's membership.

Manager	Fund	Number of meetings eligible to vote	Number of resolutions eligible to vote	Votes cast Voted where eligible	Votes with management endorsement	Votes against management endorsement	Abstentions	Unvoted
DB Section								
Baillie Gifford	Baillie Gifford	Baillie Gifford	Baillie Gifford	Baillie Gifford	Baillie Gifford	Baillie Gifford	Baillie Gifford	Baillie Gifford
Columbia Threadneedle	Columbia Threadneedle	Columbia Threadneedle	Columbia Threadneedle	Columbia Threadneedle	Columbia Threadneedle	Columbia Threadneedle	Columbia Threadneedle	Columbia Threadneedle
DC Section								
Alliance Bernstein	Target Date Funds	3,313	62,735	99.52%	75.50%	22.05%	2.47%	0.48%
L&G	UK Equity Index Fund	736	10,084	100.00%	93.60%	6.39%	0.01%	0.00%
	Overseas Equity Consensus Index Fund	6,697	65,214	99.93%	76.95%	21.31%	1.73%	0.00%

Manager	Fund	Number of meetings eligible to vote	Number of resolutions eligible to vote	Votes cast: Voted where eligible	Votes with management endorsement	Votes against management endorsement	Abstentions	Unvoted
	Global Equity Fixed Weights (50:50) Index Fund (GBP Hedged)	2,919	36,894	99.94%	81.88%	17.89%	0.23%	0.00%
	World Emerging Markets Equity Index Fund	4,656	39,467	99.94%	77.10%	20.25%	2.65%	0.00%
Newton Investment Management	BNY Mellon Global Equity Fund	60	939	100.0%	93.40%	6.60%	0.00%	0.00%

The Trustees have not been asked to vote on any specific matters over the Scheme year.

Section 5

Most significant votes

The Trustees consider a significant vote as any vote relating to material holdings (a company that formed at least 1.5% of the year-end market capitalisation of any fund in which the Scheme was invested during most of the year), in each of the following thematic areas:

- **Climate Change**: including (but not necessarily limited to) low-carbon transition and physical damages resilience;
- **Human Rights**: including (but not necessarily limited to) modern slavery, pay & safety in the workforce and supply chains and abuses in conflict zones.
- **Diversity, Equity and Inclusion**: including (but not necessarily limited to) equal pay, board equality, and inclusive & diverse decision-making.

The Trustees will keep this definition under consideration based on emerging themes within internal discussions and guidance from the wider industry. The Trustees did not inform managers of what they considered to be a significant vote in advance of voting.

Where “we” or “our” is used, the investment manager has used it in reference to themselves.

Section 6

Votes under Trustees' significant vote definition

Fund Manager	Company Name	Date of vote	Portion of the fund	Summary of Resolution	How the manager voted on the resolution	Did the manager communicate their vote ahead of time, and the reason for manager's vote	Vote outcome	Vote Theme	Why the vote is significant, and next steps
Alliance Bernstein – Target Date Funds	Digital Realty Trust	06/06/2025	Undisclosed[1]	Shareholder Resolution, Proposal to Adopt a Policy on Human Right to Water	For the resolution, against management	The vote was not communicated to the Company ahead of time. Implementing a policy on human right to water would allow shareholders to more fully assess material risks presented by the Company's core business revolving around data centers and water use, assess if practices align with stated objectives, and how the Board monitors them.	Fail	Human rights	This vote is an example of a vote against management on a proposal at one of AB's most significant holdings Through both voting and engagement, AB will continue to encourage the company to improve its transparency and guardrails relating to human rights.
Alliance Bernstein – Target Date Funds	Tesla Inc	06/11/2025	Undisclosed[1]	Report on the use of child labor in connection with electric vehicles	For the resolution, against management	The vote was not communicated to the Company ahead of time. We consider that current disclosure could be more robust and that shareholders would benefit from additional information on the issue of child labour and its management by the company.	Fail	Human rights	This vote is an example of a vote against management on a proposal at one of AB's most significant holdings Through both voting and engagement, AB will continue to encourage the company to improve its transparency and guardrails relating to human rights.
Alliance Bernstein – Target Date Funds	Walt Disney Company	20/03/2025	Undisclosed[1]	Report on Climate Change - Report on Climate Risk in Retirement Plan Options	For the resolution, against management	The vote was not communicated to the Company ahead of time. We consider the proposal as useful for shareholders to assess the potential liabilities generated by the current practices.	Fail	Climate change	This vote is an example of a vote against management on a proposal at one of AB's most significant holdings Through both voting and engagement, AB will continue to encourage the company to improve its transparency and guardrails relating to climate change.
Alliance Bernstein –	Microsoft Corporation	06/12/2025	Undisclosed[1]	Report on risks of operating in countries with significant	For the resolution, against management	The vote was not communicated to the Company ahead of time.	Fail	Human rights	This vote is an example of a vote against management on a

Fund Manager	Company Name	Date of vote	Portion of the fund	Summary of Resolution	How the manager voted on the resolution	Did the manager communicate their vote ahead of time, and the reason for manager's vote	Vote outcome	Vote Theme	Why the vote is significant, and next steps
Target Date Funds				human rights concerns		Increased disclosure would allow shareholders to more fully assess risks presented by the company's current policies and practices.			proposal at one of AB's most significant holdings Through both voting and engagement, AB will continue to encourage the company to improve its transparency and guardrails relating to human rights.
Alliance Bernstein – Target Date Funds	Microsoft Corporation	07/12/2025	Undisclosed[1]	Human Rights Risk Assessment	For the resolution, against management	The vote was not communicated to the Company ahead of time. Increased disclosure would allow shareholders to more fully assess risks presented by the company's current policies and practices.	Fail	Human rights	This vote is an example of a vote against management on a proposal at one of AB's most significant holdings Through both voting and engagement, AB will continue to encourage the company to improve its transparency and guardrails relating to human rights.
Alliance Bernstein – Target Date Funds	Microsoft Corporation	08/12/2025	Undisclosed[1]	Report on Risks of Using Artificial Intelligence and Machine Learning Tools for Oil and Gas Development and Production	For the resolution, against management	The vote was not communicated to the Company ahead of time. Supporting this proposal is warranted because the Company's Scope 3 emissions now represent more than 97% of its footprint, and its continued provision of advanced cloud and AI technologies to oil and gas producers poses as-yet unassessed climate risks. A targeted risk-assessment disclosure would strengthen governance, provide investors with decision-useful insight into exposure to enabled emissions, and help safeguard long-term value as climate-related regulations and stakeholder expectations evolve.	Fail	Climate change	This vote is an example of a vote against management on a proposal at one of AB's most significant holdings Through both voting and engagement, AB will continue to encourage the company to improve its transparency and guardrails relating to climate change.
Legal and General Investment Management – UK Equity Index Fund	While the fund held material positions (≥1.5%) in certain companies, none of the votes during the period related to the specific thematic areas defined by the Trustees.								

Fund Manager	Company Name	Date of vote	Portion of the fund	Summary of Resolution	How the manager voted on the resolution	Did the manager communicate their vote ahead of time, and the reason for manager's vote	Vote outcome	Vote Theme	Why the vote is significant, and next steps
Legal and General Investment Management – Global Equity Fixed Weights (50:50) Index Fund (GBP Hedged)	This fund did not hold any positions representing ≥1.5% of portfolio assets during the reporting period. As such, no votes meet the Trustees' materiality threshold and therefore no votes have been classified.								
Legel and General Investment Management - Overseas Equity Consensus Index Fund	While the fund held material positions (≥1.5%) in certain companies, none of the votes during the period related to the specific thematic areas defined by the Trustees.								
Legal and General Investment Management – World Emerging Markets	PDD Holdings Inc.	19/12/2025	1.88%	Elect Director George Yong-Boon Yeo	Against the resolution, against management L&G communicated their intent to vote against management ahead of time via their website	A vote against is applied as L&G expects a company to have at least one-third of women on the board. L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.	Pass	Diversity, Equity and Inclusion	L&G views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf. L&G will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
Newton Investment Management Limited – BNY Mellon Global Equity Fund	The Goldman Sachs Group, Inc.	23/04/25	1.98%	Report on Clean Energy Supply Financing Ratio	For the resolution, with management	The manager voted for the shareholder proposal requesting the company to report on clean energy supply financing ratio as in our view, the ask is aligned to the sustainable financing activities of the company and should provide shareholders increased transparency in assessing the company's progress on the company's management of climate risks and opportunities. Newton IM engage in communication with companies before making voting decisions, particularly for material cases.	Pass	Climate Change	This vote is deemed significant as it aligns to the manager's longer-term engagements and voting activity with the bank. Further, in the current context, they deemed the support to the proposal as noteworthy as well.

1. AB did not disclose the level of investment in each company as a portion of the fund.
Where holding at date of vote hasn't been provided, the holding at the end of Scheme year has been considered.

Section 7

Proxy Voting Summary

Baillie Gifford

Baillie Gifford does not use a proxy voter.

However, they are cognisant of the recommendations made by proxy voters (ISS and Glass Lewis). Baille Gifford do not delegate or outsource any of their stewardship activities or follow or rely upon their recommendations when deciding how to vote on their client's shares. All client voting decisions are made in-house. They vote in line with their in-house policy and not with the proxy voting providers' policies. They also have specialist proxy advisors in the Chinese and Indian markets to provide them with more nuanced market specific information.

Columbia Threadneedle Investments

Columbia Threadneedle Investments utilise the proxy voting platform of Institutional Shareholder Services, Inc. (ISS) to cast votes for client securities and to provide recordkeeping and vote disclosure services.

Columbia Threadneedle have retained both Glass, Lewis & Co. and ISS to provide proxy research services to ensure quality and objectivity in connection with voting client securities.

Alliance Bernstein

Alliance Bernstein has authority to vote proxies relating to securities in certain client portfolios and, accordingly, Alliance Bernstein's fiduciary obligation extend to Alliance Bernstein's exercise of such proxy voting authority for each client Alliance Bernstein's has agreed to exercise that duty. To be effective stewards of their client's investments and maximize shareholder value, we need to vote proxies on behalf of their clients responsibly. This policy forms part of a suite of policies and frameworks beginning with AB's Stewardship Statement that outline our approach to responsibility, stewardship, engagement, climate change, human rights, global slavery and human trafficking, and controversial investments. Proxy voting is an integral part of this process, enabling us to support strong corporate governance structures, shareholder rights, transparency, and disclosure, and encourage corporate action on material environmental, social and governance (ESG) and climate issues.

Legal & General Investment Management

L&G's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. For more details, please refer to the Voting Policies section of this document.

Newton Investment Management

Newton utilises an independent voting service provider for the purposes of managing upcoming meetings and instructing voting decisions via its electronic platform, and for providing research. Its voting recommendations are not routinely followed; it is only in the event that we recognise a potential material conflict of interest (as described below) that the recommendation of our external voting service provider will be applied.

Newton's external voting provider is subject to the requirements set by Newton's Vendor Management Oversight Group. As such, regular due diligence meetings are held and minutes maintained with this provider, which includes reviewing its operational performance, service quality, robustness of research and its internal controls, including management of its potential material conflicts of interest. In addition, and along with its other clients, Newton participates in consultations that seek specific feedback on proxy voting matters. This helps ensure alignment of interest between Newton's expectations and the voting recommendations provided by the external provider.

Section 8

Examples of Manager Engagement: case studies

Alliance Bernstein: Booking Holdings

London Stock Exchange Group (LSEG), headquartered in the UK, provides financial services data and infrastructure globally. At the 2025 annual general meeting (AGM), management proposed amending the relative total shareholder return (TSR) metric in the long-term incentive plan (LTIP). In prior years, threshold performance, achieved by delivering returns at the median of their selected peer group, paid 25% of base salary. From FY25, the company proposed increasing the pay-out for achieving peer group median performance to 50% of base salary. Unusually, this proposal followed a material update to their pay policy which was approved by shareholders at their 2024 AGM".

The stewardship team engaged with company representatives to understand more about the proposed changes to pay. We shared concerns that the proposed change reduces alignment with shareholders and reduces incentive stretch, and questioned the timing of the change.

The discussion with LSEG was informative, however, we left underwhelmed by their rationale. The change is motivated by benchmarking only – peers' relative TSR measures pay out 50% of maximum at median. However, they did not consider the composition of competitors' comparator groups (e.g. many US companies use the S&P500 in this calculation). The Remuneration Committee addressed shareholder concerns by proposing a return to the structure of a payout at 25% for median TSR performance against global peers for the 2026 cycle. NTAM welcomed the Committees' responsiveness to shareholder concerns.

Legal & General Investment Management: Nippon Steel on progress on climate policy

Nippon Steel was identified as lacking transparency in its climate policy engagement disclosures in 2022. After ongoing engagement and little progress, a shareholder resolution was co-filed in 2024 requesting greater transparency on their climate lobbying activities and alignment with net zero. This resolution garnered 28% support, marking one of the highest levels of backing for a climate-related shareholder resolution in Japan. Since co-filing the shareholder resolution, L&G met Nippon Steel three times and attended a site visit, noting their increased openness to shareholder concerns and plans to improve decarbonisation disclosures.

Ahead of its 2025 AGM, Nippon Steel published its first Industry Association Review and policy positions, including a commitment to positive climate and energy policy engagement in Japan, following earlier disclosures on direct lobbying. These steps mark progress toward aligning its policy engagement with long-term decarbonisation goals. L&G will continue collaborating with the company to enhance investor confidence and promote transparent, strategic advocacy.

Newton Investment Management: nVent

Context**:** Water scarcity presents a risk to the tech industry, especially semiconductor manufacturing and data centers, which are dependent on water within operations. With the growth of digitalisation and AI adoption, we expect that the risk from water scarcity will amplify further. Moreover, for technical and financial reasons, data centers tend to be highly concentrated in water-stressed areas.

Action**:** We conducted further research to understand the financial risks presented to companies, which we consider to be less material over the short term. We also looked into possible alternatives with which data centers can minimise this risk. This research led us to identify liquid cooling as a potential alternative to traditional air cooling.

Investment implications**:** As data centers for AI applications are increasingly dense, our research indicates that liquid cooling is more efficient, requires less water and has additional sustainability benefits compared to traditional air cooling. Therefore, companies offering this solution are attractive to us in this space.

Outcomes**:** nVent is held in some core and sustainable portfolios. It is a global provider of electrical connection and protection solutions. It provides energy-efficiency solutions for its customers through liquid cooling, optimised design software, efficient electrical connections and smart controls. Liquid cooling is a smaller but rapidly growing area for the business.

Baillie Gifford engagement case study: MercadoLibre, Inc.

Objective: To speak with the sustainability team of Latin America's ecommerce giant MercadoLibre and its advisors to understand the company's approach to sustainability governance and to emissions management.

Discussion: MercadoLibre's sustainability function sits within the corporate strategy department and is structured around environmental performance, socioeconomic development, and reporting. This integration, rather than a communications-led approach, signals that sustainability is being treated as a strategic growth issue. The central topic of conversation was the company's challenges in setting science-based targets, including a lack of regional infrastructure and electric vehicles to reduce the greenhouse-gas emissions from deliveries. Management is cautious about committing to emissions targets without credible implementation pathways. Despite this, MercadoLibre retains its operational goals to achieve 100 per cent renewable energy at distribution centres by 2035 and expanding its fleet to 10,000 electric vehicles from about 4,000 today. The sustainability team is considering ways to support its delivery partners to decarbonise, exploring incentive schemes, credit lines, and regional advocacy through initiatives such as the

Alliance for Sustainable Mobility. Baillie Gifford also touched on physical climate risk and the very real impact this can have on the MercadoLibre's sellers. Finally, they commended the company's new impact reports for Brazil and Mexico which illustrate the importance of the company's marketplace and financial services for small business growth and job creation, critical elements of its social license to operate. Baillie Gifford also briefly revisited board governance after shareholder dissent at the 2025 annual general meeting (AGM), particularly around audit committee independence. The company acknowledged these concerns and Baillie Gifford plan to discuss this again.

Outcome: This discussion strengthened Baillie Gifford confidence that MercadoLibre's sustainability team is credible, proactive, and prioritising the sustainability factors which are material to the long-term financial outcomes of the company. At their request, Baillie Gifford followed this meeting up with an email identifying company approaches to working with suppliers that Baillie Gifford regards as good practice.

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