

Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles ('SIP') produced by the Trustee has been followed during the year to 5 April 2025 (the "Scheme Year"), whilst also covering manager engagement and voting information across the Scheme Year. This statement has been produced in accordance with The Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2019 and the statutory guidance produced by the Department for Work and Pensions.

Investment Objectives of the Scheme

The Trustee believes it is important to consider the policies in place in the context of the investment objectives they have set. The objectives of the Scheme included in the SIP are as follows:

DB Section

The Trustee believes its primary objective is to invest the Scheme assets in such a manner that it is likely that the Scheme liabilities can be met.

The estimated liabilities are a series of projected cash flows calculated using assumptions contained in the actuarial valuation. In theory, the matching assets would be a portfolio of UK government bonds that provided the projected cash flows to cover all future economic scenarios. Given the discrete number of UK government bonds available, such a combination is unlikely to exist in practice. It is nonetheless a valid reference point against which to assess investment strategies that can be implemented in practice.

In agreeing to adopt this investment objective, the Trustee has considered the Company's view that some risk should be taken to reduce the cost of providing the benefits which would be expected from adopting a fully matched investment strategy.

There is a broad target benchmark split between asset classes for the DB Section. The strategic framework including benchmarks is outlined in the Investment Implementation Policy Document ('IIPD'). With effect from 1st October 2023, the Trustee is in the process of transitioning the DB Section's investment strategy, and associated benchmark split between asset classes, to a low dependency strategy.

The low dependency strategy notionally splits the DB Section asset allocation between a "liability portfolio" – consisting of global credit, multi-asset credit, UK property, senior private debt, LDI and cash – and an "unallocated portfolio" – consisting of equity, opportunistic private debt and a cash buffer. The primary objective of the liability portfolio is to reduce liability interest rate and inflation risk while broadly aligning the expected liability cash-flows with the expected asset cash-flows. The portfolio has a secondary objective of generating a modest level of return to support the actuarial valuation assumptions. The objective of the unallocated portfolio is to generate additional risk-adjusted returns for the Scheme, which can potentially be used to help meet other pension needs.

The target allocation to the liability portfolio shall be determined such that the assets within it are sufficient to fully-fund the DB Section liabilities of the Scheme on the prevailing valuation basis. Any excess assets will make-up the unallocated portfolio. This target allocation, and the transition to it, is reviewed at least annually.

When considering appropriate investments for the Scheme, the Trustee has obtained and considered the written advice of a suitability qualified investment adviser. The advice received and arrangements implemented

are, in the Trustee's opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended).

DC Section

The Trustee recognises that members have differing investment needs and that these may change during the course of members' working lives.

The Trustee assumes that most members do not have the knowledge or desire to manage their pension investments. The Trustee regards it as its duty to make available (as the default investment option) a fund which:

- is suitable for most members; and
- is dynamically managed; and
- has a risk and reward profile that reflects the period until its participating members reach retirement age.

The Trustee also regards its duty as making available a range of investment options sufficient to enable members to tailor their investment strategy to their own needs if they wish to do so. The Trustee has the objective of grouping these investments into 'tiers' based on the amount of member involvement required in investment management.

The investment objective of each Target Date fund (default fund) is designed and managed for an investor saving to retire in or around the years stated in its name (the "target date"). The investment manager's aim is to maximise, for a typical such investor, their eventual retirement income while taking account of their decreasing capacity to afford losses as they approach and, possibly, go past the target date of retirement. On retirement, the investor is assumed to use their built-up pension savings to provide pension income from the options available when they retire. The Target Date funds will progressively move from riskier, capital growth-oriented assets such as equities, private debt and property, into lower-risk retirement income protection-oriented assets, such as bonds, as it approaches and passes its target date. The investment manager seeks to ensure that the mix of assets remains appropriate given the Target Date Fund's aim and will also employ a dynamic asset allocation strategy which seeks to mitigate the effects of large market movements without detracting from long-term returns. The manager will manage the Target Date Funds in such a way that, for an individual investing over the whole term of each Target Date Fund, a return of beating inflation over the life of the funds is being targeted.

A comprehensive review of the self-select fund options took place in February 2024. As a result of the review the Trustee agreed to remove a number of funds whilst still maintaining the level of diversification by asset class and manager style. Some funds were also added to the fund range to address certain gaps identified in the review. These changes were implemented in August 2024.

The Trustee also received advice from Mercer in relation to the default investment option for the legacy Additional Voluntary Contribution ("AVC") assets. Effective from 1 April 2023, all legacy Unit-Linked and With Profit AVC arrangements were closed and all further contributions were redirected to the current DC section default arrangement - the AllianceBernstein Target Date Funds. In November 2024, following a detailed review of the legacy AVC assets, the Trustee transitioned the legacy AVC assets over to the DC section default arrangements, unless members made an alternative selection.

Trustee review of the SIP for the year ended 5 April 2025

In March 2025 the Trustee reviewed the SIP and made the below updates.

With respect to the DB Section:

- Minor updates reflecting the Trustee's decision to sell-down the UK Property allocation and allocate the proceeds to global credit and LDI.

With respect to the DC Section:

- Remove wording relating to the legacy AVC arrangements following the transfer of these arrangements to the DC Section over 2024.

The Trustee consulted with the Company in finalising the SIP. The most recent SIP is available online (<https://www.abfpensions.com/media/i2113ido/statement-of-investment-principles-march-2025.pdf>)

Assessment of how the policies in the SIP have been followed for the year to 5 April 2025

In the opinion of the Trustee, the SIPs (as at March 2024 and March 2025) that were in place during the Scheme year have been followed throughout the year for both DB & DC Sections.

The information provided in this section highlights the work undertaken by the Trustee during the year for the long-term benefit of the Scheme. It also sets out how this work followed the Trustee's policies in the SIP, relating to the Scheme as a whole and the default investment arrangement. The SIP is attached as an Appendix and sets out the policies referenced below.

Requirement 1 – Securing compliance with the legal requirements about choosing investments

Detail of the Trustee's policy:

When considering appropriate investments for the Scheme, the Trustee obtains and considers the written advice of their investment adviser. In the Trustee's opinion this is consistent with the requirements of Section 36 of the Pensions Act 1995.

How the requirements have been met over the year to 5 April 2025:

DB Section: The Trustee receives advice from its investment adviser at the quarterly Investment Sub-Committee meetings. Since the start of the year, advice was provided on a wide range of issues, including:

- A quarterly review of the performance of the DB investment managers;
- The future make-up of the DB section's public investment grade credit allocation.
- The selection of three new public investment grade credit managers, including agreeing appropriate guidelines for each manager.
- Consolidation of the equity portfolio, including termination of two managers, in order to de-risk the investment strategy and fund the appointment of the three new public investment grade credit managers.

- Style exposures of the equity portfolio, including the impact the evolution of the equity portfolio may have on these exposures.
- Funding the Scheme's future cash-flow requirements, including consideration to the expected evolution of the private debt allocation.
- Review of the accuracy of Insight's LDI portfolio against the Scheme's target interest rate and inflation hedge levels.
- Recalculating the Liability Benchmark Portfolio ("LBP") used in managing Insight's LDI portfolio to reflect latest market conditions.
- Ensuring compliance with the UK EMIR Phase 6 of the Uncleared Margin Rules.
- Production of the Scheme's third Task Force on Climate Related Financial Disclosures report, including carrying out the necessary Trustee training on additional requirements of the report.
- Fee review of the public market mandates.

DC Section: The Trustee receives advice from its investment adviser at the quarterly Investment Sub-Committee meetings, as required. Since the start of the year, advice was provided on a wide range of issues, including:

- A quarterly review of the performance of both the default funds and self-select funds against their aims and objectives. The Trustee agreed to receive additional, detailed quarterly performance analysis from its DC investment adviser, Mercer, for the next Scheme year. This will provide the Trustee with further tools to assess the ongoing suitability of the investment offering.
- Inputting into the Scheme's third Task Force on Climate Related Financial Disclosures report;
- Bulk transfer of legacy unit-linked and with-profits AVCs to suitable DC investment arrangements.
- Implementation of self-select changes following review in February 2024.
- Advice in relation to suitable benchmark comparators for relevant self-select funds.

Requirement 2 – Kinds of investments to be held

Detail of the Trustee's policy:

DB Section: The Trustee has considered various combinations of assets and investment approaches that might minimise the required degree of risk for a level of return expectation consistent with the Scheme's objectives and liability profile.

DC Section: A range of asset classes are included within the default investment option (within the blended funds used), including developed market equities, emerging market equities, private debt, money market investments, and pre-retirement funds. It is the Trustee's policy to utilise both active and passive management within the default investment option, depending on the asset class.

The Trustee has also made available a range of individual self-select fund options for investment in addition to the default investment option. A range of asset classes have been made available, including equities, diversified growth funds, money market investments, gilts, index-linked gilts, corporate bonds and pre-retirement funds. It is the Trustee's policy to offer both active and passive management self-select fund options to members where appropriate, depending on the asset class.

How the requirements have been met over the year to 5 April 2025:

DB Section: On a quarterly basis, the Trustee reviewed its investment strategy. After considering the Scheme's liability profile and requirements of the Statutory Funding Objective, the Trustee considered its appetite for risk (including financially material risks such as Environmental, Social and Governance risks, including climate

change). This took account of the Sponsoring Employer's appetite for risk and the strength of the Sponsoring Employer's covenant.

Given the DB Section's funding position, the Trustee and ABF have agreed to transition the investment strategy to a low-dependency portfolio. The low dependency portfolio does not currently utilise any additional asset classes but instead evolves the allocation between the Scheme's existing asset classes. As such, over the Scheme year the Trustee did not allocate to any new asset classes. However, the Trustee has agreed to sell down the allocation to UK Property to improve liquidity and fund additional allocations to public investment grade credit and LDI, the allocation is expected to be fully sold by mid-2026.

The Trustee regards the strategic distribution of the assets under both the current strategy and the low dependency portfolio to be appropriate for the Scheme's objectives and liability profile.

DC Section: The Trustee reviewed the default investment option in November 2023. This review, amongst other items, considered the asset allocation within the Target Date Funds. As a result of the review, the Trustee agreed to include an allocation to private debt to further increase diversification within the glidepath whilst improving the risk/reward dynamics. This was implemented during the Scheme year.

In February 2024 the Trustee reviewed the self-select fund options. The Trustee concluded that the available range of funds could be streamlined whilst continuing to make available a broad range of investments to members. As such the Trustee agreed to remove a number of funds from the range whilst also adding some funds to address certain gaps identified by the review. These changes were implemented in August 2024.

In March 2024, the Trustee decided to map all existing legacy AVC assets to the AllianceBernstein Target Dated Funds, unless other funds are selected by the member. This was following advice from Mercer and previous actions to re-direct all future AVC contributions into these funds which was completed in 2023. The transition of legacy AVC assets was completed in November 2024.

Requirement 3 – The balance between different kinds of investments

Detail of the Trustee's policy:

DB Section: The Trustee has considered various combinations of assets and investment approaches that might minimise the required degree of risk for a level of return expectation consistent with the Scheme's objectives and liability profile.

DC Section: Members can combine the investment funds in any proportion to achieve the desired level of return and risk in line with their own attitude towards and tolerance of risk.

Within the default option, the strategic asset allocation is set to achieve the expected return required to meet the objective of the default option.

How the requirements have been met over the year to 5 April 2025:

DB Section: The Trustee reviews the strategic asset allocation on a quarterly basis throughout the year to ensure it meets its objectives based on the changing membership profile.

Under the low dependency strategy, the assets will be notionally split between a "liability portfolio" – consisting of global credit, multi-asset credit, UK property, senior private debt, LDI and cash – and an "unallocated portfolio" – consisting of equity, opportunistic private debt and a cash buffer.

The target allocation to the liability portfolio shall be determined such that the assets within it are sufficient to fully-fund the DB Section liabilities of the Scheme on the prevailing valuation basis. Any additional assets will make-up the unallocated portfolio. This target allocation, and the transition to it, is reviewed at least annually.

In transitioning to the low dependency portfolio, the allocation to the liability portfolio will increase, funded primarily by a reduction in the equity allocation. This is facilitated by a monthly disinvestment from the equity portfolio with the proceeds used to meet the cash-flow requirements of the DB Section and fund an increased allocation to the liability portfolio.

To accelerate the transition, the Trustee has agreed to terminate two equity managers and appoint three new public investment grade credit managers. This is expected to be implemented over 2025 and will be bringing the allocation to these asset classes and the split of assets between the liability and unallocated portfolios in-line with that of low dependency strategy. Given this the transition to the low dependency portfolio is expected to conclude over 2025 (ahead of schedule).

Over the Scheme year the Trustee also took the decision to sell down the Scheme's allocation to UK property, which is expected to be fully sold off by end-2025. The proceeds are to be allocated to public investment grade credit and LDI.

DC Section: As part of the November 2023 default strategy review, the balance between UK Government Bonds and other asset classes for the At-Retirement allocation was considered and a decision was made to reduce the allocation to UK Government Bonds to better reflect the decisions members make at retirement. It was also agreed to incorporate a private debt allocation to the Target Date Funds. This was implemented during the Scheme year as detailed above.

The Trustee receives a quarterly investment performance report from AllianceBernstein and Mobius Life, which monitor the performance of the Target Date Funds and self-select funds. The Trustee have agreed to receive additional, detailed quarterly performance analysis from its DC Investment Adviser, Mercer, for the next Scheme year. This will provide the Trustee with further tools to assess the ongoing suitability of the investment offering.

As the assets of the DC section are invested in pooled fund vehicles the investment restrictions applying to these funds are determined by the investment manager. The Trustee is satisfied that the investment managers' policies on investing in individual securities held in each vehicle provides adequate diversification of investments. The investments held within the Scheme are consistent with the policies in the SIP.

Requirement 4 – Risks, including the ways in which risks are to be measured and managed

Detail of the Trustee's policy:

DB Section: The degree of investment risk the Trustee is willing to take depends on the financial health of the DB Section and its liability profile. The Trustee monitors these with a view to altering the investment objectives, risk tolerance and/or return target should there be a significant change in either. The Trustee also regularly considers the strength of the Employer covenant and factors this into the level of risk being considered.

DC Section: The Trustee recognises risk (both investment and operational) from a number of perspectives in relation to the self-select fund options and the default investment option and that the choice and allocation of investments can help to mitigate these risks.

Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members. In designing the default option, the Trustee has explicitly considered the trade-off between risk and expected returns.

How the requirements have been met over the year to 5 April 2025:

DB Section: As detailed in the risk table in the SIP, the Trustee considers both quantitative and qualitative measures for these risks when deciding investment policies, strategic asset allocation, the choice of investment managers, funds and asset classes.

The Trustee continued to transition to the low dependency portfolio, which is expected to reduce the overall level of investment risk by reducing the allocation to higher risk assets in favour of lower-risk income generative assets. This expectation was confirmed via analysis reviewed by the Trustee in both May 2024 and February 2025. As described in Requirement 3, the Trustee has taken steps to accelerate the transition to the low dependency portfolio by agreeing to terminate two equity managers and appoint three new public investment grade credit managers.

Interest rate and inflation risk is managed via hedging within the Insight LDI portfolio. In May 2024, the Trustee conducted a review of the accuracy of Insight's LDI portfolio relative to the target levels of hedging, finding that the hedge was performing as expected.

One of the key risks under the low dependency portfolio is meeting the Scheme's cash-flow needs. In February 2025, the Trustee reviewed the Scheme's cash-flow policy to ensure the current and expected future asset allocation was expected to generate sufficient cash-flow to meet the Scheme's needs. This analysis considered the expected run-off of the Scheme's private debt allocation as well as the evolution of the asset allocation as it transitioned to the low dependency portfolio.

The Trustee considered climate change risk as part of the scenario analysis reported within the Scheme's TCFD report. Given the funding level, the DB investment strategy demonstrated robustness with respect to the potential impact of climate change across the scenarios and time-periods considered.

Over the coming year the Trustee will consider the key risk exposures of the Scheme, including its reliance upon the Sponsor and how these are best managed.

DC Section: The default investment option manages investment and other risks through a strategic asset allocation consisting of equities, multi-asset funds, private debt, bonds and money market investments. The self-select range provides different risk and return profiles across a range of funds to cater for members with different risk tolerances.

DB & DC Sections: The Scheme maintains a risk register of the key risks, including the investment risks. This rates the impact and likelihood of the risks and summarises existing mitigations and additional actions. In Q1 2025 the risk register was reviewed which included the consideration of how climate risks are monitored and managed.

Within their TCFD report, the Trustee included the results from the 2022 scenario analysis which modelled the exposure of the TDFs to climate risk and engaged the investment manager of the default Target Date Funds, AllianceBernstein, on their climate intensity reduction target. The DC TDFs were found to be materially impacted by climate risk under a failed transition climate scenario. The Trustee noted the allocation to sustainable investments, which is expected to provide some protection from these risks. Further, AllianceBernstein considers climate risk amongst other risks as part of the investment strategy decisions. The scenario analysis for the DC TDFs will be reviewed in H2 2025 to reflect the revised strategy and updated climate scenarios.

Requirement 5 – Expected return on investments

Detail of the Trustee's policy:

DB Section: The Trustee selected the strategic benchmark to reflect that the Scheme's liabilities would change in value in a similar manner to changes in the UK government bond markets. The Trustee expects that there will be some return premium above government bonds from non-government bonds (i.e. credit) and a larger return premium from equity and alternative investments such as property. The Trustee expects there will be periods when equities, property and credit underperform government bonds and is prepared (as is the Company) to accept and manage this risk.

DC Section: The funds available are expected to provide an investment return commensurate with the level of risk being taken.

In designing the default, the Trustee has explicitly considered the trade-off between risk and expected returns, to generate returns in excess of inflation during the growth phase and de-risk towards the retirement date to protect funds from significant falls when the timeframes to recover these losses are shorter.

How the requirements have been met over the year to 5 April 2025:

The investment performance reports from investment managers are reviewed by the Trustee on a quarterly basis.

DB Section: The investment performance reports detail how each investment manager is delivering against their specific mandates and benchmarks. The Trustee assesses the performance of all investment managers using both a qualitative and quantitative review. This also includes assessing the diversification of the portfolio in terms of asset type, geographical position and the current inflation environment.

Over the 5-years to 31 March 2025, the Scheme has returned 4.4% p.a. relative to a benchmark return of 4.2% p.a.. Over this period the Scheme's funding position has improved as a result of the assets significantly outperforming the liabilities.

DC Section: The review by the Trustee on a quarterly basis includes the risk and return characteristics of the default and the self-select fund options.

The Trustee ensures that performance reports include risk and return metrics when completing their review by monitoring the returns against their aims and objectives. The Trustee also assesses the growth of the funds versus inflation and equity volatility.

The Trustee have agreed to receive additional, detailed quarterly performance analysis from its DC Investment Adviser, Mercer, for the next Scheme year. This will provide the Trustee with further tools to assess the ongoing suitability of the investment offering.

Requirement 6 – Realisation of investments

Detail of the Trustee's policy:

DB Section: The Trustee considers the liquidity of the investments in the context of the likely needs of member benefits.

DC Section: The Trustee's administrators will realise assets following member requests on retirement or earlier where required.

How the requirements have been met over the year to 5 April 2025:

DB Section: Most years, due to the maturity of the Scheme, investment income has been used or some assets are sold to meet benefit payments, fund capital calls for the private debt programme or to meet margin calls for the currency hedge programme.

The Trustee recognises that there is liquidity risk in holding assets that are not readily marketable and realisable. Given the long-term investment horizon of the Scheme, the Trustee believes that a degree of liquidity risk is acceptable because it expects to be rewarded for assuming it. The low dependency portfolio is designed to be sufficiently liquid to meet these potential cashflow requirements under stressed scenarios.

Whilst certain assets are illiquid (particularly the Property and Private Debt assets), the Trustee has developed strategies for daily liquidity. The diverse asset allocation contains both liquid and illiquid assets to ensure all financial obligations can be met.

In the normal course of events, if a disinvestment is required, the Trustee takes the decision to source the liquidity based on the asset allocation.

The continued sale of the Scheme's UK property assets will increase the liquidity of the Scheme given some of the proceeds are to be invested in public investment grade credit and the LDI portfolio.

Over the transition period to the low dependency portfolio, the majority of the Scheme's cash flow requirements have been met from monthly disinvestments from the equity portfolio. This disinvestment programme also served to fund an increased allocation to the liability portfolio. In anticipation of the sale of two equity managers and addition of three new public investment grade credit managers, the monthly disinvestment from the equity portfolio was ceased in Q4 2024.

In February 2025 the Trustee reviewed the future cash-flow generation of the Scheme. This review showed that the Scheme's expected cash-flow needs could be met by net cash-flow generated from the private debt portfolio, cash realised from the sale of the UK property assets and income generated from the Scheme's public market assets until 2028. Following this, a small amount of disinvestments will be required to meet cash-flow needs.

DC Section: The Trustee receives an administration report on a quarterly basis to ensure that core financial transactions are processed within SLAs and regulatory timelines. As confirmed in the DC Chair Statement, the Trustee is satisfied that all requirements were met throughout the year with 100% of the SLAs being met.

All funds invest in daily priced pooled investment vehicles, accessed by an insurance contract. This means that the Trustee can readily have access to the cash to settle member obligations. The Trustee therefore has no concerns regarding the liquidity of any of the Scheme's assets.

Over the year, the aforementioned transitions of the legacy AVCs and self-select assets were completed within agreed timeframes.

Requirement 7 – Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments

Detail of the Trustee's policy:

DB and DC Section common policies: The Trustee considers financially material considerations in the selection, retention and realisation of investments. Consideration of factors such as ESG is delegated to the investment managers.

Investment managers are expected to evaluate these factors, including climate change considerations, then exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.

Items listed in Sections 4.2, 4.3, 4.4, 4.5 and 5.2 of the SIP are in relation to what the Trustee considers "financially material considerations".

How the requirements have been met over the year to 5 April 2025:

DB & DC Sections: Each investment manager's investment report is reviewed for performance by the Trustee on a quarterly basis. The Trustee also considers their ratings (both general and ESG specific) from the Trustee's investment adviser. All of the investment managers remained highly rated by either the investment adviser or the Investment Committee during the year.

The Scheme's SIP includes the Trustee's policy on ESG factors, stewardship and climate change. The Trustee's policy is to delegate responsibility for exercising of ownership rights (including engagement and voting rights) to the investment managers but acknowledge that any actions taken by the investment managers are on the Trustee's behalf.

The Trustee produced its third annual TCFD report for the Scheme, in which it considers the Scheme's exposure to climate risk, through climate related scenario modelling. The Trustee sets carbon intensity reduction targets for the DB Section's aggregate equity and fixed income portfolios (including the public investment grade credit portfolio), and the DC Target Date Funds for the DC Section. Climate related metric data is also collated and the developments on how the metrics have changed are reported on over the Scheme year. Over the year there has been improved metric reporting received for the Scheme following further engagement with the managers.

To improve its understanding, the Trustee has undertaken investment training on responsible investment. This was provided by its investment adviser to cover ESG factors, stewardship, climate change and ethical investing.

The Trustee keeps its policies under regular review with the SIP subject to review at least annually.

Where investment managers may not be highly rated from an ESG perspective the Trustee continues to monitor the investment manager closely. When implementing a new investment manager, the ESG rating of the investment manager is considered.

The Trustee acknowledges that investment managers in fixed income may be less likely to have a high ESG rating assigned by the investment adviser due to the nature of the asset class, where it is harder to engage with the issuer of debt.

Requirement 8 – The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments

Detail of the Trustee's policy:

DB and DC Section common policies: Non-financial matters are taken into consideration by the Trustee.

How the requirements have been met over the year to 5 April 2025:

DB & DC Sections: Each quarter the Trustee considers both quantitative and qualitative analysis provided by its investment adviser. This includes detailed analysis of the market cycle to identify opportunities for future investment or risk reduction measures. The Trustee also periodically reviews the appropriateness of offering individual ESG or sustainable investment choices to members.

Requirement 9 – The exercise of the rights (including voting rights) attaching to the investments

Detail of the Trustee's policy:

DB and DC Section common policies: Investment managers are expected to evaluate these factors (including climate change considerations), exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.

How the requirements have been met over the year to 5 April 2025:

DB & DC Sections: The Trustee has delegated its voting rights to the investment managers.

Investment managers are expected to provide voting summary reporting on a regular basis, at least annually, which includes details of the voting activity of relevant managers, highlighting the most significant votes. The reports are reviewed by the Trustee to ensure that they align with the Trustee's policy.

The Trustee has engagement priorities, which are detailed later in this report and in the SIP, and a definition of what they consider to be significant votes based upon these priorities. An overview of engagement activities is provided later in this Statement.

Requirement 10 – Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the Trustee would monitor and engage with relevant persons about relevant matters).

Detail of the Trustee's policy:

DB and DC Section common policies: Investment managers are expected to evaluate these factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice. As part of this monitoring, the Trustee may engage with the Scheme's investment managers where appropriate to understand the activity undertaken in relation to the Scheme's engagement priorities. The Trustee has determined its own engagement priorities which are outlined later in this Statement.

Outside of those exercised by investment managers on behalf of the Trustee, no other engagement activities are undertaken.

How the requirements have been met over the year to 5 April 2025:

DB & DC Sections: Investment managers are expected to provide reporting on a quarterly basis and on an annual basis they should provide stewardship monitoring results. These are reviewed by the Trustee to ensure that the investment managers are complying with their obligations.

Where the Scheme invests in pooled funds, the Trustee requires their investment managers to engage with the investee companies on its behalf.

The Trustee believes its investment managers are voting responsibly on their behalf and in line with the Trustee's investment policy.

Requirement 11 – How the arrangement with the investment managers incentivises the investment managers to align their investment strategies and decisions with the Trustee's policies mentioned in sub-paragraph (b) of the legislation (2-8 of this Statement).

Detail of the Trustee's policy:

DB and DC Section common policies: The Trustee's policy on aligning investment manager appointments with the investment strategy is set out in Section 10 of the SIP.

Investment managers are chosen based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the selected asset class.

Where the Trustee invests in certain pooled investment vehicles, it accepts that they have no ability to specify the risk profile and return targets of the investment manager, but appropriate mandates can be selected to align with the overall investment strategy.

How the requirements have been met over the year to 5 April 2025:

DB Section: The Trustee continually reviews and amends the mandate for each investment manager where appropriate.

Benchmarks are established for each investment manager against which performance is monitored.

In appointing the new public investment grade credit managers, the Trustee worked with its Investment Adviser and the managers to develop appropriate objectives, benchmarks and guidelines.

There is a broad target benchmark split between asset classes for the DB Section. The strategic framework including benchmarks is outlined in the IIPD.

DB & DC Sections: The Trustee continually meets with the investment managers to challenge decisions made including voting history and engagement activity to ensure best performance over the medium to long term.

The investment managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed. If the Trustee is dissatisfied, then it will consider replacing the investment manager.

Requirement 12 – How the arrangement incentivises the investment managers to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt

Detail of the Trustee's policy:

DB and DC Section common policies: The Trustee's policy in relation to incentivising investment managers to consider long-term financial and non-financial performance is set out in section 11 of the SIP.

The Trustee regularly meets with its investment managers and challenges their strategic policies. The Trustee regularly reviews the decisions made by its investment managers and can challenge such decisions to try to ensure the best long-term performance over the medium to long term. Investment managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage. If the Trustee is dissatisfied, then it will look to replace the investment manager.

How the requirements have been met over the year to 5 April 2025:

DB & DC Sections: The Trustee met with six of their investment managers at Investment Committee or Trustee Board meetings during the year to discuss matters such as their mandates, performance and appetite for risk. In addition, the Trustee met with the three new public investment grade credit managers, which were short-listed from a much wider manager review by the Group Pensions Department, supported by their Investment Adviser's manager research function.

The Trustee delegates authority to senior management of the Group Pensions Department to regularly meet on an ongoing basis with its investment managers to discuss the contractual arrangements they have in place, to ensure they continue to incentivise the investment managers to make decisions based on medium to long term financial and non-financial performance. This ensures each investment manager's target performance is consistently reviewed to match the Trustee's objectives.

Requirement 13 – How the method (and time horizon) of the evaluation of the investment managers' performance and the remuneration for asset management services are in line with the Trustee's policies mentioned in sub-paragraph (b) of the legislation (2-8 of this Statement).

Detail of the Trustee's policy:

DB and DC Section common policies: The Trustee recognises its time horizon is a long-term proposition as set out in Section 12 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-term horizons. Remuneration is agreed ahead of the investment manager appointment and is reviewed on a regular basis.

How the requirements have been met over the year to 5 April 2025:

DB & DC Sections: The Trustee receives DB investment performance reports from its investment adviser on a quarterly basis, which present performance information over 1-quarter, 6-month, 1-year, 3-year, 5-year periods and since inception. As well as considering each investment managers style over the course of an economic cycle, the Trustee reviews absolute performance and in many cases relative performance against a suitable index used as a benchmark. Investment managers are also monitored constantly for qualitative as well as quantitative performance, with a focus on the long term strategy of the Trustee whilst being mindful of short term returns.

The investment managers are generally remunerated by way of a fee calculated as a percentage of assets under management. This fee basis is reviewed with each investment manager as part of the informal reviews carried out by senior members of the pensions management team. In February 2025, the Trustee reviewed and benchmarked the fee arrangements for the DB section's public market managers. Following this review, improved fee arrangements were negotiated for a small number of managers, with the remaining found to have fee rates in-line with or more preferable than the market averages.

For the DC Section, the self-select fund option review also considered the fees of each manager, and where fees were deemed high, alternative funds were suggested. The Trustee have agreed to receive more detailed quarterly performance analysis from its DC Investment Adviser for the next Scheme year. This will provide the Trustee with further tools to assess the ongoing suitability of the DC investment offering.

Requirement 14 – How the Trustee monitors portfolio turnover costs incurred by the investment managers, and how it defines and monitors targeted portfolio turnover or turnover range.

Detail of the Trustee's policy:

DB and DC Section common policies: The Trustee's policy in relation to the monitoring of portfolio turnover costs is set out in Section 14 of the SIP.

How the requirements have been met over the year to 5 April 2025:

DB & DC Sections: The Trustee asks its investment managers to provide portfolio turnover and turnover costs in their presentations to the Trustee.

The Trustee also receives MiFID II reporting from its investment managers. All reporting is analysed to ensure consistency between reporting periods and any inconsistencies are investigated with the investment manager.

The Trustee has put in place a monthly equity disinvestment programme to minimise transaction costs and spread risk of transitioning the DB Section's investment strategy to the low dependency portfolio.

DC Sections: DC transaction costs are disclosed in the annual DC Chair's Statement. The transaction costs for each fund covers the buying, selling, lending and borrowing of the underlying securities in the fund. An investment manager can also factor in anti-dilution mechanisms into the total transaction costs.

The Trustee is required to assess these costs for value on an annual basis. However, at present, the Trustee notes 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 considered when investment returns are reported, so any assessment must also be mindful of the return side of the costs.

As noted in the most recent Chair's Statement, dated 5 April 2025, there is little flexibility for the Trustee 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 Scheme invests in, there is not 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 Trustee will continue to monitor transaction costs on an annual basis and assess these costs for value. In particular, the Trustee does undertake charging and cost comparisons with other large pension schemes with publicly available data. Finally, the Trustee always considers returns, net of all fees/costs.

Requirement 15 – The duration of the arrangement with the investment managers

Detail of the Trustee's policy:

DB and DC Section common policies: There is no set duration for the investment manager appointments, with the exception of Private Debt managers. All appointments are regularly reviewed as to their continued suitability and could be terminated either because the Trustee is dissatisfied with the investment manager's ongoing ability to deliver the mandate promised or because of a change of investment strategy by the Trustee.

For Private Debt managers, at the time of appointment the life of the fund is established, however this could be extended in line with the IMA.

How the requirements have been met over the year to 5 April 2025:

DB Section: All investment managers agreements, except for the Private Debt managers, have no set duration.

As at 5 April 2025, the Trustee is currently invested in 27 private debt funds using a series of vintages via LLP structures for a defined number of years. In accordance with the IMA each Fund can extend the lifetime of the fund for a prescribed time period.

DC Section:

The DC investment manager appointments have no set duration. However, if the Trustee is not satisfied with an investment manager, it will ask the investment manager to take steps to rectify the situation. If the investment manager still does not meet the Trustee requirements, the Trustee will remove the investment manager and appoint another after taking advice and following necessary due diligence.

The available fund range and default investment options are reviewed on at least a triennial basis. An investment manager's appointment may be terminated if it is no longer considered to be optimal and does not have a place in the default strategy or general fund range. Following a review in February 2024, a number of the self-select funds were removed during August 2024 to streamline the investment offering whilst retaining a wide range of asset classes available for members to choose. In addition, 4 new funds were added to the self-select range to increase the diversity of asset classes available to members, this included a passive sustainable equity option. The full range of self-select funds is available online at www.abfpensions.com/defined-contribution-section-abf/investments/self-select-funds/.

Engagement and Voting

Voting Policy

The Trustee's policy is to delegate responsibility for exercising of ownership rights (including engagement and voting rights) to the investment managers but acknowledge that any actions taken by the investment managers are on the Trustee's behalf and accept responsibility on those actions.

Engagement Priorities

The Trustee's engagement priorities are based on its belief that ESG issues, across each of the three factors, may have a material impact on investment performance. As such the Trustee has determined what it considers the most salient topic within each of the three ESG factors, as listed below.

Engagement Priority	Rational
Environment: Climate Change	Climate-related financial impacts are driven by the associated transition to a low-carbon economy and the physical damages of different climate outcomes. The Trustee believes climate change issues present risks and opportunities that increasingly may require explicit consideration.

Engagement Priority	Rational
Social: Human rights including modern Slavery	Workforce and supply chain safety and human rights practices should avoid contributing to modern slavery, exploitation and other human rights abuses – these can contribute to economic instability, the threat of social tension and subsequent political instability which, in turn, may have a negative impact on investment performance. The Trustee notes alignment of this priority with the Company's Supplier Code of Conduct and the commitments made therein.
Governance: Executive remuneration	Executives have significant influence over the financial success of the companies which they manage. Therefore, executive remuneration policies can have a meaningful impact on the return of investors in companies. These policies should attract and retain talent whilst ensuring alignment of incentives with company and shareholder objectives.

Significant Votes

The Trustee considers a vote to be most significant if the holding makes up more than 2% of the relevant fund's value and:

- It relates to any of the Trustee's engagement priorities, as set out above; or
- It has a direct financial impact on the company.

Any vote on exposures that make up more than 5% of the relevant fund are also considered most significant, irrespective of the purpose of the vote. The Trustee reports on the most significant votes later in this report.

Engagement and Ownership for DB Investment Strategy

The investments within the DB Investment strategy are segregated between investment managers with equity, bond, property and derivative portfolios. Each investment manager within the equity portfolio is responsible for engaging with the companies within which they invest, as well as exercising the attached ownership rights (i.e. voting powers), to influence corporate policies/behaviours and hold company management to account. The Trustee monitors third-party investment managers' policies and actions to ensure that they align as closely as possible with those of the Trustee. Some managers within the bond portfolio also hold investments that have voting right attached to them and these managers are also reported below.

Below are the latest available summary statistics of the equity investment managers' engagement and voting track records, as well as specific examples.

Manager	Engagement	Voting
Artemis	Artemis have been unable to provide the primary engagement topics since engagement does not form part of the investment process in the SmartGARP strategy.	147 meetings eligible to vote at 1,948 total proposals eligible to vote on 100% of eligible votes were cast 92% of votes were with management recommendations 7% of votes were against management 1% of votes were abstained from - In 39% of meetings at least one vote was cast against management
Beachpoint	- Engaged with 17 issuers 19 total recorded engagements - The primary engagement topics are split as follows: 33% environmental matters 14% on social matters 52% on governance matters	6 meetings eligible to vote at 41 total proposals eligible to vote on 100% of eligible votes were cast 100% of votes were with management recommendations 0% of votes were against management recommendations 0% of votes were abstained from 0% of meetings at least one vote was cast against management
Calamos	The Calamos Global Team does not presently engage company management with specific activist objectives.	42 meetings eligible to vote at 656 total proposals eligible to vote on 100% of eligible votes were cast 99.2% of votes were with management recommendations 0.8% of votes were against management recommendations 0.0% of votes were abstained from - In 11.9% of meetings at least one vote was cast against management
CQS	- Engaged with 78 different corporate issuers and banks 92 total recorded engagements - The primary engagement topics are split as follows: 33% environmental matters 13% on social matters 54% on governance matters	31 total proposals voted 100% of eligible votes were with management recommendations

Manager	Engagement	Voting
Liontrust	Engaged 9 fund holdings in 2024. Of these 9 engagements, 78% were on environmental issues, 78% were on social issues, and 56% were on governance issues (this adds up to more than 100% as some engagements had more than one area covered.)	38 meetings eligible to vote at 781 total proposals eligible to vote on 83.4% of eligible votes were cast 94.5% of votes were with management recommendations 5.5% of votes were against management recommendations 0.0% of votes were abstained from - In 47% of meetings at least one vote was cast against management
Schroders	- Engaged with 143 global companies 762 total recorded engagements - The primary engagement topics are split as follows: 70% environmental matters 16% social matters 14% governance matters	579 meetings eligible to vote at 7,850 total proposals eligible to vote on 95.8% of eligible votes were cast 88.1% of votes were with management recommendations 11.2% of votes were against management recommendations 0.2% of vote was abstained from - In 60.3% of meetings at least one vote was cast against management
Veritas	5 total recorded engagements - The primary engagement topics are split as follows: 40% environmental matters 0% social matters 60% governance matters	31 meetings eligible to vote at 493 total proposals eligible to vote on 100% of eligible votes were cast 92% of votes were with management recommendations 7% of votes were against management recommendations 0% of vote was abstained from - In 41% of meetings at least one vote was cast against management

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

Specific Examples of Engagement

Engagement Example – Beachpoint

CommScope Inc. and Diebold Nixdorf Inc.– Beachpoint's first step in this collaborative engagement was to review the Carbon Disclosure Project's (CDP) selection of high impact / high emitting companies that have not yet set a 1.5°C aligned science-based target. The targeted groups include:

1. Companies who disclosed they anticipate setting a Science-Based target in the next two years within their CDP Climate Change response;
2. Companies who disclosed to CDP's Climate Change questionnaire but did not indicate they plan to set a Science-Based target; and
3. Companies who did not disclose to CDP's Climate Change questionnaire.

Beach Point then selected companies from the CDP's three targeted groups (detailed above) that are held in our portfolio, these being CommScope Inc. and Diebold Nixdorf Inc.. As part of this campaign, Beachpoint co-endorsed letters, alongside other financial participants, backing the request to set science-based targets to the carefully selected group of companies. By partnering with the CDP in this campaign, Beach Point and the engaged companies gained access to Science Based Targets initiative (SBTi) resources and guidance to help develop targets and commitments aligned with the best-available climate science.

The success of this campaign was assessed by looking at how many of the targeted companies joined the SBTi during the time of the campaign, including committing to or setting science-based targets. One of the two companies engaged within the portfolio responded by committing to setting science-based targets within the timeframe of the campaign. Beachpoint recognize that this is an evolving process for issuers and can take time and resources to put validated decarbonization targets in place. Therefore, Beachpoint regard certain aspects of this overall engagement to be successful in that we worked to raise awareness for issuers around emissions target-setting and best climate practices.

Engagement Examples – Calamos

Accor - Accor is a global hotel operator/franchisor with a portfolio of 5,500 properties. During a recent meeting with management, the Calamos Global Team discussed the company's social and environmental initiatives. Key environmental issues highlighted by management included their continued commitment to net zero emissions by 2050, as well as the elimination of single-use plastics by the end of 2025. The company is also in the process of collecting baseline water usage levels and is targeting a 45% reduction in water withdrawals by 2030. The management team also expressed a strong commitment to increased diversity and inclusion and specifically noted that 39% of their female employees currently hold vice president or higher positions, coupled with a commitment that women comprise 45% of the global senior leadership team by the end of 2025.

Engagement Examples – CQS

Global beverage producer - An ongoing, collaborative engagement with a global beverage producer, where CQS initiated collaborative engagement via the Carbon Disclosure Project (CDP) Non-Disclosure Campaign in 2022. As the business has high water use intensity in its production processes, CQS have continued to seek commitments from the company to improve transparency of water risk supply-chain assessment in its public disclosures, requesting this complies with CDP reporting requirements. In addition, CQS discussed risks associated with nature-related impact, requesting more granular detail of its water management program, including plans to reduce water usage intensity.

During CQS's most recent company engagement in December 2024, they received confirmation from the investor relations ("IR") team that the company had completed the 2024 CDP water questionnaire and updated its policy assessment to evaluate water stress points in their supply chain. This included details of new water usage intensity reductions in its manufacturing and conservation of biodiversity in collaboration with its supply chains. CQS continue to be pleased by the progress of the company since our initial targeted engagement, given wider industry concerns of potential environmental and economic risk from mismanagement of broader supply chain, agricultural and biodiversity practices.

Encouragingly, CDP disclosure scores are due to be released during H1 2025, and we will monitor for an updated assessment of its manufacturing operations and efforts to mitigate impact. Following an update to its environmental policy, we will also monitor for any new targets set by the company that align to key identified water risk issues in its supply chain and ecosystems. Any additional details on participation in collective action associated with priority water basins would be welcomed. CQS also expect improvement of KPI reporting, which will align it to a leading industry competitor within Global Beverages.

Engagement – Liontrust

Deutsche Bank AG – In July 2024, Liontrust engaged with Deutsche Bank. The discussion largely centred on environmental issues, with the development of the Group's net zero sector pathways a key area of focus. It was positive to note that executive remuneration is linked to achieving these sector pathways targets. The Group is not currently planning to have its targets validated by the SBTi as it sees CSRD as a much larger priority. Work is ongoing on Deutsche Bank's approach to biodiversity, with the establishment of a dedicated nature workstream.

Engagement – Schroders

Toyota - Schroders engaged with Toyota on their blueprint theme of climate change as well as select governance topics. Schroders discussed the company's increased move into hybrid and electric vehicles given growing demand in this space and their efforts towards achieving carbon neutrality. Toyota confirmed that they have already met their SBTi 2030 targets in their heavy freight trucks division and continue to focus on improving carbon emission reductions across their broad supply chain. The company noted the constant communication in place with suppliers regarding achieving their emission reduction targets. They also highlighted their commitment to reskilling their R&D staff, with a particular focus on software reskilling to further improve automation. Schroders took the opportunity in this engagement to discuss the transformation of the Board of Directors and implementation of a new corporate governance model at Toyota. The company reduced the Board of Directors from 16 to 10, with an increased presence of outside directors and Schroders will continue to monitor further developments in this area.

Engagement – Veritas

Unilever – Veritas engaged with Unilever regarding the validation of the rationale for the removal of the Net Zero Target from SBTi verification. In Q1 2024, the Science Based Targets initiative (SBTi) announced that Unilever's Net Zero commitment status had been changed to "commitment removed." Veritas firmly believe that any decarbonisation target must be based on a robust, science-based methodology and preferably validated by independent bodies, primarily the SBTi. As the Unilever Annual General Meeting (AGM) approached, with a resolution tabled for shareholders to approve the revised climate strategy, it was important for Veritas to understand the reason behind the change in Unilever's SBTi commitment status.

In 2021, Unilever Plc published its first Climate Transition Plan. The company successfully reduced operational emissions by 74% in absolute terms (vs. 2015) and reduced the emissions intensity of their products across the value chain by 21% (vs. 2010). However, achieving significant absolute reductions in Scope 3 emissions has proven challenging, prompting a review of their approach.

The updated Climate Transition Plan includes existing near-term targets to reduce GHG emissions from operations (Scope 1 & 2) by 100% by 2030 against a 2015 baseline (and by 70% by 2025 against a 2015 baseline). It also includes new near-term targets to reduce value chain (Scope 3) GHG emissions from energy and industrial sources by 42% by 2030 against a 2021 baseline, and from forest, land, and agriculture by 30.3% by 2030 against a 2021 baseline. The revised near-term Scope 3 GHG target, published under resolution 4 at the AGM, has been developed with reference to the Science Based Targets Initiative (SBTi) 1.5°C criteria and recommendations for near-term targets. The target has been integrated into the five Business Groups' financial growth plans allowing for more granular action plans and has been submitted to the SBTi for validation.

The new Scope 3 targets align with the Net Zero by 2039 ambition. However, notable emissions categories are out of scope for Unilever's near-term Scope 3 GHG reduction targets, but relevant to its 2039 Net Zero ambition: indirect procurement and third-party contract manufacturing. While most Unilever products are made in its own factories, about 15% are made by third-party contract manufacturers. With India being the

most material country in terms of the contract manufacturing footprint, Unilever has begun engaging its Indian manufacturers in emissions reduction and included them within its Scope 3 target. The company will consider expanding the number of manufacturers in scope as it progresses and learns how to engage them effectively. This component of the carbon inventory is a key reason the NZ target is unable to be validated by SBTi. Accurate, supplier-specific data for these categories is not readily available to Unilever, so reporting must be based on estimates.

Veritas believe that Unilever is applying best practices to its Net Zero climate goals. However, its long-term 2039 net zero target has not been approved by the Science Based Targets initiative (SBTi). Following a call with Unilever's representatives, Veritas are reassured that despite the challenges posed by changes in SBTi's methodology, their revised targets remain science based. Additionally, several other companies in the Fund have faced similar issues due to changes in SBTi's Scope 3 methodology. Veritas maintain that voting in favour of the revised transition plan was the correct decision and will continue to monitor the company's progress against the revised goals.

Engagement and Ownership for DC Default Strategy

The investments within the default strategy are accessed via third-party investment funds - most are managed by BlackRock, Northern Trust and Amundi. These investment managers are responsible for engaging with the companies within which they invest, as well as exercising the attached ownership rights (i.e. voting powers), to influence corporate policies/behaviours and hold company management to account. AllianceBernstein ("AB") monitors third-party investment managers' policies and actions to ensure that they align as closely as possible with their own. AB meet with each manager quarterly on ESG including on the topic of Stewardship. They receive their voting data quarterly and are increasingly also receiving detailed engagement content.

Overleaf are the latest available summary statistics of the investment managers' engagement and voting track records.

Manager	Engagement*	Voting
BlackRock	- Engaged with 865 global companies 1,093 total recorded engagements - The primary engagement topics are split as follows: 16% environmental matters 22% social matters 62% governance matters	4,158 meetings eligible to vote at 44,157 total proposals eligible to vote on 96.1% of eligible votes were cast 92.8% of votes were with management recommendations 7.2% of votes were against management recommendations 0.3% of votes were abstained from - In 32.2% of meetings at least one vote was cast against management
Amundi	- Engaged with 5,421 global companies 28,606 total recorded engagements - The primary engagement topics are split as follows: 49% environmental matters 26% social matters 19% governance matters 6% other	2,674 meetings eligible to vote at 31,166 total proposals eligible to vote on 99.4% of eligible votes were cast 82.9% of votes were with management recommendations 12.7% of votes were against management recommendations 4.5% of votes were abstained from

		• In 51.9% of meetings at least one vote was cast against management
Northern Trust	• Engaged with 32 global companies • 124 total recorded engagements • The primary engagement topics are split as follows: ○ 40% environmental matters ○ 36% social matters ○ 13% governance matters ○ 12% other	• 202 meetings eligible to vote at • 2,949 total proposals eligible to vote on • 99.2% of eligible votes were cast • 94.4% of votes were with management recommendations • 9.0% of votes were against management recommendations • 0.5% of votes were abstained from • In 43.1% of meetings at least one vote was cast against management

*Engagement statistics based on latest available data. Northern Trust and BlackRock statistics are as at 30 September 2024.

Voting and engagement metrics cover the year to 31 December 2024, unless otherwise stated, and represent the aggregate of Blackrock, Northern Trust and Amundi exposures held by AB, not only the underlying funds that the ABF Target Date Funds invest in. The ABF Target Date Fund is an investment vehicle that invests in a range of different assets that evolve over time in terms of a risk/return profile, targeting a retirement age of 65 in the default case.

Source: BlackRock, Northern Trust, Amundi, AllianceBernstein.

Specific Examples of Engagement Activity

Engagement – Amundi

Tencent Holdings – Amundi engaged with the company regarding its human rights policies and practices, including its adherence to international conventions and principles and transparency in disclosure in its annual ESG report. Tencent acknowledged potential to improve disclosures and considered employing third-party independent agencies to further formalise its reporting standards.

Engagement – BlackRock

Voestalpine AG – At the July 2024 AGM, Voestalpine proposed the election of eight directors—seven for five-year terms and one for a three-year term. Two of the directors had served on the board for over 12 years, and two were considered overcommitted. Blackrock engaged with the company and assessed the proposals against its EMEA proxy voting guidelines, which emphasise the importance of board refreshment, independence, and manageable director workloads. Due to concerns about the length of director terms, insufficient board independence, and overcommitment of two directors, BlackRock voted against the election of all eight directors, including the chair of the audit committee who had served for 20 years.

Engagement – Northern Trust

Colgate-Palmolive – Northern Trust engaged with the company about its plans for nature-related reporting, including the TNFD (The Taskforce on Nature-related Financial Disclosures). It was prioritising due diligence with third party experts to begin developing its double materiality assessment for CSRD (Corporate Sustainability Reporting Directive). Following this engagement, a letter was sent encouraging Colgate-Palmolive to consider partially aligning their water disclosures with TNFD. While the company sought to include results from the double materiality assessment in

the sustainability report, it did not yet commit to reporting aligned with the TNFD. Both parties agreed that CSRD would benefit TNFD in the long run, but the severely high-risk exposure to water stressed assets warranted some preliminary plans to enhance reporting on the locations of these assets and/or activities in direct operations. The company acknowledged Northern Trust's concerns and agreed to explore options on how to strengthen their geographical risk disclosures.

Engagement and Ownership for DC Self Select Funds

Due to the number of DC Self Select Funds in the Scheme, it would not be possible to disclose all the voting information from the external investment managers in this statement and given the vast majority of assets and members (circa 98%) are invested in the Target Date Funds, the Trustee has elected to focus on these assets. The Trustee has not specified additional voting and engagement behaviours for these Funds as the voting and engagement for the Funds is outsourced for the DC Self Select Funds investment managers to carry it out.

Engagement and Ownership of Legacy AVC Funds

Due to the nature of the Legacy AVC Funds, it has not been possible to obtain the information from the policies which are mainly with-profit insurance policies. The Trustee has not specified additional voting and engagement behaviours for these Funds as the voting and engagement for the Funds is outsourced for the Legacy AVC Funds investment managers to carry it out. Further, the Legacy AVC arrangements were transferred to the DC Section over the course of the year.

Most Significant Votes

The Trustee's definition of a significant vote is provided in a previous section of this Statement. The most significant votes are considered to be all significant votes made by the top three holdings within each mandate. The table below lists the most significant votes cast over the year.

The Trustee delegates the responsibility for the exercising of voting rights attached to the Scheme's investments to their appointed investment managers. As such the Trustee do not use the direct services of a proxy voter. However, the Scheme's investment managers do utilise proxy voting providers, many of which using a custom voting policy and with final say on any votes determined by the investment manager.

Manager	Vote Information	Outcome
Calamos	Company: NVIDIA Corp Date of vote: 25/06/2024 Resolution summary: Election of Directors (12 individuals in total) Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 8.17%	How the manager voted: For Rationale for vote decision: In-line with proxy voting policy Vote Outcome: Approved Implications: None provided

	Company: NVIDIA Corp Date of vote: 25/06/2024 Resolution summary: Advisory Vote on Executive Compensation Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 8.17%	How the manager voted: For Rationale for vote decision: In-line with proxy voting policy Vote Outcome: Approved Implications: None provided
	Company: NVIDIA Corp Date of vote: 25/06/2024 Resolution summary: Ratification of Auditor Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 8.17%	How the manager voted: For Rationale for vote decision: In-line with proxy voting policy Vote Outcome: Approved Implications: None provided
	Company: NVIDIA Corp Date of vote: 25/06/2024 Resolution summary: Shareholder Proposal Eliminating Supermajority Provisions Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 8.17%	How the manager voted: For Rationale for vote decision: In-line with proxy voting policy Vote Outcome: Approved Implications: None provided
	Company: Lilly (Eli) & Co Date of vote: 13/4/2024 Resolution summary: Advisory Vote on Executive Compensation Reason for significance of vote: Executive Remuneration Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 3.60%	How the manager voted: For Rationale for vote decision: In-line with proxy voting policy Vote Outcome: Approved Implications: None provided
	Company: Lilly (Eli) & Co Date of vote: 13/4/2024 Resolution summary: Shareholder Proposal Regarding Extended Patent Exclusivities and Application for Secondary and Tertiary Patents Reason for significance of vote: Human Rights	How the manager voted: Against Rationale for vote decision: In-line with proxy voting policy Vote Outcome: Not Approved Implications: None provided

	Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 3.60%	
	Company: Lilly (Eli) & Co Date of vote: 13/4/2024 Resolution summary: Shareholder Proposal Regarding Human Rights Policy Reason for significance of vote: Human Rights Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 3.60%	How the manager voted: Against Rationale for vote decision: In-line with proxy voting policy Vote Outcome: Not Approved Implications: None provided
	Company: Microsoft Corporation Date of vote: 20/11/2024 Resolution summary: Remuneration Report Reason for significance of vote: Executive Remuneration Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 3.37%	How the manager voted: For Rationale for vote decision: In-line with proxy voting policy Vote Outcome: Approved Implications: None provided
	Company: Microsoft Corporation Date of vote: 20/11/2024 Resolution summary: Shareholder Proposal Regarding Report on Sitting in Countries of Significant Human Rights Concern Reason for significance of vote: Human Rights Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 3.37%	How the manager voted: Against Rationale for vote decision: In-line with proxy voting policy Vote Outcome: Not Approved Implications: None provided
	Company: Microsoft Corporation Date of vote: 20/11/2024 Resolution summary: Shareholder Proposal Regarding Report on Risks of AI Data Sourcing Reason for significance of vote: Human Rights Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 3.37%	How the manager voted: Against Rationale for vote decision: In-line with proxy voting policy Vote Outcome: Not Approved Implications: None provided
Liontrust	Company: Microsoft Corporation Date of vote: 10/12/2024	How the manager voted: For Rationale for vote decision: The team voted for the proposal due to the benefit of increased disclosure on management of

	Resolution summary: Report on Risks of Operating in Countries with Significant Human Rights Concerns Reason for significance of vote: Human Rights Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 3.27%	human rights-related risks in high-risk countries Vote Outcome: Not Approved Implications: None provided
	Company: Dassault Aviation SA Date of vote: 16/05/2024 Resolution summary: Authorize Repurchase of Up to 10 Percent of Issued Share Capital Reason for significance of vote: Executive remuneration Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 3.18%	How the manager voted: Against Rationale for vote decision: The team voted against as the share repurchase program can be continued during a takeover period. Vote Outcome: Approved Implications: None provided
	Company: Atlas Copco AB Date of vote: 24/04/2024 Resolution summary: Re-elect Johan Forssell as Director Reason for significance of vote: Executive remuneration Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 2.92%	How the manager voted: Against Rationale for vote decision: The team voted against the re-election due to lack of independence. Vote Outcome: Approved Implications: None provided
Veritas	Company: Alphabet Inc Date of vote: 07/06/2024 Resolution summary: Adopt Targets Evaluating YouTube Child Safety Policies Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 7.6%	How the manager voted: For Rationale for vote decision: A vote for this proposal is warranted, as additional disclosure on how the company measures and tracks metrics related to child safety on the company's platforms would give shareholders more information on how well the company is managing related risks. Vote Outcome: Fail Implications: None provided
	Company: Alphabet Inc Date of vote: 07/06/2024 Resolution summary: Approve Recapitalization Plan for all Stock to Have One-vote per Share Reason for significance of vote: Greater than 5% of fund's holdings	How the manager voted: For Rationale for vote decision: A vote FOR this proposal is warranted as it would convey to the board non-affiliated shareholders' preference for a capital structure in which the levels of economic ownership and voting power are aligned. Vote Outcome: Fail Implications: None provided

	Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 7.6%	
	Company: Alphabet Inc Date of vote: 07/06/2024 Resolution summary: Elect Director John L. Hennessy Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 7.6%	How the manager voted: Against Rationale for vote decision: The company does not report in line with the recommendations of the Task Force on Climate-related Financial Disclosures. The level of gender diversity on board is below 40% and has not improved compared to the previous year. Within senior leadership positions, none of the roles of Chair, CEO, Chief Financial Officer and senior independent director are held by women. In addition: Votes against governance committee members John Hennessy and Frances Arnold are warranted, due to the company maintaining a multi-class share structure with disparate voting rights, which is not subject to a reasonable time-based sunset. Vote Outcome: Pass Implications: None provided
	Company: Alphabet Inc Date of vote: 07/06/2024 Resolution summary: Elect Director K. Ram Shriram Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 7.6%	How the manager voted: Against Rationale for vote decision: Votes against incumbent compensation committee members John Doerr, K. Ram Shriram, and Robin Washington are warranted due to executive compensation concerns, in the absence of a say-on-pay proposal on the ballot. Vote Outcome: Pass Implications: None provided
	Company: Alphabet Inc Date of vote: 07/06/2024 Resolution summary: Elect Director L. John Doerr Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 7.6%	How the manager voted: Against Rationale for vote decision: Votes against incumbent compensation committee members John Doerr, K. Ram Shriram, and Robin Washington are warranted due to executive compensation concerns, in the absence of a say-on-pay proposal on the ballot. Vote Outcome: Pass Implications: None provided
	Company: Alphabet Inc Date of vote: 07/06/2024 Resolution summary: Elect Director Robin L. Washington Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 7.6%	How the manager voted: Against Rationale for vote decision: Votes against incumbent compensation committee members John Doerr, K. Ram Shriram, and Robin Washington are warranted due to executive compensation concerns, in the absence of a say-on-pay proposal on the ballot. Vote Outcome: Pass

		Implications: None provided
	Company: Alphabet Inc Date of vote: 07/06/2024 Resolution summary: Publish Human Rights Risk Assessment on the AI-Driven Targeted Ad Policies Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 7.6%	How the manager voted: For Rationale for vote decision: A vote for this proposal is warranted because an independent human rights assessment on the impacts would help shareholders better evaluate the company's management of risks related to the human rights impacts of its targeted advertising policies and practices. Vote Outcome: Fail Implications: None provided
	Company: Alphabet Inc Date of vote: 07/06/2024 Resolution summary: Report on Lobbying Payments and Policy Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 7.6%	How the manager voted: For Rationale for vote decision: A vote for this resolution is warranted, as shareholders would benefit from increased disclosure to evaluate the company's lobbying efforts. Vote Outcome: Fail Implications: None provided
	Company: Alphabet Inc Date of vote: 07/06/2024 Resolution summary: Report on Risks Related to AI Generated Misinformation and Disinformation Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 7.6%	How the manager voted: For Rationale for vote decision: A vote for this proposal is warranted, as shareholders would benefit from greater transparency on mis/disinformation related to generative AI in order to assess how the company is managing associated risks. Vote Outcome: Fail Implications: None provided
	Company: Amazon.com, Inc. Date of vote: 22/05/2024 Resolution summary: Advisory Vote to Ratify Named Executive Officers' Compensation Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 6.2%	How the manager voted: Against Rationale for vote decision: Performance-based awards account for less than 50% of the total LTI awards. While a pay-for-performance misalignment was identified for the year in review and certain concerns remain surrounding the company's pay program structure, as no portion of NEO compensation is directly tied to the achievement of pre-set performance criteria, certain mitigating factors have been identified. Specifically, it is recognized that FY23 pay for all NEOs was relatively low, consisting only of a base salary and certain perquisites. In addition, no equity awards were provided to NEOs in FY23, following relatively large grants made to certain NEOs during the prior fiscal year. However, following consecutive years of relatively low support for this proposal, the compensation committee demonstrated

		limited responsiveness to certain shareholders' concerns. The compensation committee engaged with shareholders, disclosed specific feedback, and provided enhanced disclosure surrounding the current pay program design and philosophy. While this greater transparency into the committee's rationale for its pay practices is recognized, the company did not make material changes to the pay program to address certain shareholder concerns. Although the company has demonstrated a degree of responsiveness by addressing certain shareholders questions, the lack of actions taken in respect to certain areas of concern falls short of adequate responsiveness. In light of the committee's limited responsiveness to the relatively low say-on-pay vote last year, a vote against this proposal is warranted. Vote Outcome: Pass Implications: None provided
	Company: Amazon.com, Inc. Date of vote: 22/05/2024 Resolution summary: Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 6.2%	How the manager voted: For Rationale for vote decision: A vote for this proposal is warranted. Shareholders would benefit from increased transparency and disclosure on how the company is managing human rights-related risks, particularly regarding freedom of association and collective bargaining rights. Vote Outcome: Fail Implications: None provided
	Company: Amazon.com, Inc. Date of vote: 22/05/2024 Resolution summary: Commission a Third Party Audit on Working Conditions Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 6.2%	How the manager voted: For Rationale for vote decision: A vote for this proposal is warranted. Concerns are raised regarding recent work-place related violations and resulting negative media attention. Given the potential reputational risk, an independent third-party audit appears reasonable at this time. Additionally, results from an independent audit may address the inconsistencies between the statistics cited by the proponent and the injury rates reported by the company, which would allow shareholders to more fully evaluate the company's efforts to address workplace safety. Vote Outcome: Fail Implications: None provided

	Company: Amazon.com, Inc. Date of vote: 22/05/2024 Resolution summary: Elect Director Jonathan J. Rubinstein Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 6.2%	How the manager voted: Against Rationale for vote decision: The company has failed to commit to introducing and disclosing science-based emission reduction targets with a coherent strategy and action plan in line with a 1.5-degree scenario. Red Line E5 The company has failed to disclose quantitative and qualitative environmental information through CDP's climate change, water and forests questionnaires to address workplace safety. Vote Outcome: Pass Implications: None provided
	Company: Amazon.com, Inc. Date of vote: 22/05/2024 Resolution summary: Report on Efforts to Reduce Plastic Use Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 6.2%	How the manager voted: For Rationale for vote decision: A vote for this proposal is warranted, as shareholders would benefit from additional information on how the company is managing risks related to the creation of plastic waste. Vote Outcome: Fail Implications: None provided
	Company: Amazon.com, Inc. Date of vote: 22/05/2024 Resolution summary: Report on Impact of Climate Change Strategy Consistent With Just Transition Guidelines Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 6.2%	How the manager voted: For Rationale for vote decision: A vote for this proposal is warranted, as shareholders would benefit from more disclosure on whether and how the company considers human capital management and community relations issues related to the transition to a low-carbon economy as part of its climate strategy. Vote Outcome: Fail Implications: None provided
	Company: Amazon.com, Inc. Date of vote: 22/05/2024 Resolution summary: Report on Lobbying Payments and Policy Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 6.2%	How the manager voted: For Rationale for vote decision: A vote for this resolution is warranted, as shareholders would benefit from increased disclosure to evaluate the company's lobbying efforts. Vote Outcome: Fail Implications: None provided

	Company: Unilever Plc Date of vote: 01/05/2024 Resolution summary: Authorise Issue of Equity Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 5.6%	How the manager voted: For Rationale for vote decision: Veritas believe it is important for Unilever to improve its operational performance before engaging in substantial M&A which is made possible by the ability to issue up to 33% of ISC. Management themselves have stated that they agree with this position. Veritas therefore vote AGAINST item 17. Vote Outcome: Fail Implications: None provided
	Company: Unilever Plc Date of vote: 01/05/2024 Resolution summary: Authorise Issue of Equity without Pre-emptive Rights Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 5.6%	How the manager voted: Against Rationale for vote decision: Veritas is voting contrary to the Red Line policy recommendation; on the basis that the amounts specified are within the typically permitted limits and the maximum discount is 10%. Vote Outcome: Pass Implications: None provided
	Company: Unilever Plc Date of vote: 01/05/2024 Resolution summary: Authorise Issue of Equity without Pre-emptive Rights in Connection with an Acquisition or Other Capital Investment Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 5.6%	How the manager voted: Against Rationale for vote decision: Veritas is voting contrary to the Red Line policy recommendation; on the basis that the amounts specified are within the typically permitted limits and the maximum discount is 10%. Vote Outcome: Pass Implications: None provided
Amundi	Company: Nvidia Corp Date of vote: 26/06/2024 Resolution summary: Adopt Simple Majority Vote Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 5.6%	How the manager voted: For Rationale for vote decision: Absent the presence of a significant or controlling shareholder, AllianceBernstein is generally supportive of reducing supermajority vote requirements as it enhances shareholder accountability. Vote Outcome: Pass Implications: Through both voting and engagement, AllianceBernstein will continue to encourage strong governance practices at the company that improve accountability to minority shareholders.

	Company: Amazon.com Inc Date of vote: 22/05/2024 Resolution summary: Report on Framework to Assess Company Lobbying Alignment with Climate Goals Reason for significance of vote: Climate Change Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 3.3%	How the manager voted: For Rationale for vote decision: The proposal appears value additive by requesting useful disclosure. The Company's current disclosure does not enable shareholders to assess any level of congruency between the Company's political advocacy or lobbying work and its commitments around climate. Further, the proposal does not ask for a line-by-line congruency analysis, but rather simply disclosure around the framework used to assess congruency. Vote Outcome: Fail Implications: AllianceBernstein will continue to encourage more transparency around the company's climate lobbying practices through both voting and engagement, as this disclosure is important to allow shareholders to assess alignment with the company's publicly stated values and priorities.
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Note: No significant votes were cast over the year within the Artemis, BeachPoint, CQS or Schroders mandates within the DB Section of the Scheme. This is within expectations since due to the number of holdings, Schroders and Artemis do not have any votes meeting the 2% threshold for a significant vote. As a fixed income and credit multi asset manager respectively, Beachpoint and CQS have limited exposure to equities in their funds. For the small number of equity positions they do have, the Fund tends to hold little of the issued amounts and voting shares, and thus have fewer opportunities to cast "significant" votes.

Within the DC Target Date Funds BlackRock are currently unable to provide the percentage holding in the underlying fund and so no significant votes are listed in this report for these funds.