EDF Energy Group of the ESPS - SIP Implementation Statement (DB Section) for the year ended 31 March 2026

1. Introduction

This SIP Implementation Statement (the Statement) has been prepared by the Group Trustees in relation to the EDF Group of the Electricity Supply Pension Scheme (the Group). The Statement is required by the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (as amended). The regulations state that the Statement must (amongst other matters):

- Set out how and the extent to which, in the opinion of the Group Trustees, the SIP (Statement of Investment Policies) has been followed during the year; and
- Describe the voting behaviour by, or on behalf of, the Group Trustees (including the most significant votes cast by the Group Trustees or on their behalf) during the year and state any use of the services of a proxy voter during that year.

From 1 October 2022, further Department of Work and Pensions (DWP) guidance on the reporting of stewardship activities through Implementation Statements came into effect. This statement has been prepared with this guidance in mind. It covers the period from 1 April 2025 to the end of the Group's financial year on 31 March 2026.

The Statement is split into three sections:

1. An overview of the Group Trustees' actions and highlights during the period covered;
2. The policies set out in the Group's SIP for the DB section and the extent to which they have been followed in the reporting period; and
3. The voting behaviour and significant votes undertaken by the investment managers on behalf of the Group.

2. Overview of Group Trustee's Actions - DB

SIP Updates

The Group Trustees reviewed the SIP during the Group's financial year and made no material updates in relation to the DB section. A copy of the current SIP can be downloaded from the Group's website: www.edfgpensions.co.uk/content/group-downloads

3. Investment Objectives and Strategy

Over the financial year the Group continued to target full funding on a Self Sufficiency basis (defined by reference to a discount rate of gilts +0.5%) by 2027, through a combination of investment returns and employer contributions.

The Group received periodic distributions from its illiquid investments as well as proceeds from partial redemptions from its investments with CQS, Ruffer and BlueBay which were reinvested in the LDI portfolio for prudent risk management purposes, in alignment with the *Memorandum of Understanding* (MOU) asset allocation targets and to reduce financing costs. In October 2025, the Group also fully redeemed from the Standard Life Long Lease Property Series II Fund.

The Group's agreed strategic asset allocation (the MOU allocation) reflects the Group Trustees' view of the most appropriate investments balancing risk/reward characteristics of the funds the Group is invested, in order to support the Group's full funding objective.

Group Trustees' policies for investment managers

For segregated mandates, the terms of the long-term relationship between the Group Trustees and their investment managers are set out in separate Investment Management Agreements (IMAs). These document the Group Trustees' expectations of their investment managers alongside the investment guidelines they are required to operate under.

For pooled arrangements, the Group's investments are managed according to standardised fund terms, ensuring the investment objectives and guidelines of the vehicle are consistent with its own objectives. These terms are reviewed at the point of investment by the Group Trustees for DB assets and following any material changes notified by the investment manager. 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 Group Trustees are dissatisfied they will look to replace the investment manager.

Where relevant, the Group Trustees require their investment managers to invest with a medium-to long-term time horizon and use any rights associated with the investment to drive better long-term outcomes.

As demonstrated in the following sections of this Statement, the actions the Group Trustees have undertaken during the relevant reporting period reflect the policies within the Group's SIP. Any changes to the investment strategy agreed during the period but implemented after the period end will be reported against in the next implementation statement.

4. Review of DB SIP Policies

Investment Strategy and Risk Management (reviews, selection and implementation)

The Group Trustees review the Group's investment objective, strategy and structure on a quarterly basis and obtain advice from their investment adviser, Gallagher, as and when is necessary.

The Group Trustees monitor the investment strategy on a quarterly basis and use the Pension Risk Management Framework (PRMF) to ensure it remains consistent with its risk objective to limit the possible reduction in the funding ratio to 8.5%, over a 1-year period in a 1-in-20 downside scenario.

The Group Trustees manage the risk factors stated in the SIP through measures specific to each risk, consulting with the Employer and seeking guidance and written advice from its investment adviser as appropriate. Over the period the Group Trustees monitored the risk factors through the funding and risk update papers for the Group, on at least a quarterly basis and considered any action where appropriate.

The Group Trustees aim to meet with the Group's investment managers periodically. To do so, they review the information from the investment managers and Gallagher on a quarterly basis. They then assess the need to meet with the investment managers. Any potential issues would be raised by: Gallagher, the investment managers, members of the Pension Management Team (PMT) or performance of the investment. If required, members of the PMT would meet with the investment manager first on behalf of the Group Trustees. Should there be a material change in the Group's circumstances, they will review whether and to what extent the investment arrangements should be altered and whether the current risk profile remains appropriate.

Before any investment is made into a new fund, the Group Trustees will decide whether to invest into a segregated mandate compared to a pooled fund (if there is the option), taking into account the flexibility of investment guidelines, fees, and implications for liquidity.

The Group Trustees monitor and assess the allocation against the selected tolerance bands. Should a breach of the tolerance band be identified, the Group Trustees and the Employer will consider appropriate actions to resolve the situation, noting that this may not be immediate. Over the reporting period, the Group Trustees were comfortable with the allocations with respect to their tolerance bands.

The Group Trustees periodically explore alternative asset classes that may improve the overall efficiency and underlying diversification of the current portfolio. For example, the two new investments made in the last reporting period (March 2025) were made into liquid securitised credit via the Janus Henderson Asset-Backed Securities Fund and the Aegon European ABS Fund. This supports the Group's ability to meet its full funding objective while also improving liquidity management.

In Q4 2025, the Group Trustees received training in relation to the latest sustainability industry trends and climate target-setting approaches. This training was used to help shape a discussion regarding the Group's interim climate target in March 2026.

Under the terms of the Trust Deed, the Group Trustees are responsible for the investment of AVCs paid by members. The Group Trustees review the investment performance of the chosen providers on a regular basis and takes advice as to the providers' continued suitability. The last AVC review was conducted in November 2025 with the next review scheduled for Q2 2026.

Investment Managers (reviews, selection and implementation)

The Group Trustees review the suitability of the Group's investments on a quarterly basis, including the appointed investment managers and the balance between active and passive management, which may be adjusted from time to time. Any adjustments would be made with the aim of ensuring that the overall level of risk is consistent with Section 3 - Investment Objectives within the SIP. The investment adviser maintains a dialogue with rated investment managers over the period and communicates any relevant operational/process changes at the fund or company level of the investment manager to the Group Trustees as and when they arise.

The Group's investment managers manage the day-to-day investment of the Group's assets according to the standardised fund terms that were reviewed at the point of investment by the Group Trustees. The Group's investment managers are aware of the Group Trustees' views, particularly with respect to socially responsible investment policies that are documented in the SIP. Investment managers are briefed on the Group Trustees' views before any appointment is made.

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Socially Responsible Investment

The Group Trustees incorporate financially material considerations into decisions on the selection, retention and realisation of investments through strategic asset allocation and the appointment of investment managers, so far as possible, taking into account the advice of the Group Trustees' investment adviser. The integration of ESG (Environmental, Social and Governance) and stewardship into an investment manager's investment process are considered as key selection factors in the investment adviser's overall assessment of an investment manager's strategy.

In 2020, the Group Trustees clearly defined a set of climate-related investment beliefs. The climate-related beliefs enable the Group Trustees to identify which climate-related opportunities are more relevant for the Group and its objectives, and to further understand which climate-related risks should be monitored.

As part of the Group Trustees' commitment to the requirements of TCFD to support the monitoring and management of climate risks, in 2021 the Group Trustees adopted the objective of investing in line with the goals of the Paris Agreement (i.e. achieving a 50% reduction in portfolio emissions by 2030 and a 100% reduction by 2050). Following a review during the reporting period, the Group Trustees continue to believe that this objective is aligned to the Group's climate-related beliefs and is complimentary to the Group's wider strategic objectives. The Group Trustees acknowledge the current headwinds to the transition to net zero and note that targets may need to be recalibrated in the short term.

The Group Trustees take stewardship into account in selecting, monitoring, and retaining their investment managers. The ability for the Group Trustees to influence investment managers' voting and stewardship activities will depend on the nature of the investments held. The Group Trustees' policy is to delegate responsibility for the exercise of rights (including voting rights) attaching to investments to the investment managers and to encourage the investment managers to exercise those rights. If the Group Trustees deem it not suitable, they will engage with the relevant investment manager and seek to better align the policies of the Group Trustees with the behaviour of the investment manager.

The Group Trustees maintain a Stewardship Policy with a view to align the Group to the DWP's latest guidance and the Group's chosen stewardship themes. The Stewardship Policy as referenced in the SIP states that:

"The Group Trustees expect investment managers to engage with issuers on relevant matters to maintain or enhance long-term value of its investments and limit negative externalities on the planet and society. This includes performance, strategy, risks, capital structure, conflicts of interest, and environmental, social or governance considerations.

The Group Trustees recognise that there is no 'one-size-fits-all' stewardship approach and instead encourages their investment managers to prioritise stewardship opportunities and apply the most suitable/influential engagement strategies based on their in-depth knowledge of a given asset class, sector, geography and/or specific company or other asset."

5. Overview of the Group Trustees' voting and engagement policies

Summary of the Group's policies

The Group Trustees' policy is to delegate responsibility for engaging, monitoring investee companies, and exercising of voting rights to the investment managers and expects the investment managers to use their discretion to maximise financial returns for members and others over the long term. The Group Trustees recognise that good stewardship practices, including engagement and voting activities, are an important part of general scheme governance as they help preserve and enhance asset owner value over the long term.

Engagement

Direct engagement with underlying companies (as well as other relevant persons) in respect of shares and debt is carried out by the Group's investment managers. This includes monitoring and engaging with issuers of debt or equity on financially material issues concerning strategy, capital structure, management of actual or potential conflicts of interest, risks, environmental impact, social considerations and corporate governance.

The Group Trustees expect their investment managers to independently consider whether 'Exclusion' or 'Engagement' as a method of incorporating climate change risks into an effective risk management framework is more appropriate within their investment process.

While the Group Trustees choose investment managers that align with their beliefs on stewardship (where possible), there are instances where the Group Trustees have less direct influence over the investment managers' policies on the exercise of investment right, for example, where assets are held in pooled funds, due to the collective nature of these investments. The Group Trustees disclose the voting behaviour carried out on their behalf. If the Group Trustees deem it unsuitable, they will engage with the relevant investment manager and seek to better align the policies of the Group Trustees with the behaviour of the investment manager.

Active engagement with the Group's appointed investment managers, specifically relating to climate-related risks and opportunities, is conducted by Gallagher and partly by the Group Trustees (during any meetings to which investment managers are invited). During the reporting period, a selection of the Group's investment managers, including Bluebay, PIMCO, CQS, Aegon and Janus Henderson attended Investment Committee and Group Trustee meetings. During these meetings the investment managers were asked to discuss how they address ESG and Stewardship within their funds and encouraged to provide real-world, case study examples of ESG integration and the use of Stewardship in their investment strategies. In addition, the IC continued developing its approach to stewardship and engagement, conducting an ESG horizon scanning session in Q1 2026 to consider latest industry developments and how this could inform the Group Trustees' sustainability strategy.

Voting

The Group Trustees delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the Group's investment managers. The Group Trustees are not aware of any material departures from the investment managers' stated voting policies. Given the nature of these mandates and the fact that voting activities appear to be undertaken in line with the investment managers' voting policies, the Group Trustees are comfortable that the voting policies for the Group have been adequately followed over the period.

The Group Trustees have established their own definition of what it considers to be a most significant vote. They are defined as: *resolutions that are relevant to the Group's chosen stewardship themes (Climate Change, Board Effectiveness and Health, Safety and Employee Welfare) and were considered at the shareholder meetings of issuers that are significant within the Group's portfolio (including the largest investment exposures in the portfolio and those identified as having high exposures to the scheme's chosen themes, such as Climate Action 100+ companies).*

Voting statistics for each of the Group's relevant investment managers, as well as a selection of significant votes cast on behalf of the Group over the period are provided in the appendix. Where relevant, the Group Trustees expect their investment managers to use voting rights to affect the best possible sustainable long-term outcomes. From time to time, the Group Trustees will review how best to assess the voting activity of the Group's investment managers and how best to engage with the investment managers.

Final Remarks

The reporting period for this Statement covers 1 April 2025 to 31 March 2026. Any actions undertaken by the Group Trustees after this date will be covered in the next Statement. It is the Group Trustees' belief that the policies set out in the SIP regarding the exercise of rights attaching to investments and the undertaking of engagement activities in respect of the investments has been followed over the reporting period.

The Group Trustees will continue to take account of the DWP's expectations in its approach to stewardship and engagement. Changes to the Group Trustees' approach will be taken with regard to the Group's governance and be in the best interest of the Group's members.

Appendix A: Engagement

The Group Trustees expect the nature of engagement to vary between asset classes. The Group Trustees also believe engagement can take place across the Group's investments and is not restricted to equity investments. With this in mind, below are four examples of engagement within the credit and multi-asset classes.

PIMCO – Direct Engagement

Topic: Decarbonisation, ESG disclosure and client engagement

Focus of the engagement: Climate and engagement of a French Multinational Universal Bank

Details of the engagement:
The engagement formed part of a multi-year dialogue focused on improving the bank's decarbonisation strategy, ESG transparency and policy implementation. Recommendations included strengthening client engagement practices, enhancing nature-related risk disclosure, and providing greater clarity on human rights policy execution. PIMCO also encouraged the bank to introduce more structured ESG reporting through a concise progress dashboard, including metrics on high-emitting clients, sector-level outcomes and time-bound transition pathways, as well as undertaking carbon attribution analysis to differentiate emissions reductions driven by client activity versus portfolio reallocation.

Outcome of the engagement:
The bank has made partial progress, particularly in advancing client engagement and nature-risk disclosures, demonstrating ongoing commitment to improving its ESG credentials. However, gaps remain in delivering clear sector-level outcomes and implementing robust carbon attribution analysis. As a result, the engagement remains ongoing, with further focus on deepening client engagement, strengthening disclosure practices and ensuring more tangible, best-practice implementation of its human rights and sustainability frameworks.

Bluebay – Direct engagement

Topic: Renewable Energy Company Engagement

Focus of the engagement: Renewable energy development and policy response

Details of the engagement:
Bluebay participated in an investor group discussion with an energy company's senior management to assess the impact of evolving US energy and environmental policies on its operations and strategy. Discussions focused on the status of its two US offshore wind projects (Revolution and Sunrise), confirming their continued progression despite regulatory changes. Management also provided updates on technological improvements, including extended turbine lifespans and fully recyclable blades, alongside broader efforts to strengthen capital structure and maintain focus on core renewable energy priorities.

Outcome of the engagement:
The investment team was reassured by the energy company's transparency and the resilience of its key US projects, which remain on track despite delays and cost pressures. While the company continues to demonstrate strong positioning within the renewable energy sector, concerns around the evolving US policy environment led to a cautious investment stance, resulting in a near-term exit from holdings. However, the company remains under active review, with potential for re-entry should the macro and policy backdrop become more supportive.

M&G - Direct Engagement

Topic: Provider of Marine and Defence Safety Equipment

Focus of the engagement: Operational turnaround through enhanced governance and ESG strategy.

Details of the engagement:
The engagement centred on strengthening the company's leadership and governance framework to support an operational turnaround, alongside developing its ESG approach. This included appointing a new executive chairman with strong turnaround experience, creating a refreshed Board with specialist-led committees, enhancing shareholder governance rights with direct board representation, and commissioning a third-party ESG review to inform the development of a formal ESG policy and broader ESG strategy.

Outcome of the engagement:
The company has delivered a strong performance post-restructuring, with EBITDA doubling. A robust and appropriately structured Board is now in place, supported by an effective governance framework, and the business has established a clear ESG policy with a range of initiatives embedded across operations, strengthening its overall ESG credentials.

Amundi - Direct Engagement

Topic: Health, safety and employee welfare at a British mining company

Focus of the engagement: Strengthening workplace culture, safety practices and human rights due diligence

Details of the engagement:
The engagement focused on addressing workplace culture and safety concerns, particularly around harassment and bullying, alongside improving human rights practices within the supply chain. The British mining company was encouraged to fully implement recommendations from an independent review, enhance transparency in reporting progress, and ensure consistent application of policies across sites. In parallel, engagement sought improvements in grievance mechanism accessibility and effectiveness within the supply chain, alongside broader human rights due diligence supported by audits and a risk-based approach.

Outcome of the engagement:
The mining company has made strong progress on workplace culture and safety, with most recommendations implemented and transparent, data-backed reporting demonstrating ongoing commitment, though full cultural change remains a work in progress. Progress on supply chain human rights has been more limited, with increased audit activity and due diligence efforts evident, but insufficient advancement in grievance mechanism accessibility, leaving this aspect of the engagement ongoing with a more cautious outlook.

Appendix B: Summary of voting over the period

How have the policies been followed for the Group?
The use of voting rights is most likely to be financially material in the sections of the portfolios where physical equities are held. The investment manager is responsible for voting and engagement on the underlying assets rather than the Group Trustees, the Group Trustees' ability to influence voting activities undertaken is limited. The Group Trustees monitor the voting behaviour carried out on their behalf. If the Group Trustees deem it unsuitable, they will engage with the relevant investment manager and seek to better align the policies of the Group Trustees with the behaviour of the investment manager.

As previously mentioned, the Group Trustees have formalised what they consider to be a significant vote over the reporting period. Voting statistics for each of the Group's relevant investment managers, as well as a selection of significant votes cast on behalf of the Group over the period are provided below. Where relevant, the Group Trustees expect their investment managers to use voting rights to affect the best possible sustainable long-term outcomes. It is worth nothing that some of the investment managers have cast conflicting votes for the same resolution. For the most part their rationale is logical on both sides and there is no reason to believe either investment manager is misaligned with the Group's stewardship beliefs. In situations where no rationale is provided, it is less clear why investment managers may have differing views.

Most Significant Votes have been chosen based on a combination of the following factors:

- Votes relating to the Group's chosen stewardship themes of:

  - Climate Change
  - Board Effectiveness
  - Health, Safety and Employee Welfare

- Votes which feature in Gallagher's list of most significant votes. This list is compiled using the significance of the resolution itself i.e. driven by its subject matter, the size of the company (with some tilt towards UK companies to reflect heightened beneficiary and client interest), the scale of any public media interest and whether votes against management on the resolution itself were particularly high.

- Votes which were considered at significant issuers, including Climate Action 100+ companies.

	Amundi	L&G	Ruffer
How many meetings were you eligible to vote at over the year to 31/03/2026?	28	1,384	151
How many resolutions were you eligible to vote on over the year to 31/03/2026?	461	20,630	2,227
What % of resolutions did you vote on for which you were eligible?	100%	100%	100%
Management resolutions	424	19,897	2,179
Shareholder resolutions	37	733	48
% voted in favour of management resolutions	86%	76%	97%
% voted against management resolutions	14%	24%	1%
% voted "other" on management resolutions[1]	0%	<1%	2%
% voted in favour of shareholder resolutions	62%	53%	33%
% voted against shareholder resolutions	38%	45%	56%
% voted "other" on shareholder resolutions[1]	0%	2%	10%
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy advisor? (if applicable)	3%	N/A[2]	3%[3]

[1] "other" includes abstentions, withheld votes, and "do not vote" instructions.
[2] Manager did not provide proxy advisor recommendations
[3] Excludes resolutions for which data was unavailable.
Note: Management and Shareholder resolution total votes may not sum to 100% due to rounding.

Voting behaviour

Amundi

Voting
The Group invests in pooled fund arrangements and as such it is not necessary for investment managers to consult with the Group Trustees before voting. However, as part of their wider due diligence of the implementation of investment strategies, the Group Trustees request their investment managers to produce information that demonstrate the investment manager is exercising good stewardship.

Amundi has centralised the exercise of voting rights within a "Corporate Governance" team composed of experts in charge of coordinating all voting-related tasks, specifically:

- Monitoring General Meetings in the voting scope.
- Managing relations with custodians and proxy voting companies.
- Analysing the resolutions proposed by issuers.
- Sharing information and soliciting the opinions of investment managers and of financial and extra financial analysts.
- Calling and leading voting committees.
- Undertaking pre and post AGM's shareholder dialogue.
- Being involved with working forums on governance

The team uses the ISS "ProxyExchange" to send voting instructions. Analysis from ISS, Glass Lewis and ECGS is available to aid problematic resolutions, while retaining autonomy for Amundi to determine their voting action.

Most significant votes
In line with the Group Trustees' definition, the following table provides a sample of two significant votes for Amundi, relevant for the period 1 April 2025 to 31 March 2026.

Company:	AstraZeneca	Mitsubishi UFJ Financial Group
Date:	11 April 2025	27 June 2025
Resolutions:	Appointment (independence)	Appointment (independence)
Amundi's Vote:	Against	Against
Rationale:	The nominee holds an excessive number of Board mandates (5 in total, including 2 as a Chair) and is therefore considered overboarded.	The board is not sufficiently independent as per our voting policy.

Legal and General Investment Management (L&G)

Voting
The Group invests in pooled fund arrangements and as such it is not necessary for investment managers to consult with the Group Trustees before voting. However, as part of their wider due diligence of the implementation of investment strategies, the Group Trustees request the investment managers to produce information that demonstrate the investment manager is exercising good stewardship.

L&G's Investment Stewardship team use the ISS 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, they have put in place a custom voting policy with specific voting instructions.

Most significant votes
In line with the Group Trustees' definition, the following tables provide a sample of ten significant votes for L&G, relevant for the period 1 April 2025 to 31 March 2026.

Company:	**AstraZeneca**
Date:	11 April 2025
Resolutions:	Appointment (independence)
L&G's Vote:	For
Rationale:	N/A

Company:	**Heineken**
Date:	17 April 2025
Resolutions:	Appointment (independence)
L&G's Vote:	Against
Rationale:	Audit Committee independence: A vote against is applied as LGIM expects the Committee to be comprised of independent directors.

Company:	**Bank of America Corporation**
Date:	22 April 2025
Resolutions:	Climate
L&G's Vote:	For
Rationale:	Climate change: A vote in favour of this proposal is applied. We believe that banks and financial institutions have a significant role to play in shifting financing away from 'brown' to funding the transition to 'green'. LGIM expects the company to be undertaking appropriate analysis and reporting on climate change matters, as we consider this issue to be a material risk to companies.

Company:	Amazon.com
Date:	21 May 2025
Resolutions:	Workforce
L&G's Vote:	For
Rationale:	Health and Safety: A vote for this proposal is warranted. We recognise the safety concerns raised, and also the progress Amazon has been making on its HSE practices and reporting. However, we do consider independent oversight of this ongoing issue, would be valuable for the company and its investors.

Company:	Restaurant Brands International
Date:	3 June 2025
Resolutions:	Board Oversight
L&G's Vote:	Against
Rationale:	Governance concerns: A vote against this proposal is warranted because LGIM applies its own criteria for considering director independence and based on that criteria only Mr Schwartz and Mr Behring are considered as non-independent for their positions as co-managing partners of 3G Capital, the company's largest shareholder.

Company:	General Motors Company
Date:	3 June 2025
Resolutions:	Climate
L&G's Vote:	For
Rationale:	Climate Change - A vote for this proposal is warranted. Although we acknowledge the disclosures that the company currently publishes with regard to integrating responsibly sourced materials into its supply chain, we would value greater transparency on how General Motors Company plans to align current supply chain GHG emissions reduction strategies with its net zero goals. This is particularly in relation to the purchase of upstream materials and collaboration with metal suppliers.

Company:	Walmart
Date:	5 June 2025
Resolutions:	Workforce
L&G's Vote:	For
Rationale:	Health & Safety: A vote for is applied in this instance. Although Walmart has governance committees to oversee HSE incidents and is transparent in reporting such incidents. The company has not provided sufficient information on what steps they are actively taking to ensure that HSE policies and procedures are followed and demonstrate appropriate accountability when there are failures in controls.

Company:	Mitsubishi UFJ Financial Group
Date:	27 June 2025
Resolutions:	Appointment (independence)
L&Gs Vote:	For
Rationale:	N/A

Company:	JD Sports Fashion
Date:	2 July 2025
Resolutions:	Workforce
L&G's Vote:	For
Rationale:	Income inequality - Transparency: A vote for is applied because it would be useful for investors to learn more about the policies adopted for their general workforce, why the company doesn't pay the real living wage and how this may be impacting turnover levels within the company. The employee engagement score appears to be improving which is encouraging and during an engagement with the company, we were informed that attrition rates of full time employees were low.

Company:	ANZ Group Holdings Limited
Date:	18 December 2025
Resolutions:	Climate
L&G's Vote:	Against
Rationale:	Climate change: A vote against this proposal is applied following detailed consideration and internal discussion. We consider the principles of the proposal for improved transparency and accountability to be broadly supportable. However, the drafting of the proposal is deemed too prescriptive and would effectively constrain management's discretion over financing decisions, a responsibility that should remain with management under appropriate board oversight. While we are unable to support the proposal given these reasons, we note concerns that the bank's current disclosure relating to customers' Climate Transition Plan (CTP) expectations appears to lag behind its Australian peers. The company's approach remains vague and does not include a defined threshold for refusing finance. We will continue to monitor the bank's activities and progress against its published targets.

Ruffer LLP

Voting

The Group invests in this segregated arrangement. It is not necessary for investment managers to consult with the Group Trustees before voting as they are invested in line with Ruffer's absolute returns approach. As part of their wider due diligence of the implementation of investment strategies, the Group Trustees request the investment managers produce information that demonstrates the investment manager is exercising good stewardship.

Ruffer's proxy voting advisor is Institutional Shareholder Services (ISS). They have developed their own internal voting guidelines, however they consider issues raised by ISS, to assist in the assessment of resolutions and the identification of contentious issues. Although Ruffer are cognisant of proxy advisers' voting recommendations, they do not delegate or outsource their stewardship activities when deciding how to vote on their clients' shares. Each research analyst, supported by their responsible investment team, reviews the relevant issues on a case-by-case basis and exercises their judgement, based on their in-depth knowledge of the company. If there are any controversial resolutions, a discussion is convened with senior investment staff and if agreement cannot be reached there is an option to escalate the decision to the Head of Research or the Chief Investment Officer.

Most significant votes

The following table provides five significant votes for Ruffer, relevant for the period 1 April 2025 to 31 March 2026.

Company:	**Heineken**
Date:	17 April 2025
Resolutions:	Appointment/Independence
Ruffer's Vote:	For
Rationale:	A vote FOR is warranted because the nominees are elected for a period not exceeding four years; the candidates appear to possess the necessary qualifications for board membership; and there is no known controversy concerning the candidates.

Company:	**Bank of America Corporation**
Date:	22 April 2025
Resolutions:	Climate
Ruffer's Vote:	Against
Rationale:	We are voting AGAINST this additional report as we consider the company's current disclosures provide shareholders sufficient information on the company's political activities, lobbying, and trade association memberships, including information related to its climate strategy and emissions goals.

Company:	**Amazon.com**
Date:	21 May 2025
Resolutions:	Workforce
Ruffer's Vote:	For
Rationale:	The company has recently been charged with multiple workplace safety violations and is subject to lawsuits and investigations, some of which have now been settled. Key terms of Amazon's recent agreement with the Occupational Safety and Health Administration include new policies related to employee training, ergonomic risk assessments and program monitoring. Reporting against these new terms would be appreciated by shareholders. Further, ongoing investigations have flagged concerns regarding potential workplace hazards, injury reporting and pace of work. Additionally, negative media attention stemming from these violations exposes the company to severe reputational risk. Shareholders would benefit from a third-party review of the company's working conditions within its facilities. As such, we are voting in favour of the proposal and against the management.

Company:	General Motors Company
Date:	3 June 2025
Resolutions:	Climate
Ruffer's Vote:	Against
Rationale:	Additional disclosure on how GM is partnering or engaging with its supply chain to lower its Scope 3 emissions is consistent with our climate transition strategy.

Company:	JD Sports Fashion
Date:	2 July 2025
Resolutions:	Workforce
Ruffer's Vote:	Against
Rationale:	JD Sports operates in the competitive retail space where labour is a key cost input - we worry that supporting a disclosure resolution such as this could leave JD Sports in a position of disclosing competitively sensitive information while those competitors do not. We also note that less than 40% of JD's revenue is earned in the UK which partly limits the relevancy of some of the requested disclosures.

EDF Group of the ESPS (the Group) - SIP Implementation Statement (DC Section)

Overview of Group Trustees' Actions - DC

Introduction and SIP Updates

This Statement, written for the benefit of the members of the EDF Group of the Electricity Supply Pension Scheme (the Group), sets out how, and the extent to which, the Statement of Investment Principles (SIP) produced by the Group Trustees has been followed over the 12 months to 31 March 2026.

The SIP is a document drafted by the Group Trustees in order to help govern the Group's investment strategy. It details a range of investment-related policies, a summary of which is included in the table below, alongside the relevant actions taken by the Group Trustees in connection with each of these policies.

As required by the legislation, this Statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and the subsequent amendment in The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

The SIP in place during the Group year was signed in September 2024 and remains the most recent version.

A copy of the SIP is available at:
https://www.edfgpensions.co.uk/content/group-downloads

Within this Statement the Group Trustees refer to the following parties:

- MGIE – Mercer Global Investments Europe Limited, to whom the Group Trustees have delegated day to day investment decision making in respect of many of the Group's funds (the Delegated Investment Manager).
- MWS – Mercer Workplace Savings, the investment governance service provided by Mercer Limited.

Investment Objectives and Strategy

The Group Trustees' objective is to invest the Group's assets in the best interest of the members and beneficiaries and in the case of a potential conflict of interest, in the sole interest of the members and beneficiaries. Within this framework the Group Trustees seek to achieve this, as detailed below:

- To establish a default arrangement broadly appropriate for the needs of the majority of the membership. This is structured as an investment programme which automatically manages a member's investments over their lifetime (Retirement Strategy). The Retirement Strategy is structured to invest members in a growth phase aiming to provide long term growth and gradually de-risk members' investments as they reach eight years from when they expect to retire (the de-risking phase) into funds which more closely match how the member wishes to access their pension savings.

- To make available a range of pooled investment funds and Retirement Strategies which serve to meet the needs and risk tolerances of the members in a DC pension arrangement. The Group Trustees recognise that members of the Group have differing investment needs and that these may change during the course of members' working lives. They also recognise that members have different attitudes to risk. The Group Trustees believe that members should be able to make their own investment decisions based on their individual circumstances.

- To avoid over-complexity in investment in order to manage administration costs and facilitate employee understanding.

- To provide options to assist members to maximise benefits (cash, annuity or drawdown) received at retirement, whilst protecting against risks relative to that benefit near retirement.

- To support members with clear communication. This is to be achieved via regular and effective communication and by signposting points of contact for bespoke advice or guidance.

The policies set out in the SIP are intended to help meet the overall investment objectives of the Group. Detail on the Group Trustees' objectives with respect to the default investment options, the alternative lifestyle strategies and the self-select fund range are outlined in the SIP.

In total the Group has three current defaults and two legacy arrangements:

Current Defaults:

- Cash Retirement (DC Top-Up members, Legacy Lifestyle DC Seeboard PIP and AVC members)
- Drawdown Retirement (Post 2015 DC Only Section)
- Annuity Retirement (LERP Section)

Group Trustees' policies for investment managers

The Group Trustees have appointed Mercer Workplace Savings (MWS) for the provision of services related to the corporate investment platform where the Group's assets are invested. The Group Trustees have delegated the ongoing governance and monitoring of Scottish Widows Limited (Scottish Widows), as the provider of the corporate investment platform, to MWS which aims to ensure it remains a market leading corporate investment platform and to ensure it provides access to a range of investment strategies. The investment strategies on the corporate investment platform include funds (Mercer funds) whose investment manager selection and monitoring has been delegated to Mercer Limited, through the MWS Investment Governance Committee (MWS IGC), with underlying investment managers being selected for the management of the underlying assets. These underlying investment managers are MGIE and investment managers with fund strategies that are highly rated by Mercer Limited (externally managed funds).

The remainder of this document summarises the actions taken by the Group Trustees over the 12 months to 31 March 2026 in connection with the policies set out in the SIP during that period. All policies have been complied with unless stated otherwise.

Policy	Evidence
Additional Voluntary Contributions ("AVCs")	
Under the terms of the Trust Deed, the Group Trustees are responsible for the investment of AVCs paid by members. The Group Trustees review the investment performance of the chosen providers on a regular basis and take advice as to the providers' continued suitability.	The Group Trustees reviewed an annual monitoring report covering the AVC investments held. The most recent review prior to the year end was completed in November 2024. The subsequent annual review was delayed beyond the Group year-end due to difficulties in obtaining data from the AVC providers; this was completed in June 2026. Within this report, the performance, fees and ongoing suitability of the investment options were reviewed in the context of the remaining membership.
Securing compliance with the legal requirements about choosing investments	
The Group Trustees have appointed Mercer Limited as professional consultants (the DC investment adviser) to provide relevant investment advice to the Group Trustees on the DC Section. The Group Trustees also obtain and consider advice as appropriate from other professional advisers. In the Group Trustees' opinion this is consistent with the requirements of Section 36 of the Pensions Act 1995.	The last formal triennial review of the default arrangements occurred in November 2025, with the next review scheduled for the final quarter of 2028. As part of this review, the Group Trustees considered the following, based on advice from their investment adviser, Mercer Limited: • Membership analysis: No material changes were identified versus the previous membership analysis, with no strategy changes proposed as a result. • Investment strategy: The current investment strategy was confirmed as remaining appropriate for the membership, with no drivers for change identified in respect of the three-default approach targeting cash, annuity and drawdown respectively. Changes to the underlying strategic asset allocation of the Mercer funds were noted, including a slight increase to the equity allocation within the Mercer Growth Fund. • Drawdown Retirement Fund: A change to the EDFG Drawdown Retirement Fund was implemented effective 31 December 2025, reducing the cash allocation from 25% to 10%, in line with changes made by MWS to the underlying Mercer Drawdown Retirement Fund. • Sustainable investment: The Mercer Growth and Mercer Diversified Retirement Funds continue to make progress towards their target 45% reduction in carbon emissions by 2030 (from 2019 baseline levels), having reduced emissions by 36% and 43% respectively as at end of 2024. The Group Trustees received the appropriate investment advice from their advisers, in line with Section 36 of the Pensions Act 1995.

Policy	Evidence
Kinds of investments to be held	
The Group Trustees have made available a range of individual self-select fund options for investment in addition to the default arrangement. All of the funds within the default arrangement are also available as self-select options. The Group Trustees make three retirement strategies available. Four risk profiled funds have also been made available to members. The Delegated Investment Manager, MGIE, is responsible for making decisions on asset allocation selection, appointment, removal and monitoring of underlying external investment managers in these funds. There are also a number of legacy AVC fund options invested with Prudential and Aviva.	The default investment strategy is reviewed at least triennially. It was subject to its last formal triennial review in November 2025. The next investment strategy review is due during the final quarter of 2028. The investments (fund type, management style and asset allocations) used in the default strategy were reviewed as part of this exercise. Following the November 2025 review, one change was implemented to the default arrangements during the year: the cash allocation within the EDFG Drawdown Retirement Fund was reduced from 25% to 10%, effective 31 December 2025, in line with changes made by MWS to the underlying Mercer Drawdown Retirement Fund. All other aspects of the default strategy remain consistent with the SIP. As part of the triennial review, the Group Trustees also undertook a review of the other lifestyle options available to members. The Group Trustees concluded that the available range of funds/types of investments available to members continued to be appropriate and provided members options across the risk/return spectrum. A range of different asset class funds is available including developed market equities, emerging market equities, small capitalisation equities, low volatility equities, systematic macro, real estate, money market investments, gilts, index-linked gilts, corporate bonds, diversified growth funds and pre-retirement funds. The self-select fund range was last reviewed in August 2024, at which point the Group Trustees concluded it remains appropriate for members, and agreed to make no changes to the range. The details of the types of investment referenced in the SIP remains consistent with the fund range offered to members. No changes to the type of investments used in the default have been implemented since this review and the strategy remains consistent with this policy in the SIP.

Policy	Evidence
The balance between different kinds of investments	
The Group Trustees recognise the risks that may arise from the lack of diversification of investments. The Group Trustees therefore make available a range of investment options to enable members to achieve a diversified holding. Members can combine the investment funds in any proportion in order to achieve the desired balance between different kinds of investments. This will also determine the expected return on a member's assets and should be related to the member's own risk appetite and tolerances.	The strategic asset allocation of the default investment option is reviewed on a triennial basis. The date of the last review was November 2025. This confirmed that the strategic asset allocation was appropriate to meet the stated aims and objectives of the default. As the Delegated Investment Manager, MGIE conducts an annual review of the strategic asset allocation of the Mercer funds and underlying investment managers. During 2025, MWS reviewed the underlying strategic asset allocation of the Mercer funds and a slight increase to the equity allocation within the Mercer Growth Fund was implemented. The Group Trustees were informed of this change as part of the November 2025 triennial review. The Group Trustees are satisfied that the strategic asset allocation remains appropriate and consistent with the SIP. The Group Trustees receive a quarterly investment performance report that monitors the risk and return of options within the Group. The Group Trustees are satisfied that the spread of funds available and the investment managers' policies on investing in individual securities within each asset type or fund, provides adequate diversification of investments.
Risks, including the ways in which risks are to be measured and managed	
The Group Trustees have considered risks from a number of perspectives. Table 12.11 of the SIP details these risks, and how they are managed and measured.	The risks below are not exhaustive, but cover the main risks considered by the Group Trustees to be financially material. - Inflation Risk - Pension Conversion Risk - Market Risk - Counterparty Risk - Currency Risk - Operational Risk - Liquidity Risk - Valuation Risk - Environmental, Social and Governance Risk - Investment Manager Skill/ Alpha Risk The Group Trustees regularly monitor these risks and the appropriateness of the investments in light of the risks described above. The Group Trustees maintain a risk register of the key risks, including the market risks, investment manager risks and ESG risks. This rates the impact and likelihood of the risks and summarise existing mitigations and additional actions.

Policy	Evidence
Expected return on investments	
Risk is not considered in isolation, but in conjunction with expected investment returns and outcomes for members. In designing the default Retirement Strategy, the Group Trustees have explicitly considered the trade-off between risk and expected returns.	Over the year the investment performance report was reviewed by the Group Trustees on a quarterly basis, covering the risk and return characteristics of the default and additional investment fund choices, as well as how each investment manager is delivering against their specific mandates. As part of the November 2025 triennial investment strategy review, the Group Trustees explicitly considered the trade-off between risk and expected returns. The review confirmed that the current investment strategy, including the growth phase of the default arrangements, remains appropriate for the membership and continues to meet the objective of providing long-term growth with some protection against inflation erosion and volatility when compared to global equity markets. No changes to the strategy were required following this assessment. The Group Trustees also noted the slight increase to the equity allocation within the Mercer Growth Fund implemented by MWS during the year, which is consistent with the objective of optimising long-term expected returns for members in the growth phase.
Realisation of investments	
The selection, retention and realisation of investments within the pooled investment vehicles is the responsibility of the relevant investment manager, including the Delegated Investment Manager, MGIE. In selecting assets, the Group Trustees consider the liquidity of the investments in the context of the likely needs of members.	The Group Trustees receive an administration report on a quarterly basis to ensure that core financial transactions are processed within SLAs and regulatory timelines. The pooled investment vehicles are daily dealt, with assets mainly invested in regulated markets and therefore should be realisable at short notice, based on either Group Trustees or member demand.

Policy	Evidence
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 Group Trustees incorporate financially material considerations into decisions on the selection, retention and realisation of investments through the appointment of investment managers, including the Delegated Investment Manager, MGIE, so far as possible, taking into account the advice of the Group Trustees' DC investment adviser. Monitoring is undertaken on a regular basis and is documented at least annually. The Group Trustees believe that Environmental, Social and Governance (ESG) factors (including but not limited to climate risk) will be financially material over the time horizon of the Group and should be considered as part of investment strategy and implementation decisions, noting that these decisions have largely been delegated to the Delegated Investment Manager, MGIE.	The investment performance report is reviewed by the Group Trustees on a quarterly basis – this includes ratings and ESG assessment through the Integration and Relevance framework from the DC investment adviser. All of the investment managers under the remit of the Delegated Investment Manager, MGIE, remained highly rated during the year. Where investment managers of Mercer funds are not meeting expectations from an ESG perspective, Mercer Limited, via the MWS IGC, will engage with those investment managers to improve ESG practices or replace these investment managers with more highly rated ESG investment managers. This is in line with Mercer's Sustainable Investment Policy. The Group Trustees have delegated ESG, climate change and stewardship considerations to the MWS IGC and investment managers, alongside other investment responsibilities. The MWS IGC is expected to provide reporting on a regular basis, at least annually, on ESG integration progress, stewardship monitoring results and climate-related metrics such as carbon footprinting for equities and/or climate scenario analysis for diversified portfolios.

Policy	Evidence
The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments	
The Group Trustees take into account member views, when expressed, and may ask for member views from time to time in relation to financial and non-financial matters	The Group Trustees take into account member views, when expressed, and may ask for member views from time to time in relation to financial and non-financial matters. During the year to 31 March 2026, no members expressed material views relating to the Group's investment offering. The Group Trustees continue to provide members with access to information and communication through the Group's member portal and annual benefit statements, through which members may raise any views or concerns.
The exercise of the rights (including voting rights) attaching to the investments	
The Group Trustees recognise that good stewardship practices, including engagement and voting activities, are an important part of general scheme governance as they help preserve and enhance asset owner value over the long term. Where relevant, the Group Trustees expect their investment managers to use voting rights to effect the best possible sustainable long-term outcomes.	The Group Trustees have delegated their voting rights to the investment managers. Investment managers are expected to provide voting summary reporting on a regular basis, at least annually. The Group Trustees receive an annual ESG report from the MWS IGC, which includes details on the investment managers' voting policies and significant votes undertaken over the previous year. Once appointed, the Group Trustees give appointed investment managers, including the Delegated Investment Manager, MGIE, full discretion in evaluating ESG factors, including climate change considerations and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code. The following funds contain an allocation to equities: - EDFG Growth - EDFG High Growth - EDFG Moderate Growth - EDFG Defensive - EDFG Diversified Growth - EDFG Diversified Retirement - EDFG Drawdown Retirement - EDFG Active UK Equity - EDFG Active Global Equity - EDFG Active Low Volatility Equity - EDFG Active Global Small Cap Equity - EDFG Active Emerging Markets Equity - EDFG Active Sustainable Global Equity - EDFG Passive UK Equity - EDFG Passive Sustainable Global Equity - EDFG Passive Overseas Equity - EDFG Passive Overseas Equity Hedged - EDFG BlackRock Global Equity 50/50 Index - EDFG FTSE4Good Developed Index - EDFG Passive Emerging Markets Equity - EDFG Shariah The voting records of the investment managers are summarised in the appendix.

Policy	Evidence
Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, Group Trustees would monitor and engage with relevant persons about relevant matters)	
Once appointed, the Group Trustees give appointed investment managers, including the Delegated Investment Manager, MGIE, full discretion in evaluating ESG factors, including climate change considerations and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code. Outside of those exercised by investment managers on behalf of the Group Trustees, no other engagement activities are undertaken.	Investment managers are expected to provide reporting on a regular basis, at least annually including stewardship monitoring results. These are reviewed by the Group Trustees. The Group Trustees have delegated the ESG, climate change and stewardship considerations to the MWS IGC and investment managers of the Group's funds, alongside other investment responsibilities. The Group Trustees believe that the MWS IGC and the investment managers have the necessary expertise and framework in place to effectively manage and monitor investments in line with these areas, and this is implemented through their four-pillar framework: invest, influence, align and limit. The Mercer funds incorporate these four-pillars as far as is practical. The MWS IGC is expected to provide reporting on a regular basis, at least annually, on the ESG integration progress, stewardship monitoring results and climate-related metrics such as carbon footprinting for equities and/or climate scenario analysis for diversified portfolios. Where underlying investment managers are not meeting expectations, the Delegated Investment Manager, MGIE, and the MWS IGC, are expected to engage with these investment managers. Engagement for the DC Section's investment managers is summarised in the appendix.

Policy	Evidence
How the arrangement with the investment manager incentivises the investment manager to align its investment strategy and decisions with the Group Trustees' policies mentioned in sub-paragraph (b) of the legislation	
The Group Trustees' policy in relation to investments to be held is set out in section 18 of the SIP. In line with section 18 – paragraph 2 of the SIP, the Group Trustees appoint investment managers of externally managed funds and the Delegated Investment Manager, MGIE, based on their capabilities and therefore the perceived likelihood of achieving the expected return and risk characteristics required.	The Group Trustees access the investment managers' products (or funds) through the corporate investment platform. The Delegated Investment Manager, MGIE, appoints underlying investment managers for the majority of the Group's funds, while Mercer Limited (via the MWS IGC) remain responsible for the appointment of investment managers for the white-labelled "Mercer" Funds. The Group Trustees select funds from external investment managers based on their capabilities, and therefore the perceived likelihood of achieving the expected return and risk characteristics required. Mercer Limited's manager research rating reflects Mercer's forward-looking assessment of an investment manager's ability to meet or exceed their objectives. As the Group Trustees invest in pooled or multi-client investment vehicles, they accept that they have no ability to influence the investment managers to align their decisions with the Group Trustees' policies set out in this Statement. However, appropriate mandates can be capped to align with the overall investment strategy.
How the arrangement incentivises the investment 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 Group Trustees appoint their investment managers with an expectation of a long-term partnership, which encourages active ownership of the Group's assets. When assessing an investment manager's performance, the focus is on longer-term outcomes and is assessed over a medium-to longer-term timeframe.	The Group Trustees, the MWS IGC and the Delegated Investment Manager, MGIE, all expect the underlying investment managers to incorporate the consideration of longer-term factors, such as ESG, into their decision-making process where appropriate. The extent to which this is so will be considered during the selection, retention and realisation of investment manager appointments. Voting and engagement activity should be used by investment managers to discuss the performance of an issuer of debt or equity. The MWS IGC monitors and oversees the engagement activity of all Mercer white-labelled funds and, if dissatisfied, will look to replace the investment manager. The Delegated Investment Manager, MGIE, engages with underlying investment managers on this activity and if dissatisfied will look to replace the investment manager. Shorter term performance is also monitored to ensure any concerns can be identified in a timely manner. The Group Trustees would not expect to terminate an investment manager's appointment based purely on short-term performance. However, an investment manager's appointment could be terminated within a shorter timeframe than three years due to other factors such as a significant change in business structure or the investment team. All DC funds are open-ended, with no set duration. Within the DC Section, the MWS IGC is responsible for the selection, appointment, monitoring and removal of the underlying investment managers while MGIE is responsible for the selection, appointment, monitoring and removal of the underlying investment managers within the majority of underlying funds. The Group Trustees are responsible for the selection, appointment and removal of the externally managed funds. The Group Trustees may also choose to remove a fund from the fund range, if no longer considered appropriate and the fund range is reviewed on at least a triennial basis. No such changes were made over the year.

Policy	Evidence
How the method (and time horizon) of the evaluation of the investment managers' performance and the remuneration for investment management services are in line with the Group Trustees' policies mentioned in sub-paragraph (b) of the legislation.	
The Group Trustees recognise their time horizon is long as set out in section 18 of the SIP. As such, investment managers are assumed to be held for a suitably long time. Investment managers' performance net of fees is therefore reviewed over both short and long-time horizons. Remuneration is agreed upon prior to investment manager appointment and is reviewed on a regular basis.	Investment managers are paid an ad valorem fee for a defined set of services. The Group Trustees review the fees periodically to confirm they are in line with market practices. The annual Value for Members assessment reviews the DC Section fees to ensure they represent value for members. If performance is not satisfactory, the Group Trustees will ask the underlying investment manager, MGIE, to provide additional rationale, and if not satisfied with this, may request further action be taken, including a review of fees. The Delegated Investment Manager, MGIE, is also responsible for making decisions on asset allocation, selection, appointment, removal and monitoring of underlying external investment managers in the majority of Mercer funds. The underlying external investment managers, including the third-party investment managers who are appointed by the MWS IGC to manage Mercer funds, have full discretion to buy and sell investments on behalf of the Group. The Group Trustees are responsible for the selection, appointment, removal and monitoring of the Delegated Investment Manager, MGIE, the externally managed Mercer funds and any other funds offered to members. The fund range is formally reviewed on at least a triennial basis, with the next investment strategy review due during the final quarter of 2028, or sooner if the Group Trustees deem it necessary. The self-select fund range was last reviewed in August 2024, at which point the Group Trustees concluded it remains appropriate for members. Within the quarterly performance reports, long and short time horizons are considered for performance metrics.

Policy	Evidence
How the Group Trustees monitor portfolio turnover costs incurred by the investment manager, and how they define and monitor targeted portfolio turnover or turnover range.	
The Group Trustees' policy in relation to the monitoring of portfolio turnover costs is set out in section 18 of the SIP. The Group Trustees review the portfolio transaction costs and portfolio turnover range of investment managers periodically, where the data is disclosed and available.	The Group Trustees will determine whether the costs incurred are within reasonable expectations. Within the DC Section, portfolio turnover costs for each of the funds are reviewed on an annual basis as part of the annual Value for Members assessment. However, at present, the Group Trustees note a number of challenges in assessing these costs: • No industry-wide benchmarks for transaction costs exist • The methodology leads to some curious results, most notably "negative" transaction costs • Explicit elements of the overall transaction costs are already taken into account when investment returns are reported, so any assessment must also be mindful of the return side of the costs. The Group Trustees do not currently define target portfolio turnover ranges for funds. Transaction costs, using the 'slippage cost methodology' (as defined in COBS 19.8 of the FCA Handbook), are disclosed in the Annual Defined Contribution Governance Statement (the latest Statement is available here: https://www.edfgpensions.co.uk/content/group-downloads). The transaction costs for each fund cover the buying, selling, lending and borrowing of the underlying securities in the fund by the investment manager. An investment manager can also factor in anti-dilution mechanisms into the total transaction costs. It is worth noting that transaction costs can be negative, thus contributing positively to performance. The slippage cost methodology captures the change in price of the relevant asset between the decision to execute a transaction and the actual execution. It is based on identifying the price at the decision point, which is referred to as the arrival price. The slippage cost methodology is based on a price being available for the asset at the time the decision was made to execute. If a price is not available from the time of the decision, then a price needs to be taken from the nearest time before the decision point when a price is available – the price that is found is then compared with the execution price. There is little flexibility for the Group Trustees to impact transaction costs as they invest in pooled funds. While the transaction costs provided appear to be reflective of costs expected of various asset classes and markets that the Group invests in, there is not as yet any "industry standard" or universe to compare these to. As such, any comments around transaction costs at this stage can only be viewed as speculative. However, the Group Trustees will continue to monitor transaction costs on an annual basis and developments on assessing these costs for value.

Policy	Evidence
The duration of the arrangement with the investment manager	
All DC funds are open-ended, with no set duration. Within the DC Section, the Delegated Investment Manager, MGIE, is responsible for the selection, appointment, monitoring and removal of the underlying investment managers. The Group Trustees are responsible for the selection, appointment and removal of the externally managed funds. The Group Trustees may also choose to remove a fund from the fund range, if no longer considered appropriate, and the fund range is reviewed on at least a triennial basis.	There is no set duration for the investment manager appointment. However, the appointment is regularly reviewed as to its continued suitability and could be terminated either because the Group Trustees are dissatisfied with the investment managers' ongoing ability to deliver the mandate promised or because of a change of investment strategy by the Group Trustees. The Group Trustees have not removed any investment managers during the year to 31 March 2026.

Overview of the Group Trustees' voting and engagement policies

Summary of the Group's policies

The Group Trustees recognise that good stewardship practices, including engagement and voting activities, are an important part of general Group governance as they help preserve and enhance asset owner value over the long term.

As the Group invests in pooled funds, the Group Trustees require their underlying investment managers to engage with the investee companies. The Group Trustees have delegated their voting rights to the investment managers. Where underlying investment managers are not meeting expectations, MGIE, as the Delegated Investment Manager, is expected to engage with these investment managers.

As mentioned previously, direct engagement with underlying companies (as well as other relevant persons) in respect of shares and debt is carried out by the Group's investment managers. This includes monitoring and engaging with issuers of debt or equity on financially material issues concerning strategy, capital structure, management of actual or potential conflicts of interest, risks, environmental impact, social considerations and corporate governance. Where relevant, the Group Trustees expect their investment managers to use voting rights to achieve the best possible sustainable long-term outcomes.

While the Group Trustees choose investment managers that align with their beliefs on stewardship (where possible), there are instances where the Group Trustees have less direct influence over the investment managers' policies on the exercise of investment rights. For example, where assets are held in pooled funds due to the collective nature of these investments. The MWS IGC monitors and discloses the voting behaviour carried out on all Mercer funds and the Group Trustees monitor voting behaviour of any externally managed funds. If the Group Trustees deem it not suitable, they will engage with the relevant investment manager and seek to better align the policies of the Group Trustees with the behaviour of the investment manager.

The Group Trustees expect their investment managers to independently consider whether 'Exclusion' or 'Engagement' as a method of incorporating climate change risks into an effective risk management framework is more appropriate within their investment process.

How have the policies been followed for the Group?

All of the Group's DC investment managers (Scottish Widows, Mercer, BlackRock, Legal & General (L&G) and AVC investment managers (Prudential & Aviva) are signatories to the UN Principles of Responsible Investment (UN PRI).

The use of voting rights is most likely to be financially material in the sections of the portfolios where physical equities are held. The investment manager is responsible for voting and engagement on the underlying assets rather than the Group Trustees. The Group Trustees' ability to influence voting activities undertaken is limited.

Overview of MGIE approach to voting and engagement

MGIE's policy on consulting with clients before voting

The legal right to vote belongs to the relevant fund, as the owner of the securities. The voting activity is delegated to the external investment managers (sub-investment managers) as appointed by MGIE, as the investment manager for the investment vehicles in which clients are invested. MGIE expects sub-investment managers to comply with its Engagement Policy and will seek to ensure that obligations under this Engagement Policy are discharged by the sub-investment managers. The Engagement Policy is available here:

https://investment-solutions.mercer.com/global/all/en/investment-solutions-home/corporate-policies.html

MGIE's process for deciding how to vote

MGIE has developed adequate and effective strategies for determining when and how any voting rights in funds are to be exercised, to the exclusive benefit of the fund and its investors. MGIE has put in place a policy covering each fund to ensure the exercise of voting rights are in accordance with the investment objective and policy of the fund. Mercer will provide a report on an annual basis which provides an overview of investment manager engagement processes, significant votes, use of proxy advisers and engagement examples.

MGIE's proxy voting services

An overview on the use of any proxy voting services by underlying sub-investment managers will be provided by Mercer on an annual basis going forward.

MGIE's policy with respect to conflicts of interest

MGIE applies an effective written conflicts of interest policy and has put in place procedures and measures for the prevention or management of conflicts of interest including where such conflicts may arise due to how it engages with the companies it invests in. A conflict of interest policy is published here:

https://investment-solutions.mercer.com/global/all/en/investment-solutions-home/corporate-policies.html

MGIE operates on a manager of managers basis, appointing sub-investment managers to its funds under management, and does not hold securities directly on behalf of clients. The sub-investment managers manage the voting processes, therefore there is no conflict of interest involving MGIE as the investment manager.

MGIE's additional comments with respect to voting activities or processes

MGIE accepts that sub-investment managers may have detailed knowledge of both the governance and the operations of the investee companies and has therefore enabled sub-investment managers to vote based on their own proxy-voting execution policy.

Source: MWS

DC Voting (broken down for each mandate)

Passive Funds	Passive UK Equity	Passive Overseas Equity	Passive Oversea s Equity Hedged	Passive Emerging Market Equity	Passive Sustainable Global Equity	Shariah
How many meetings were you eligible to vote at over the year to 31/03/2026?	695	1,832	1,925	2,395	1,103	108
How many resolutions were you eligible to vote on over the year to 31/03/2026?	9,468	24,190	25,270	21,902	15,945	1,645
What % of resolutions did you vote on for which you were eligible?	99%	99%	94%	97%	99.6%	95%
Of the resolutions on which you voted, what % did you vote with management?	97%	95%	95%	73.7%	76.6%	84%
Of the resolutions on which you voted, what % did you vote against management?	2.0%	4.0%	4.0%	22.9%	22.7%	15%
Of the resolutions on which you voted, what % did you abstain from?	0%	0%	0%	3.3%	0.7%	0%

Source MGIE as at 31 March 2026

Active Funds	Active UK Equity	Active Global Equity	Active Emerging Markets Equity	Active Global Small Cap Equity	Active Low Volatility Equity	Active Sustainable Global Equity
How many meetings were you eligible to vote at over the year to 31/03/2026?	99	650	497	824	416	359
How many resolutions were you eligible to vote on over the year to 31/03/2026?	2,148	9,139	4,965	9,257	7,120	5,978
What % of resolutions did you vote on for which you were eligible?	97.3%	98.8%	96.3%	98.6%	98.8%	99.9%
Of the resolutions on which you voted, what % did you vote with management?	97.1%	89.3%	88.3%	91.8%	93.3%	90.5%
Of the resolutions on which you voted, what % did you vote against management?	2.2%	10.2%	10.1%	7.7%	6.5%	9.1%
Of the resolutions on which you voted, what % did you abstain from?	0.7%	0.5%	1.6%	0.5%	0.2%	0.5%

Source MGIE as at 31 March 2026

Multi Asset Funds	Diversified Growth	Diversified Retirement	Growth	Moderate Growth	Defensive	High Growth
How many meetings were you eligible to vote at over the year to 31/03/2026?	7,262	5,270	6,608	6,608	5,270	6,608
How many resolutions were you eligible to vote on over the year to 31/03/2026?	89,398	63,504	83,115	83,115	63,504	83,115
What % of resolutions did you vote on for which you were eligible?	94.7%	96.8%	94.6%	94.6%	96.8%	94.6%
Of the resolutions on which you voted, what % did you vote with management?	81.8%	82.2%	82.2%	82.2%	82.4%	82.2%
Of the resolutions on which you voted, what % did you vote against management?	17.0%	16.4%	16.6%	16.6%	16.4%	16.6%
Of the resolutions on which you voted, what % did you abstain from?	1.2%	1.4%	1.2%	1.2%	1.4%	1.2%

Source: MGIE as at 31 March 2026

LGIM / BlackRock Funds	**LGIM FTSE4Good Developed Index**	**BlackRock Global Equity 50/50 Index**
How many meetings were you eligible to vote at over the year to 31/03/2026?	1,229	2,364
How many resolutions were you eligible to vote on over the year to 31/03/2026	17,338	32,170
What % of resolutions did you vote on for which you were eligible?	100%	99%
Of the resolutions on which you voted, what % did you vote with management?	82.4%	95%
Of the resolutions on which you voted, what % did you vote against management?	17.2%	4%
Of the resolutions on which you voted, what % did you abstain from?	0.4%	1%
In what % of meetings, for which you did vote, did you vote at least once against management?	69.7%	22%
Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	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 they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, they 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.	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. In certain markets, they work with proxy research firms who apply their proxy voting guidelines to filter out routine or non-contentious proposals and refer to them any meetings where additional research and possibly engagement might be required to inform their voting decision.

Source: L&G and BlackRock as at 31 March 2026

Significant Votes

To ensure voting behaviour is consistent with the Group's investment objectives and stewardship priorities, the Group Trustees have established their own definition of what they consider to be a most significant vote. They are defined as: *resolutions that are relevant to the Group's chosen stewardship themes (Climate Change, Board Effectiveness and Health, Safety and Employee Welfare) and were considered at the shareholder meetings of issuers that are significant within the Group's portfolio (including the largest investment exposures in the portfolio and those identified as having high exposures to the Group's chosen themes, such as Climate Action 100+ companies).*

Investment managers have provided examples of significant votes across the funds previously noted as containing equity. Given the volume of voting activity across the funds, for the purpose of this Statement, we have disclosed significant voting activity of funds used in the default strategy, where the majority of members' assets are invested. Significant votes have been defined as votes which meet one or more of the following criteria:

- Votes relating to one of the Group Trustees' key stewardship themes;
- Votes relating to an issuer to which the Group has a large £ exposure;
- Votes identified due to potential controversy, driven by the size and public significance of a company,
- The nature of the resolution and the weight of shareholder vote against the management recommendation.

Mercer Global Investments Europe Limited (MGIE)

MGIE determine significant votes based on its Engagement Priorities, as set out in the Beliefs, Materiality and Impact (BMI) Framework in the MGIE Sustainable Investment Policy, which is available at:

https://investment-solutions.mercer.com/content/dam/mercer-subdomains/delegated-solutions/CorporatePolicies/Sustainability%20Policy.pdf

The significant votes outlined below are votes relating to shareholder resolutions with a specific focus on Climate Change, Modern Slavery and Diversity (i.e. the engagement priority areas in the BMI framework). When there are a large number of votes in any one fund relating to these priority areas / themes we consider the size of the holding within the fund.

Applicable to the **Diversified Growth (DGF), Growth (GF), Moderate Growth (MGF) and High Growth (HGF) Funds:**

Company:	Meta Platforms Inc.	Mitsubishi Corp.	Mitsubishi UFJ Financial Group	Mitsui & Co	Mizuho Financial Group
Date:	28 May 2025	20 June 2025	27 June 2025	18 June 2025	24 June 2025
Resolutions:	Shareholder Proposal Regarding Transition Plan and Renewable Energy	Amend Articles to Add Provision on Disclosure of Financial Impact resulting from Failure to Meet 1.5 Degree Celsius Target under the Paris Agreement.	Amend Articles to Add Provision on Assessment of Clients' Climate Change Transition Plans.	Amend Articles to Add Provision on Disclosure of Financial Impact resulting from Failure to Meet 1.5 Degree Celsius Target under the Paris Agreement.	Amend Articles to Add Provision on Assessment of Clients' Climate Change Transition Plans.
Investment Manager Vote:	Against	Against	Against	Against	Against
Rationale:	Meta prioritizes additionality and new renewable projects, uses less than 5% unbundled RECs, and so the proposal is not yet very material. But	The proposal will not serve shareholders' interest.	The proposal will not serve shareholders' interest.	The proposal will not serve shareholders' interest.	The proposal will not serve shareholders' interest.

Company:	Meta Platforms Inc.	Mitsubishi Corp.	Mitsubishi UFJ Financial Group	Mitsui & Co	Mizuho Financial Group
	the issue is evolving, with GHG Protocol reviewing REC quality and data center growth increasing emissions.				
Where the investment manager voted against management, did they communicate your intent to the company ahead of the vote?	No	N/A	N/A	N/A	N/A
Outcome:	Not Approved	Not Approved	Not Approved	Not Approved	Not Approved
Approx.Size of Holding at date of vote	DGF: 1.061%	DGF: 0.034%	DGF: 0.079%	DGF: 0.012%	DGF: 0.033%
	GF: 1.636%	GF: 0.044%	GF: 0.104%	GF: 0.012%	GF: 0.044%
	MGF: 1.068%	MGF: 0.037%	MGF: 0.086%	MGF: 0.012%	MGF: 0.036%
	HGF: 1.751%	HGF: 0.048%	HGF: 0.112%	HGF: 0.012%	HGF: 0.047%
Priority Area	Climate Change	Climate Change	Climate Change	Climate Change	Climate Change
Next steps	The manager will continue to engage with the company. Given the current discourse around environmental/climate proposals in the US, they will monitor the company's further developments closely.	N/A	N/A	N/A	N/A

Applicable to the **Sharia Fund:**

Company:	Alphabet Inc.	Meta Platforms, Inc.	Microsoft Corporation
Date:	6 June 2025	28 May 2025	5 December 2025
Resolutions:	Report on Meeting 2030 Climate Goals	Disclose a Climate Transition Plan Resulting in New Renewable Energy Capacity	Human Rights Risk Assessment
Investment Manager Vote:	For	For	For
Rationale:	The proposal would lead to the better management of climate-related risks and be in the interest of shareholders.	The proposal would lead to the better management of climate-related risks and be in the interest of shareholders.	The proposal would contribute to the better management of human rights issues and be in the interest of shareholders.
Where the investment manager voted against management, did they communicate your intent to the company ahead of the vote?	No	No	No
Outcome:	Not Approved	Not Approved	Not Approved
Approx.Size of Holding at date of vote	3.25%	2.43%	5.34%
Priority Area	Climate Change	Climate Change	Human Rights
Next steps	The manager confirmed they will likely vote for a similar proposal.		

Applicable to the **L&G FTSE4Good Developed Index Fund**:

Company:	Mastercard Incorporated	Deere & Company	Shell Plc.	National Australia Bank Limited
Date:	24 June 2025	25 February 2025	20 May 2025	12 December2025
Resolutions:	Oversee and Report on a Racial Equity Audit	Report on Expected Return on Investment of Company's Emissions Reduction Goals	LNG production and sales targets, and new capital expenditure in natural gas assets are consistent with climate commitments, including target to reach net zero emissions by 2025	Approve Strategy to Eliminate Financed Deforestation
Investment Manager Vote:	For	Against	Against	For
Rationale:	A vote in favour is applied as L&G support such information and risk management approach to Diversity.	L&G believes Deere is already providing adequate climate disclosures and that the proposal would not add meaningful value for investors. Because Deere is receptive to improving reporting and the issue is being addressed through engagement, L&G recommends voting against.	After constructive engagement, the voter opposes because Shell has already committed to improving disclosures on stranded asset and LNG financial risks, and its reporting now addresses the resolution's main concerns.	L&G supports the proposal because a clear, board-overseen deforestation strategy would give shareholders better visibility into a financially material risk, even though NAB has improved some risk processes.
Where the investment manager voted against management, did they communicate your intent to the company ahead of the vote?	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with our investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics			
Outcome:	Fail	N/A	N/A	N/A

Company:	Mastercard Incorporated	Deere & Company	Shell Plc.	National Australia Bank Limited
Approximate.size of Holding at date of vote	1.02%	0.45%	0.45%	0.29%
Priority Area	Diversity	Climate Change	Climate Change	Climate and Nature
Next steps	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.			

Source: L&G as at 31 March 2026

Applicable to **Passive UK Equity (1), BlackRock Global Equity 50/50 Index (2), Passive Overseas Equity Hedged (3), UK Equity (4) funds:**

Company:	Shell Plc (1,2,4)	EquinorASA (2,3)	Amazon Inc. (2)	Alphabet Inc. (2)
Date:	20 May 2025	14 May 2025	21 May 2025	6 June 2025
Resolutions:	Request Company disclose whether and how its demand forecast for LNG; LNG production and sales targets; and new capital expenditure in natural gas assets; are consistent with climate commitments, including target to reach net zero emissions by 2025	Assess if Company's planned increase in oil and gas production is consistent with the majority shareholder expectation	Report on impact of data centres on climate commitments	Publish a Human Rights Impact Assessment of AI Driven Targeted Advertising
Investment Manager Vote:	Against	Against	Against	Against
Rationale:	The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosure.	The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company	The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures.	The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures.
Where the investment manager voted against management, did they communicate your intent to the	The investment manager endeavours to communicate to companies when they intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. The investment manager publishes their voting guidelines to help clients and companies understand our thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which the investment manager assesses a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. The investment manager applies their guidelines pragmatically, taking into account a company's unique circumstances where relevant. Their voting decisions			

Company:	Shell Plc (1,2,4)	EquinorASA (2,3)	Amazon Inc. (2)	Alphabet Inc. (2)
company ahead of the vote?	reflect our analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and their active investment colleagues.			
Outcome	Fail	Fail	Fail	Fail
Approximate Size of Holding at date of vote*	Not provided by manager	Not provided by manager	Not provided by manager	Not provided by manager
Priority Area	Climate Change	Environment	Climate Change	Climate Change
Next steps	Generally, BlackRock Investment Stewardship supports the vote recommendations of the board of directors and management. When they determine it is in their clients' financial interests to convey concern to companies through voting, they may do so in two forms: they might not support the election of directors or other management proposals, or they might not support management's voting recommendation on a shareholder proposal. In some cases, companies may request an engagement after a shareholder meeting to provide additional clarity. BlackRock value the opportunity to listen to company leadership, which enhances their understanding of their business models, ensuring that their proxy voting decisions are based on a comprehensive view on company practices and priorities. In these conversations, they do not direct companies on how they should manage their business. That responsibility lies with management, with input from the board.			

Source: BlackRock as at 31 March 2026