Yuill Group Pension Scheme

Statement of Investment Principles - Implementation Statement

The purpose of this Statement is to provide information, which is required to be disclosed in accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, as subsequently amended, including amendments to transpose the EU Shareholder Rights Directive (SRD II) into UK law. In particular, it confirms how the investment principles, objectives and policies of the Trustee's Statement of Investment Principles (SIP) dated August 2023 have been implemented.

It also includes the Trustee's voting and engagement policies, as well as details of any review of the SIP during the year, subsequent changes made with the reasons for the changes (if any). A description of the voting behaviour during the year, either by or on behalf of the Trustee, or if a proxy voter was used, is also included within this Statement. This Statement covers the period 1 July 2024 to 30 June 2025.

Investment objectives of the Scheme

The Employer has ceased to trade. The Scheme entered the Pension Protection Fund assessment period, but did not transfer to the PPF as the Scheme is sufficiently funded on a PPF basis to pay benefits above PPF compensation levels.

The primary funding and investment objective of the Scheme is to secure the benefits of members with an insurance company who will ultimately provide benefits to the Scheme members as and when these fall due.

Once each individual member's benefits have been secured through an insurance policy, the Scheme will be wound up.

Stewardship policy

The Trustee's stewardship policy, as set out in the SIP is as follows.

> The Trustee believes that in order to protect and enhance the value of the investments, during the period over which the benefits are paid, it must act as a responsible asset owner. The Trustee expects its Investment Manager to exercise its ownership rights, including voting and engagement rights, in order to safeguard sustainable returns over this time frame. On an ongoing basis the Trustee assesses the stewardship and engagement activity of its Investment Manager.

Review of the SIP and Investment Strategy

The last amendment to the SIP occurred in August 2023 where a revised version of the SIP was executed. The SIP was updated to comply with updated regulatory requirements, and to reflect the change of Investment Manager from Legal & General to BlackRock for managing the cash assets of the Scheme that took place in May 2022.

Over the current scheme year, there have been no changes made to the Scheme's investment strategy.

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The Trustee has a policy on financially material considerations relating to ESG issues, including the risk associated with the impact of climate change. In addition, the Trustee has a policy on the exercise of rights and engagement activities, and a policy on non-financial considerations. These policies are set out later in this Statement and are detailed in the Trustee's SIP.

Investment managers and funds in use

The Scheme holds the majority of its assets in a bulk annuity buy-in policy with Aviva Life & Pensions ('Aviva'). The remaining assets held to meet expected expenses associated with winding up the Scheme are invested in the Blackrock ICS Sterling Government Liquidity Fund which is held via the Mobius Life investment platform.

Investment Governance

The Trustee is responsible for making investment decisions and seeks advice as appropriate from Broadstone Corporate Benefits Limited ('Broadstone'), as the Trustee's investment consultant.

The Trustee does not actively obtain views of the membership of the Scheme to help form their policies set out in the SIP.

There were no changes to the investment management agreement with Aviva and Mobius Life during the year.

There were no changes to the objectives put in place for Broadstone which were last reviewed in January 2024. The Trustee is due to formally review these objectives by January 2027 or earlier.

Trustee Policies

The table below sets out how, and the extent to which, the relevant policies in the Scheme's SIP have been followed:

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Requirement	Policy	Implementation of Policy
Financially and Non-Financially Material Considerations	The Trustee believes that the consideration of financially material Environmental (including climate change), Social and Governance (ESG) factors in investment decision making can lead to better risk adjusted investment returns. The Trustee expects its Investment Manager, when exercising discretion in investment decision making, to take financially material ESG factors into account. On an ongoing basis the Trustee assesses the ESG integration capability of its Investment Manager. Where ESG factors are non-financial (i.e. they do not pose a risk to the prospect of the financial success of the investment) the Trustee believes these should not drive investment decisions. The Trustee expects its Investment Manager, when exercising discretion in investment decision making, to consider non-financial factors only when all other financial factors have been considered and in such a circumstance the consideration of non-financial factors should not lead to a reduction in the efficiency of the investment. Members' views are not sought on non-financial matters (including ESG and ethical views) in relation to the selection, retention and realisation of investments.	No deviation from this policy over the year to 30 June 2025
Voting Rights and Engagement	The Trustee's voting and engagement policy is to use their investments to improve the Environmental, Social and Governance behaviours of the underlying investee companies. These ESG topics encompass a range of priorities, which may over time include climate change, biodiversity, the remuneration and composition of company boards, as well as poor working practices. The Trustee believes that having this policy and aiming to improve how companies behave in the medium and long term will protect and enhance the value of their investments and is in the members' best interests. The Trustee will aim to monitor the actions taken by the investment manager on their behalf and if there are significant differences from the policy detailed above, they will escalate their concerns which could ultimately lead to disinvesting their assets from the manager. The Trustee cannot directly influence Aviva's policies on the exercise of investment for their bulk annuity policy. This is due to the nature of these investments.	No deviation from this policy over the year to 30 June 2025

Financially and non-financially material considerations

The Trustee notes that the manner by which financially material ESG factors will be taken into account in an investment strategy or pooled fund offering will depend on the underlying asset classes within the pooled fund offering and the management style (e.g. active or passive).

The Trustee is satisfied that the funds currently invested in by the Scheme are managed in accordance with their views on financially material considerations, as set out below, and in particular with regards to the selection, retention, and realisation of the underlying investments held.

This position is monitored periodically. As part of the monitoring process, the Trustee has access to updates on governance and engagement activities by the investment managers,

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and input from their investment advisors on ESG matters. These views are also taken into account when appointing and reviewing an investment manager.

The Trustee acknowledges that they are delegating the consideration of financially material factors in relation to determining the underlying holdings to their investment managers, given they are investing in pooled funds.

A summary of the Trustee's views for each asset class in which the Scheme invests is outlined below:

Asset Class	Actively or Passively Managed?	Comments
Insurance policies	Active	The Trustee believes there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the investment. However voting rights are expected to be exercised by the insurer in line with their general voting policies.
Cash	Active	The Trustee believes there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the cash asset class. However, voting rights are expected to be exercised by the investment managers in line with their general voting policies.

Voting rights and engagement activities

The Trustee currently invests in a bulk annuity buy in policy with Aviva and a pooled investment fund with BlackRock. The Trustee acknowledge that this limits their ability to directly influence the investment managers.

The Trustee has employed Broadstone to assist in monitoring the voting and engagement activity of BlackRock. The Trustee, with the assistance of Broadstone, concluded that the voting and engagement activity of BlackRock is in line with their policy on voting and engagement.

The Trustee has delegated engagement activities to the investment manager, and the investment manager reports to the Trustee on how they have voted on behalf of the Trustees for the underlying holdings.

Within the current investment arrangements, the underlying assets held by Aviva in respect of the bulk annuity policy are not expected to attract voting rights given the fixed income nature of the investments. The assets held within the Blackrock ICS Sterling Government Liquidity Fund also do not typically attract voting rights.

Engagement activity

Notable engagement activities of BlackRock over the last 12 months are provided below:

- **BlackRock** engaged with Voestalpine, an Austria-based Steel Company, on corporate governance, focusing on board refreshment, director independence, and overcommitment. At the July 2024 AGM, eight directors were up for election—seven

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for five-year terms and one for a three-year term. Two of the seven directors had served over 12 years, and two were considered overcommitted. BlackRock's EMEA proxy voting guidelines emphasise the importance of periodic board refreshment, shorter director terms, and limiting external mandates to ensure directors can effectively fulfil their responsibilities. Due to concerns over long director terms, insufficient board independence, and overcommitment, BlackRock did not support the election of any of the eight directors, including the audit committee chair who had served for 20 years and was not deemed independent. The directors received approximately 68–80% shareholder support.

- **BlackRock** engaged with Diageo, a UK-based multinational company, in September 2024 to better understand the company's approach to managing climate and natural capital-related risks and opportunities relevant to its business. At the September 2024 AGM, proposals also included director elections and approval of the remuneration report. Diageo's "Spirit of Progress" strategy announced in 2020 already outlines the company's commitment to achieving net zero carbon emissions in direct operations by 2030 and across its full value chain by 2050. The company operates in highly water-stressed regions and has also set targets to replenish more water than it uses in those areas by 2026, and to improve water efficiency by 40% by 2030. Through the engagement, BlackRock learned that Diageo is actively addressing water security and climate risks via multi-stakeholder collaboration and contingency planning. Due to the company's clear strategy and disclosures on managing material financial risks, BlackRock supported all management proposals at the AGM. The proposals received between 90–100% shareholder support.

The Trustee is comfortable with the investment manager's approach for conducting engagement activities, and specifically that they attempt to maximise shareholder value as a long-term investor.

Signatories to the UNPRI (United Nations Principles for Responsible Investment) will receive an overall 'score' which represents how well ESG metrics are incorporated into managers' investment processes. The investment managers will submit a transparency report on their processes across different categories which is then assessed by the UNPRI and graded in a formal report. For the 2024 UNPRI Assessment Reports, scores are presented as a 'star' rating ranging from 1 star to 5 stars, with more stars representing a higher score.

The latest available UNPRI scores of the Investment Managers are outlined in the table below:

Manager	UNPRI Score
Aviva**	5
BlackRock	4
Median*	3

*Median for all UNPRI Signatories.
**2023 UNPRI Score.

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The Trustee also considers the investment manager's policies on stewardship and engagement when selecting and reviewing an investment manager.

Monitoring of Investment Arrangements

In addition to any reviews of the investment managers or approaches, and direct engagement with investment manager (as detailed above), the Trustee receives periodic reports to ensure the investment objectives set out in their SIP are being met.

Date: 17 November 2025

Trustee of the Yuill Group Pension Scheme

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