ENGAGEMENT POLICY IMPLEMENTATION STATEMENT

Introduction

Under the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019, the Group Trustee is required to produce an annual Engagement Policy Implementation Statement ("EPIS"). This statement outlines how, and the extent to which, the policies relating to stewardship, voting and engagement as outlined in the Statement of Investment Principles ("SIP") have been followed.

This statement covers the Group's accounting year to 31 March 2026. It is intended to meet the updated regulations and also forms a part of the Annual Report of the Group Trustee. In preparing this statement, the Group Trustee has taken advice from its professional advisers.

This statement details some of the activities taken by the Group Trustee, the Fiduciary Manager and the investment managers during the period, including voting statistics, and provides the Group Trustee's opinion on the stewardship activities over the period.

Policies

The Group Trustee's relevant policies regarding stewardship, voting and engagement are outlined in the SIP. The most recent version of the SIP is publicly available and is published online and will be updated from time-to-time.

The Group Trustee has appointed BlackRock as the adviser and Fiduciary Manager ("the Manager") to the Group. The Group Trustee delegates the day-to-day investment decisions and asset allocation to the Manager. The Group Trustee retains responsibility for the strategic investment objective and oversight of the Manager. A number of underlying investment managers (including the Manager) have been appointed to invest the Group's assets. The underlying investment managers are ultimately responsible for carrying out the stewardship, voting and engagement activities in respect of the Group's assets in line with the SIP.

The Group Trustee reviewed the SIP signed in September 2023 at its meeting in September 2025 and determined that no changes were necessary at that time. The relevant excerpts from the SIP are included below.

SIP from September 2023 – present

7. Responsible Investing

The Group Trustee recognises that Environmental, Social and Governance (ESG) risks could impact the ability of the Group to meet its investment objectives. The Group Trustee has therefore considered how to evaluate and manage these risks when setting its investment strategy. The Group Trustee shall detail its policies with regards to ESG, stewardship and engagement in the ESG Policy, however a summary of these policies are provided in the paragraphs below and in Section 8.

The Group Trustee will ensure that the Group's Fiduciary Manager shall, alongside other investment risks, integrate consideration of ESG risks throughout its investment decision making processes.

The Group Trustee requires that the Fiduciary Manager:

- *Assesses the approach of all the Group's investment managers in integrating ESG risks considerations into the selection, retention and realisation of investments as part of their due diligence process. This will take place before appointing any underlying investment manager.*
- *Assesses the managers' integration of ESG into the investment process as part of the Investment Due Diligence process).*
- *Reviews the adherence of the Group's investment managers to their ESG principles as part of its ongoing monitoring. They will report on key ESG metrics for the Group's investment managers and aggregate these to portfolio level where appropriate. This will take place at least quarterly.*
- *Reports on its execution of voting and engagement responsibilities set by the Group Trustee as part of its ongoing quarterly monitoring. Where the Group invests in pooled funds, the Group Trustee recognises that the investment manager of the pooled funds is responsible for exercising voting rights and reporting on how they have exercised those rights.*
- *Where UK-domiciled investment managers are not signatories to the FRC's UK Stewardship Code, the Fiduciary Manager shall consider the investment manager's rationale for this position and, where appropriate, report back its findings to the Group Trustee.*

The Group Trustee does not take into account non-financial matters when selecting, retaining and realising investments. Non-financial matters are defined as the views of members and beneficiaries, including (but not limited to) their ethical views, and their views relating to social and environmental impact and quality of life. It is not possible to reflect individual member views as the assets are typically held in pooled arrangements.

However, the Group Trustee believes that by being a responsible investor, it is managing investment risk with the aim of enhancing long term portfolio returns, which is in the best interests of the members and beneficiaries of the Group.

In order to better assess climate-related risks and opportunities, the Group Trustee produces a Taskforce on Climate-Related Financial Disclosures (TCFD) report on an annual basis. The intention is that the report helps the Group Trustee better assess the Group's exposures to climate-related risks and ultimately increase the likelihood of meeting the Group's investment objective.

8. Stewardship

The Group Trustee understands that stewardship can enhance value over the long term and recognises that it has a responsibility to act as a good steward and protect and grow the long-term value for the benefit of the members.

The Group Trustee recognises the importance of good stewardship and it expects that the Fiduciary Manager is a signatory of the UN Principles for Responsible Investment (UN PRI) and the FRC UK Stewardship Code. The Fiduciary Manager has confirmed that it is a signatory of the UN PRI and the UK Stewardship Code. In order to be a good steward, the Group Trustee has set a policy which states that the Group's respective stakeholders should undertake activities in relation to issues that have a material impact on the long-term value of the Group's investments.

The Group Trustee acknowledges that it retains ultimate responsibility for the way in which each appointed manager acts as a steward of the Group's assets, though the Group Trustee expects the Fiduciary Manager ensures that the stewardship policy is appropriately implemented as far as is reasonably practicable. The policy includes ensuring to the extent possible that the underlying or external managers exercise on the Group Trustee's behalf rights and duties as an investor. This should include, where appropriate, voting and engaging with underlying investee companies, as part of an effective stewardship approach that meets the Group Trustee's expectations. The Group Trustee expects that voting and engagement activities are carried out in the best financial interests of the assets being managed.

The Group Trustee has delegated monitoring of underlying or external managers to BlackRock. As part of this responsibility, BlackRock is expected to:

- *Use reasonable efforts to obtain voting and/or stewardship policies of the underlying or external managers.*
- *Inquire about underlying manager's voting activity with respect to their stated policies, where appropriate.*
- *Request that underlying investment managers report on an annual basis a summary of the voting actions which have been taken and any votes cast which differ from the stated voting policy of that manager.*
- *Provide a summary to the Group Trustee of the overall level of voting activity on an annual basis.*

The Group Trustee will engage with BlackRock to understand any reports which have been provided and challenge any outcomes which they feel are not in keeping with policy. BlackRock is expected to engage with the underlying or external managers as and when required to facilitate this. Where an underlying or external manager is not adhering to this policy in line with the Trustee's expectations, the Trustee would expect BlackRock to consider appropriate actions having regard to the long-term financial interests of the Group.

Appendix A – Investment Beliefs

Climate Change

We believe that the risks associated with climate change can have a significant, negative impact on the investment returns of occupational pension schemes and could impact the security of members' benefits over the short, medium and long term. We believe that climate change may also present significant investment opportunities.

Environmental, Social and Corporate Governance (excluding Climate Change)

We believe that the risks associated with ESG matters can have an impact on the investment returns of occupational pension schemes and could, as a result, impact the security of members' benefits. We believe that ESG matters may also present investment opportunities.

We will formulate our own policies on ESG matters and then appoint a fiduciary manager who is aligned to those policies to deliver effective stewardship of the investment portfolio.

Scope of this statement

The Group Trustee acknowledges that the extent to which the policies in relation to stewardship, voting and engagement can be applied varies across the portfolio, with equity managers generally having made more progress than fixed income. For example, in general, voting rights are not attached to fixed income securities, while the applicability to the LDI portfolio is limited. Nonetheless, the Group Trustee and the Manager expect all investment managers to take an active role in the stewardship of investments where relevant.

This statement mainly focuses on equity investment; however, the Group Trustee notes that it is important to monitor how fixed income managers are implementing their stewardship efforts. An example is included in this statement.

Group activity over the year

The SIP includes the Group Trustee's policy on Environmental, Social and Governance ("ESG") factors and stewardship. This policy sets out the Group Trustee's beliefs on ESG and the processes followed by the Group Trustee in relation to voting rights and stewardship.

In order to establish these beliefs and produce this policy, the Group Trustee undertook ESG training provided by the Manager which covered what ESG considerations are, the difference between values and value-based investing, the Group Trustee's beliefs and how these can be incorporated into an investment strategy.

The second meeting of the joint ESG Working Party, with the Trustee of the UK Power Networks Pension Scheme which has also appointed BlackRock as its fiduciary manager was held in July 2025. The meeting focused on reviewing how BlackRock supports the Boards in relation to ESG and climate-related matters, including stewardship activity, the Implementation Statements, climate change reporting, and the continued suitability of the Boards' ESG policies.

BlackRock delivered a series of presentations covering the following areas: an update on investment stewardship, including the structure and operation of BlackRock's stewardship teams and recent developments; a review of the draft Implementation Statements, including the rationale for selected significant voting examples; an overview of how ESG considerations are integrated into the investment process — encompassing capital market assumptions, manager research, portfolio construction, and the assessment of climate-related risks and opportunities — and a review of the Group's climate change reporting.

The presentations supported the Working Party's understanding of how ESG and climate-related considerations are reflected across investment governance, reporting, and implementation. Members considered whether any updates to the ESG policies were warranted; no policy changes were agreed at the meeting.

The Group Trustee recognises that the Manager is engaging with the underlying managers to ensure they work to further improve their ESG policies and actions over time. As part of the Group Trustee's ESG policy, the Manager is required to request the underlying managers' policies and their adherence to them. The Manager reviews the policies of each underlying manager to ensure that these are appropriate.

The Group Trustee expects the Manager to continue to work with underlying managers in order to ensure those on the weaker side of voting and engagement take action to make improvements. The Manager has acknowledged that all managers have been taking steps to improve both their voting and engagement and 'best in class' continues to evolve. The Group Trustee will be closely monitoring developments over the coming years.

Voting and Engagement

The Group Trustee has delegated to the Manager the responsibility of collecting the stewardship and engagement reports of the underlying managers and assessing the suitability. The Group Trustee also expects the Manager to monitor the underlying managers' activity to ensure compliance and confirm that it remains a suitable investment for the Group. The Group Trustee is comfortable that under the governance structure the responsibility sits with the Manager to communicate with the underlying managers and on a regular basis collect information as required.

The Manager has noted that there is variability between managers in the extent of their engagement and voting policies, with equity managers generally having made more progress than fixed income. While this Implementation Statement focuses on the Group's equity managers, the expectations of fixed income managers are covered later in a separate section of this report.

The section below details the investment managers' approach to voting and engagement as well as some examples of significant engagements these managers have made over the 12 months in respect to the funds in which the Group is invested. In addition, summary voting statistics in respect of the Group's equities funds over the year to 31 March 2026 have been included.

The Group has a significant portion of its Equities portfolio invested in funds managed by the Manager. Given the Manager's appointment as both the fiduciary manager as well as one of the investment managers, the Group Trustee recognises the importance of ensuring that the Manager's own policies and actions are appropriate for the Group. The Manager publicises its own policies as well as quarterly updates online (which can be accessed at www.blackrock.com/corporate/about-us/investment-stewardship) which the Group Trustee has visibility of. This includes details of any changes to policies and also reports at an aggregate level the impact of its voting and engagement. The Group Trustee is comfortable that the transparency of the Manager in publicising reports and developments online ensures alignment with the interests of the Group.

While it is important to monitor the activities of the Manager at a high level through this publicly available information, it is also important to monitor the voting and engagement activities undertaken on behalf of the Group Trustee by the Manager on a more granular level.

In line with the Group Trustee's investment beliefs, as outlined in the SIP, the largest single strategy of the equities portfolio is invested in the BlackRock ACS World ESG Equity Fund. In respect of passive strategies, there is a wide universe of underlying companies which may number in the hundreds if not thousands. Where strategies are actively managed, investments are typically more concentrated. As such, ownership is more concentrated for actively managed strategies and therefore there will be fewer resolutions in which to vote. In addition, actively managed strategies have the option to sell holdings in companies at its discretion. For these reasons, in the context of passive strategies, it is important that voting and engagement rights are exercised and that this is monitored. Examples of a significant vote in respect of the BlackRock equities holdings is included below. The summary voting statistics below illustrate that the voting rights attached the underlying investments in these instances have been exercised to a large extent.

BlackRock:
The Manager's approach to voting is described in the table below, along with summary voting statistics for the Manager's equities funds.

Approach to voting	BlackRock sees its investment stewardship program, including proxy voting, as part of its fiduciary duty and to enhance the value of clients' assets, using their voice as a shareholder on their behalf to ensure that companies are well led and well managed. The Group has authorised BlackRock to vote on their behalf. BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team ("BIS"), which consists of three regional teams – Americas ("AMRS"), Asia-Pacific ("APAC"), and Europe, Middle East and Africa ("EMEA") - located in seven offices around the world. The BIS voting decisions reflect its reasonable and independent judgment of what is in the best long-term financial interests of clients. This is informed by analysis of company disclosures, third-party research, comparisons against a company's industry peers, as well as engagement with companies and BlackRock's active portfolio managers. BIS engages with management teams and/or board members on material business issues including environmental, social, and governance matters and through voting proxies in the best long-term economic interests of its clients. BIS votes to formally communicate its support for or concerns about how companies are addressing governance and material business risks and opportunities that may impact their ability to deliver long-term financial returns. In BIS' voting determinations, the team takes into consideration the context in which companies are operating their businesses. BIS' voting is thoughtful, methodical, and always anchored in BlackRock's fiduciary duty to clients as an asset manager. When BIS determines that it is in clients' financial interests to signal concern to companies through voting, the team does so in two forms: 1) it might not support the election of directors or other management proposals; or 2) it might not support management's voting recommendation on a shareholder proposal. Voting to elect directors to the board is a near-universal right of shareholders

globally and an important signal of support for, or concern about, the performance of the board in overseeing and advising management.

Whilst BlackRock subscribes to research from the proxy advisory firms Institutional Shareholder Services (ISS), Egan-Jones and Glass Lewis, it is just one among many inputs into its vote analysis process, and it does not blindly follow their recommendations on how to vote. BlackRock does not follow any single proxy research firm's voting recommendations. It subscribes to two research providers and uses several other inputs in its voting and engagement analysis, including a company's own disclosures, public information and ESG research. BlackRock uses Institutional Shareholder Services' (ISS) electronic platform to execute vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, BlackRock works with proxy research firms who apply proxy voting guidelines to filter out routine or non-contentious proposals and refer any meetings where additional research and possibly engagement might be required to inform their voting decision.

BlackRock prioritize work around themes on which they most frequently engage companies, where they are relevant and a source of material business risk or opportunity. BIS also engages with clients year-round to understand their focus areas and expectations and participates in market-wide policy debates to help inform these priorities. The themes identified are reflected in the benchmark policies and updated annually: Global Principles, regional voting guidelines and engagement priorities. These public documents underpin BlackRock's stewardship activities and form the benchmark against which they assess the long-term financial performance of investee companies. BIS publish "vote bulletins" and "case studies" on key votes at shareholder meetings to provide insight into certain vote decisions expected will be of particular interest to clients. The vote bulletins are published on the "Vote Bulletin library" section of the BIS website. The case studies can be found in flagship publications, namely the Investment Stewardship Annual Report and the Global Voting Spotlight, as well as pieces published on the "BIS Insights Hub" website.

These bulletins and case studies are intended to explain vote decisions relating to proposals addressing a range of corporate governance issues, including sustainability-related matters that may be material to a company's business model, that are on the agenda for a shareholder general meeting. Other factors considered in deciding to publish a vote bulletin and/or a case study include the profile of the issue in question and the level of client interest expected in the vote decisions. The vote bulletins and case studies include relevant company-specific background, sector or local market context, and engagement history when applicable. Vote bulletins and case studies may also include observations on emerging corporate governance issues and market-level stewardship developments.

BIS does not disclose vote intentions in advance of shareholder meetings as they do not see it as their role to influence other investors. BIS' published regional voting guidelines provide clients, companies, and others guidance on their position on common voting matters.

HCA Healthcare (US, Healthcare)	24th April 2025 – 0.1% of portfolio value In the 2024-25 proxy year, some shareholder proposals sought to address company impacts on people through shareholder directed decisions on issues related to human capital management and corporate strategy. An example of this was at HCA Healthcare, Inc. (HCA Healthcare), a U.S.-based health care services company, which included two shareholder proposals on such matters at its April 2025 AGM. The first proposal requested that the board of directors amend the committee charter for one of HCA Healthcare's board committees that is responsible for patient safety and quality of care to require a review of the impact of staffing levels on patient safety, quality of patient care and patient satisfaction metrics. The second proposal requested that the board of directors publish a report describing the healthcare impacts of HCA Healthcare's acquisition strategy over the past ten years on the communities in which it operates. BIS supported neither proposal at the April 2025 AGM as, in BlackRock's assessment, they made requests where the company already had policies in place to address the proponent's request or were overly prescriptive. The voting was deemed significant under the company impacts on people priority. In the case of the first proposal, the company's board committee was already empowered to review any matters that could impact patient safety, quality of care and patient safety metrics, including staffing levels. In the case of the second proposal, the central subject matter fell under the strategic decision making and oversight roles of HCA Healthcare's management team and board. The proposals received, respectively, ~10% and ~ 12% support from shareholders at the April 2025 AGM.
The Cigna Group (US, Healthcare)	23rd April 2025 – 0.1% of portfolio value During the 2024-25 proxy year, shareholder proposals were filed at several U.S. companies seeking to amend their bylaws to remove a provision to require that shares be held continuously for at least one year in order to count towards the applicable ownership threshold to exercise the right to call a special meeting. Examples of these companies included The Cigna Group. A proposal was made to amend the right to call a special meeting and BlackRock voted against the proposal believing that the proposed amendment to the provision to call special meetings is sufficient. The vote was deemed significant under the strategy, purpose and financial resilience priority. In BIS' view, the one-year holding requirement to call a special meeting of shareholders is a reasonable safeguard against the ineffective use of corporate resources, as well as the risk that a special meeting may be called by shareholders who have amassed the required threshold of shares in a relatively short period of time to advance interests that may conflict with those of long-term shareholders. The result was that the proposal failed. Shareholder support for the proposals was just under 10%.

Shell Plc (UK, Energy)	20th May 2025 – 0.2% of portfolio value Shell plc (Shell) is an energy company headquartered in the UK, with operations in more than 70 countries around the world. Shell noted that global demand for liquified natural gas (LNG) is expected to rise by approximately 60% by 2040, driven by economic growth in Asia, emissions reductions in heavy industry and transport, and the impact of artificial intelligence. Shell has stated its ambition to deliver more value with fewer emissions as it works to become a net zero emissions business by 2050. The dedicated team engaged with members of the company's board and management in November 2024 and April 2025 to better understand Shell's approach to managing climate-related risks and opportunities. The team sought further clarity on the company's strategy, and particularly Shell's assumptions around LNG, given its increased strategic emphasis on integrated gas and LNG as a driver of long-term growth. At the time of the meeting, funds and SMAs that directed BlackRock to apply the Guidelines to their holdings collectively held less than 1% of the company's total shares available for voting. The dedicated team supported the shareholder proposal. Engagement discussions and BlackRock's proprietary insights informed the team's assessment of how the company's business model and LNG assumptions aligned with its climate commitments. The team concluded that enhanced transparency would help investors better understand the relationship between Shell's LNG outlook and its net zero commitments. The outcome of the vote was that the proposal failed with only 21% shareholder support and the vote was deemed significant given BIS' engagement priority of climate and natural capital.
Amazon.com Inc (US, Consumer Retail)	21st May 2025 – 2.7% of portfolio value Amazon.com, Inc. (Amazon) is a U.S. based online retailer, media company, and technology solutions provider. Through its cloud computing division — Amazon Web Services (AWS). Amazon has increased its capital allocation to develop its artificial intelligence capabilities as part of the company's broader growth strategy. For example, in January 2025, AWS announced plans to invest an estimated $11 billion to expand infrastructure in the U.S. state of Georgia to support cloud computing and AI powered technologies. AWS also committed to invest $8.3 billion to expand cloud infrastructure in India, as part of a larger $12.7 billion planned investment by 2030 to meet growing demand for cloud services and artificial intelligence in the country. Amazon has pledged to reach net zero carbon emissions across its operations by 2040, with AWS aligning its infrastructure and operations to support this goal. AWS, for example, has "committed to reducing their environmental impact and continue to make progress toward net zero carbon by 2040, water positive by 2030, and reducing waste." In March 2025, the dedicated team engaged with Amazon to better understand its data center growth plans and related power needs and how these align with its 2040 climate commitments.

	On the agenda at Amazon's May 2025 AGM was a shareholder proposal requesting that "Amazon issue a report explaining how it will meet the climate change-related commitments it has made on greenhouse gas emissions, given the massively growing energy demand from artificial intelligence and data centers that Amazon is planning to build." BIS categorized the proposal as significant given its climate and natural capital engagement priority. At the time of the meeting, funds and SMAs that directed BlackRock to apply the Guidelines to their holdings collectively held less than 1% of the company's total shares available for voting. The dedicated team supported the shareholder proposal. While Amazon has disclosed several initiatives to reduce the carbon footprint of its data centers — including the use of carbon-free energy sources such as wind, solar, and nuclear — and lower-carbon construction alternatives, the dedicated team concluded that enhanced transparency would help investors better understand the relationship between Amazon's AI-driven global growth plans and its 2040 net zero goals. The shareholder proposal received approximately only 20% support.
Alphabet Inc. (US, Consumer retail)	6th June 2025 – 0.4% of portfolio value In recent years, companies in various sectors have highlighted advancements in deploying AI in their businesses as both a material driver of opportunity and risk. BIS has voted on several shareholder proposals requesting companies to report on and assess the impact of, their use of AI. An example of this was at Alphabet, Inc. (Alphabet), a multinational communications services company, which included a shareholder proposal in the agenda at its June 2025 AGM requesting that the company conduct an independent human rights impact assessment (HRIA) related to AI-driven targeted advertising policies. This proposal was categorised as significant falling under BIS' company impacts on people engagement priority. BIS supported a similar proposal at Alphabet's June 2024 AGM given BIS' assessment that the independent HRIA would help investors understand the effectiveness of the human rights due diligence carried out by Alphabet in relation to this material operational risk. Following changes to the company's AI-related disclosures during the 2024-25 proxy year, including the publication of updated safety frameworks, as well as its annually published advertising safety report, BIS did not support the shareholder proposal at the June 2025 AGM which received ~14% support from shareholders resulting in a failed proposal.

		Year to 31 March 2026
BlackRock ACS World ESG Equity	Votable proposals	6,878
	% of resolutions voted	98%
	% of resolutions voted against management	3%
	% of resolutions abstained	0%

		Year to 31 March 2026
BlackRock Factor Strategy	Votable proposals	2,742
	% of resolutions voted	98%
	% of resolutions voted against management	2%
	% of resolutions abstained	0%

Other investment managers

The approach to voting and engagement of the Group's other equity manager, Schroders, is detailed below. Schroders is appointed in relation to the Group's Emerging Markets holding.

Schroders:

Approach to voting	The overriding principle governing Schroders' approach to voting is to act in the best interests of its clients. Schroders' voting policy and guidelines are outlined in its publicly available Environmental, Social and Governance Policy. Schroders evaluates voting issues arising and, where it has the authority to do so, votes on them in line with its fiduciary responsibilities in what it deems to be the interests of its clients. In applying the policy, Schroders considers a range of factors, including the circumstances of each company, performance, governance, strategy and personnel. It is Schroders' policy to vote all shares at all meetings globally, except where there are onerous restrictions – for example, share blocking. Schroders utilises the services of ISS and the Investment Association's Institutional Voting Information Services ('IVIS') in conjunction with its own research and policies when formulating voting decisions. Glass Lewis (GL) also act as one of Schroders service providers for the processing of all proxy votes in all markets. GL delivers vote processing through its Internet-based platform Viewpoint. Schroders receives recommendations from GL in line with our own bespoke guidelines, in addition, they receive GL's Benchmark research. This is complemented with analysis by Schroders in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers. With regards to abstaining from votes, Schroders' preference is to support or oppose management and only use an abstention sparingly. Schroders may abstain where mitigating circumstances apply, for example where a company has taken some steps to address shareholder issues. For certain holdings of less than 0.5% of share capital in the USA, Australia, New Zealand, Japan, and Hong Kong, Schroders has implemented a custom policy that reflects the views of its ESG policy and is administered by Schroders' proxy voting provider, ISS. Schroders votes on both shareholder and management resolutions. Aligned with Schroders Engagement Blueprint, they have ongoing engagement programmes with emerging market companies on the importance of corporate governance, amongst other topics. Schroders actively vote against individuals on boards that are not making enough progress on the priorities identified in the Engagement Blueprint. Schroders significant vote criteria is broad, it is all votes against management that are considered significant. Schroders may tell the company of the intention to vote against the recommendations of the board before voting, in particular if the fund is a large shareholder or if there is an active engagement on the issue. Schroders always endeavours to inform companies after voting against any of the board's recommendations.

HDFC Bank (Indian Bank)	During Q1 2026, Schroders engaged with HDFC to gain a better understanding of its approach to ethics and conduct, human capital management and human rights. On human capital management, discussions focused on workforce turnover and oversight. While the company expects vendors and suppliers to comply with laws on child, forced or trafficked labour, no entity-led or third-party assessments are currently conducted. The company requested that Schroders share best practices in this area, indicating this is viewed as an area for improvement. During the period, HDFC Bank's Chairman, Atanu Chakraborty, resigned from his position as part-time chairman and independent director, citing differences in personal and ethical values in his resignation letter. Keki Mistry, the former longstanding CEO of HDFC parent company, has been appointed interim Chairman. Schroders remains constructive on HDFC Bank and, in line with the broader market, will be closely monitoring the appointment of a new Chairman and the delivery of results over the coming year.
Cemex (Mexican Cement company)	In February 2026, Schroders re-engaged with the company to request further information relating to the operations sold in the Occupied Territories (OT) and its current operations in Israel. Regarding the operations sold in the OT, Schroders sought clarification on whether any long-term contracts existed prior to the sale that the company remains contractually obliged to fulfil. With respect to its existing operations in Israel, Cemex confirmed that it has a policy in place preventing products from these operations being delivered to the OT. The company also disclosed that it is considering adding a clause to its sales contracts in Israel requiring intermediaries and counterparties not to transport products to, or use products in, the OT. This measure should further limit the risk of Cemex products being transported to the OT. The United Nations Human Rights Council maintains a list of business enterprises involved in activities related to Israeli settlements in the Occupied Territory, with the most recent report published in September 2025. Cemex is not listed in this report or the 2023 publication. Schroders believes that these engagements provide sufficient evidence that the company is taking measures to prevent its products from being used to support construction in Israeli settlements, which is substantiated by the UN report. Schroders will continue to monitor this as part of its ongoing engagement with Cemex. .

		Year to 31 March 2026
Schroders EM Equities	Votable proposals	1,947
	% of resolutions voted	96%
	% of resolutions voted against management	7%
	% of resolutions abstained	0%

Fixed Income

The Group has fixed income exposure via a Buy and Maintain mandate within the Insight QIAIF as well as fixed income funds managed by BlackRock, T. Rowe Price, PGIM, Capital Group and Axa. Despite not having voting rights attached to the investments, the Group Trustee expects fixed income managers to be active owners and engage with issuers.

Voting and engagement practices with regards to listed equities are generally more developed than other asset classes, with greater transparency and standardisation of reporting. In addition, where there are funds which invest in government bonds (for example the BlackRock funds), the method by which an investment manager engages with an issuer are often more complex.

The Group Trustee reviewed examples of engagement activity undertaken by the Group's fixed income investment managers. These examples demonstrate how financially material environmental, social and governance issues are considered as part of ongoing stewardship and investment monitoring.

The following examples have been provided by the Group's Investment Grade Credit Manager, PGIM:

(Global packaging Company)	**Topics:** E – Circular economy & waste / E – GHG Emissions & climate change **Objective:** Following the issuer's acquisition of another packaging company, we engaged to better understand how this would impact its sustainability profile and ask whether it would need to materially revise any of its previous commitments, especially regarding its post-consumer recycled (PCR) content and emissions targets. During our meeting, we learned that both companies' sustainability objectives had been generally aligned for some time, so the merger should not significantly alter the direction or ambition. The company told us that regulations are a driving factor for focusing on products' recyclability and inclusion of PCR content and said it sees these regulations as a positive opportunity for the company to support customers, since designing products with sustainability characteristics mean their customers may be subject to lower fees. **Outcome:** This engagement reinforced our view that the company is highly committed to its role in the circular economy – not solely due to environmental reasons, but also because it sees a business case for it. It wants to be able to provide solutions for its customers who are struggling with various regulations. Based on our confirmation of the company's continued progress (despite the sizeable acquisition) and its ambitious PCR content target, we will upgrade its ESG Impact Rating.
International Mining Company	**Topics:** S – Health & safety / G – Risk management **Objective:** After learning of a mining incident that led to the deaths of seven employees, we engaged the company to question its representatives on the incident's causes, the measures it is taking to prevent similar incidents from occurring, and any remediation it may be

	undertaking. We also sought to dig into wider risks associated with the company's operations in the region, as they have been linked to multiple shootings by military and security personnel. **Outcome:** Company representatives provided useful insights into the causes of the incident and outlined remedial actions intended to improve the safety and resilience of operations, including enhanced cave management, drainage, and monitoring solutions. However, we were surprised by their characterization of the company's safety systems as "highly effective" given the severity of the incident and loss of life, which raised questions around the sincerity of its commitment to health and safety. The engagement also provided important context on historical violent incidents involving security forces and separatist groups near the site, leading us to recalibrate our views on this issue. On balance, while the engagement improved our understanding of key risks, and our ESG impact rating remains unchanged at the lower end of mining peers due to its health & safety track record.

ESG integration in cash investing

In addition to the BlackRock Sustainable Investing baseline screens which are applied broadly across the BlackRock cash management platform, the BlackRock LEAF fund (in which the Group invests) also applies an additional Environmentally tilted screen. Issuers of Money Market Fund instruments will be excluded from direct investment if (at the time of investment) they have below average Environmental practices as viewed by MSCI or such other external ESG research provider used by the Manager from time to time. This attributes to an investment universe reduction of around 300 parent issuers, or a 54% reduction. Tangibly this means LEAF reports a higher E score at a fund level.

Concluding remarks

The Group Trustee is comfortable that the policies in the SIP have been followed over the year to 31 March 2026. The Group Trustee expects that the format and content will continue to evolve over time, in line with guidance and to reflect any future changes in the SIP.

The Group Trustee recognises the responsibility that institutional investors have to promote high standards of investment stewardship and will continue to use the influence associated with the Group's assets in order to positively influence the Group's investment managers.

Andrew Pace
Chairman of the Group Trustee
3 August 2026