Implementation Statement ("IS")

Biffa Pension Scheme (the "Scheme")

Scheme Year: 1 April 2025 to 31 March 2026

The purpose of the Implementation Statement is for us, the Trustee of the Biffa Pension Scheme, to explain what we have done during the year ending 31 March 2026 ("the Scheme Year") to achieve certain policies and objectives set out in the Statement of Investment Principles ("SIP").

It includes:

1. A summary of any review and changes made to the SIP over the year;
2. How our policies in the SIP have been followed during the year; and
3. How we have exercised our voting rights, including the use of any proxy voting advisory services.

Our conclusion

Based on the activity we have undertaken during the Scheme Year, we believe that the policies set out in the SIP have been implemented effectively.

As our fiduciary investment manager[1], Aon Investments Limited ("AIL") has collated the required and relevant information on voting behaviour and engagement activity from the underlying investment managers. The details are summarised in this statement.

We conclude that the activities completed by our managers align with our stewardship priorities, and that our voting policy has been implemented effectively in practice.

Review and changes to the SIP during the Scheme Year

The SIP was not reviewed and updated over the Scheme year, the Scheme's latest SIP can be found here:

[1] We use the term 'fiduciary investment manager' to indicate that AIL has the discretion to implement changes to the underlying investments, in accordance with the broad policies agreed by the Trustee.

Evidence on how the Trustee has met its SIP objectives and policies

The Trustee outlines in its latest SIP a number of key objectives and policies. These are noted below together with an explanation of how these objectives have been met and policies adhered to over the course of the year:

The Trustee's key aim is to provide a range of investments that are suitable for meeting members' needs taking into account members' circumstances, in particular the range of members' attitudes to risk and term to retirement.	The Trustee provides members with a wide range of investment options covering the main asset classes. *UKW MP members with benefits accrued before April 1997 have an underpin which applies to these benefits and as such, they are required to take their 'pre97' funds as an annuity from the Scheme. For this reason, the only investment option available for these members (for all funds) is the Aon Managed Retirement Pathway to Annuity strategy.* Members who do not wish to take an active role in managing their investment choices, or are restricted in their choice, will be invested in a default strategy. The default strategy that a member is invested in is dependent on their term to retirement and the category they belong to (thereby aiming to meet members' likely needs). During the growth phase, the default strategy for all members is the Aon Managed Retirement Pathway to Drawdown. The Cash and Annuity strategies are only available in the lead up to retirement, with new vintages of those Target Date Funds being launched around seven years in advance of the target retirement date window. All members are therefore invested in the Retirement Pathway to Drawdown strategy during the growth phase. Members with a Guaranteed Minimum Pension underpin are moved to the Aon Managed Retirement Pathway to Annuity, as their default, in the approach to retirement. Members whose benefits in the DC Section are as a result of paying Additional Voluntary Contributions (AVCs) are moved to the Aon Managed Retirement Pathway to Cash, as their default, in the approach to retirement. Each of the Aon Managed Retirement Pathway Fund strategies provides an asset allocation strategy which automatically changes the funds members are invested in depending on the length of time until their selected retirement date. As members get closer to retirement, their savings are gradually moved out of growth-seeking assets and towards a more diversified portfolio and, in the final years leading up to retirement, towards a portfolio consistent with the form in which they are expected to take their benefits (i.e. annuity, drawdown or cash).
The aim of the asset allocation strategies is to provide members with the potential for higher levels of growth during the accumulation of their retirement savings and then to gradually diversify their investments in the years approaching retirement, to reduce volatility and provide a broad base of assets from which members can choose the type of	During the Scheme Year, each of the Aon Managed Retirement Pathway Fund strategies initially invested in the Aon Managed Initial Growth Phase Fund, the Aon Managed Global Impact Fund and the Aon Managed Over 15 Year UK Gilt Index Fund until around fifteen years before a member's selected retirement age. During this 'growth' phase, the Aon Managed Retirement Pathway strategies aim to provide real growth (in excess of inflation) over the long term. From approximately fifteen years from a member's selected retirement age, investments that are expected to have lower volatility are gradually introduced. At a member's selected retirement date, the Aon Managed Retirement Pathway strategies invest members' assets across a range of asset classes appropriate for the relevant choice of retirement target (i.e. annuity, drawdown or cash). Under fiduciary mandates managed by AIL, AIL sets, monitors and reviews the strategy and performance of the Aon Managed Retirement Pathway Funds on a regular basis.

benefits they wish to take.	
The Trustee regularly reviews the appropriateness of the three asset allocation strategies and may make changes from time to time, advising members of any changes. **The Trustee manages risk by reviewing the range of funds offered and the suitability of the Retirement Pathway options at least triennially.** **The Trustee considers these risks in a qualitative rather than quantitative manner as part of each formal strategy review.**	In order to assess the continued appropriateness of the Aon Managed Retirement Pathway strategies, the Trustee, via their investment adviser, carries out a triennial investment strategy review. The last review was undertaken during 2023. It included membership analysis and gave an in-depth review of the Aon Managed Retirement Pathway strategies. The conclusion was that the default investment strategies remained appropriate for the majority of Scheme members and that the default investment strategies were expected to provide an adequate level of investment return, in order to meet the reasonable expectations of members of the Scheme in relation to their retirement benefits. There were no changes made to the available fund range. The next strategy review is due by 22 November 2026. AIL made several changes to the Aon Managed Retirement Pathway Funds over the year, principally: • Introduced an allocation to long-dated nominal gilts within the growth phase reflecting relatively attractive yields available; and • Changes were made over the year to the underlying composition of the Aon Managed Diversified (Multi) Asset Fund and to the Aon Managed Diversified Multi-Strategy Bond Fund, to reflect AIL's changing views of their preferred allocation across major asset classes for these funds. Investment monitoring takes place on a quarterly basis with monitoring reports provided to the Trustee by AIL. The investment reports include performance reporting on all of the investment funds relative to their respective benchmarks or targets and performance commentary which highlights key factors affecting the performance of the funds over the quarter. These reports also contain any updates on changes to the funds made by the fiduciary investment manager, AIL, over the quarter. Any issues with the underlying asset managers' investment strategy, including the ESG assessment, are flagged. The Aon Managed Retirement Pathway Fund series has outperformed against the inflation linked objectives since inception. Although the strategy underperformed inflation linked objectives over the five-year period to March 2026, it was noted this was primarily due to the historically high inflation rates witnessed over this period. Funds and the underlying investment managers continued to perform as expected in the market environment and no significant concerns were raised regarding the investment strategy over the Scheme Year.
The Trustee will review from time to time the underlying investment managers' principles and how these have been applied in exercising voting rights.	Under the Trustee's fiduciary mandate managed by AIL, AIL appoints the underlying investment managers. Prior to appointing any underlying investment manager, AIL will carry out extensive due diligence on behalf of the Trustee to ensure risks to members relating to fraud, acts of negligence and provider failure are minimised. As part of the manager selection process AIL considers the manager's stewardship policies and behaviours. Further, this is considered as part of ongoing investment governance protocols. More information on AIL's approach to the exercise of voting rights and stewardship is set out later in this statement.

Voting, engagement, and stewardship

How the Trustee's expectations regarding voting and engagement have been implemented

The Scheme is invested entirely in pooled funds, and so the responsibility for voting and engagement is delegated to the Scheme's investment manager, Aon Investments Limited ('AIL'). AIL invests the Scheme's assets in a range of funds including the default strategy and wider range of self-select funds. AIL selects the underlying asset managers to achieve the objective of each fund on behalf of the Trustee.

We reviewed the stewardship activity carried out over the year by the material investment managers, and, in our view, all were able to disclose adequate evidence of voting and / or engagement activity. More information on the stewardship activity carried out by AIL and the underlying investment managers can be found in the following sections.

Over the reporting year, we monitored the performance of the Scheme's investments on a quarterly basis and received updates on important issues from our investment manager. In particular, we received quarterly Environment Social Governance ("ESG") ratings from Aon for the funds the Scheme is invested in (where available).

Each year, we review the voting and engagement policies of the Scheme's investment manager to ensure they align with our own policies for the Scheme and help us to achieve them.

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which ESG issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

AIL's engagement activity

Engagement is when an investor communicates with current (or potential) investee companies or asset managers (as owners of companies) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

Over the year, AIL held several engagement meetings with many of the underlying asset managers in its strategies. AIL discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the asset managers. AIL provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

To support these engagements, AIL maintains a set of stewardship priorities which align with their responsible investing beliefs. These priorities focus on investment stewardship, climate change transition and nature loss, combatting modern slavery and Artificial Intelligence. A summary of these priorities is provided in appendix 1. Over the year, AIL engaged with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations.

In 2021, AIL committed to achieve net zero emissions by 2050, with a 50% reduction by 2030 for its fully delegated clients' portfolios and defined contribution default strategies (relative to baseline year of 2019). During the year, AIL published its third report for the Taskforce on Climate Related Financial Disclosures. This showed that AIL has achieved a meaningful reduction in carbon footprint across its default strategies over the period from 2019 to 2025.

AIL successfully renewed its signatory status to the 2020 UK Stewardship Code. This is a voluntary code established by the Financial Reporting Council that sets high standards on stewardship for asset owners, investment managers and service providers.

AIL has developed an Impact Research platform, focused on integrating ESG risk factors into the manager research process. The Impact research platform aims to help evolve AIL's view of "impact" to encompass both ethics/values-driven investing and ESG integration.

Furthermore, AIL is developing internal capabilities to integrate ESG data from multiple vendors and platforms through a "Quantamental" dashboard that provides in-depth ESG analytics for over 8,000 liquid strategies. AIL intends to expand this analysis in future to include advanced metrics for implied temperature rise, Sustainable Financial Disclosure Regulation's (SFDR's) Principal Adverse Indicators (PAIs) and Diversity Equity and Inclusion factors.

Underlying managers' voting activity – Equity, real asset and multi-asset funds

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock.

We believe that good asset stewardship is in members' best interests by promoting best practice and encouraging investee companies to access opportunities, manage risk appropriately and protect shareholders' interests.

Understanding and monitoring the stewardship that investment managers practice in relation to the Scheme's investments is an important factor in deciding whether a manager remains the right choice for the arrangement.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Scheme's equity-owning investment managers to responsibly exercise their voting rights. Over the year, the material equity, real asset and multi-asset investments held by the Scheme within the default strategies and wider self-select fund range were as set out on the following pages:

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues.

Source: UN PRI

Aon Managed Retirement Pathway Funds

Aon Managed Fund	Underlying managers (equity-owning only)
Aon Managed Global Impact Fund	Baillie Gifford, Lyrical, Mirova, Nordea
Aon Managed Initial Growth Phase Fund	Equities: L&G, UBS Listed real assets: BlackRock, L&G
Aon Managed Diversified Asset Fund	L&G, UBS

Source: Aon Investments Limited

Self-select fund range

Aon Managed Fund	Underlying managers (equity-owning only)
Aon Managed Global Equity Fund	L&G, UBS

Aon Managed Fund	Underlying managers (equity-owning only)
Aon Managed Diversified Multi-Asset Fund	L&G, UBS
BlackRock UK Equity Index Fund	BlackRock
L&G FTSE4GOOD Developed Equity Index Fund *(formerly Aegon LGIM Ethical Global Equity Index Fund)*	L&G

Source: Aon Investments Limited

Voting statistics: Aon Managed Retirement Pathway Funds

The table below shows the voting statistics for each of the material funds held within the default strategies, the Aon Managed Retirement Pathway Funds, for the year to 31 March 2026. We also provide a combined view for a member 30 years from retirement and at retirement, invested in the Aon Managed Retirement Pathway Funds.

Aon Managed Retirement Pathway Funds

Aon Managed Funds	% Proposals Voted	% votes cast against management	% votes abstained
Aon Managed Initial Growth Phase Fund[1,2]	95.7%	13.9%	0.3%
Aon Managed Global Impact Fund	100.0%	19.7%	0.7%
Aon Managed Diversified Asset Fund[1]	96.3%	16.3%	0.4%
Aon Managed Retirement Pathway Funds			
Member 30 years from retirement[1]	**96.1%**	**14.5%**	**0.4%**
Member at retirement[1]	**96.2%**	**15.4%**	**0.4%**

Source: Aon Investments Limited, Underlying investment managers.

[1] Figures shown only reflect the proportion of the portfolio with equity-voting rights.

[2]Invests 90% in the Aon Managed Global Equity Fund and 10% in property and infrastructure.

Voting statistics: self-select funds

The table below shows the voting statistics for each of the material funds offered within the wider self-select fund range available for the year to 31 March 2026.

Self-select fund range

Aon Managed Funds	% Proposals Voted	% votes cast against management	% votes abstained
Aon Managed Global Equity Fund	95.4%	14.6%	0.4%
Aon Managed Diversified Multi Asset Fund[1]	96.3%	16.3%	0.4%
BlackRock UK Equity Index Fund	99.5%	2.7%	0.0%
L&G FTSE4GOOD Developed Equity Index Fund	100.0%	17.2%	0.4%

Source: Aon Investments Limited, underlying investment managers.

[1]Please note figures shown only reflect the proportion of the portfolio with equity-voting rights.

Use of proxy voting advisors

Many investment managers use proxy voting advisors to help them fulfil their stewardship duties. Proxy voting advisors provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations. The table below describes how the Scheme's underlying investment managers use proxy voting advisors.

Manager	Description of use of proxy voting
Baillie Gifford	Whilst Baillie Gifford is cognisant of proxy advisers' voting recommendations (Institutional Shareholder Services (ISS) and Glass Lewis), it does not delegate or outsource any of its stewardship activities or follow or rely upon ISS's recommendations when deciding how to vote on its clients' shares. All client voting decisions are made in-house. Baillie Gifford votes in line with its in-house policy and not with the proxy voting providers' policies. Baillie Gifford also has specialist proxy advisors in the Chinese and Indian markets to provide it with more nuanced market specific information.

Manager	Description of use of proxy voting
BlackRock	Proxy research firms provide research and recommendations on proxy votes as well as voting infrastructure. BlackRock Investment Stewardship leverages Institutional Shareholder Services (ISS) as an external proxy services vendor. ISS' electronic voting platform allows BlackRock Investment Stewardship to monitor voting activity, execute proxy vote instructions, record keep, and generate client and regulatory voting reports. BlackRock Investment Stewardship also uses Glass Lewis' services to support research and analysis. In addition to the global research provided by ISS and Glass Lewis, BlackRock Investment Stewardship subscribes to market-specific research providers including Institutional Voting Information Service in the UK, Ownership Matters in Australia, Stakeholder Empowerment Services in India, and ZD Proxy in China. Although proxy research firms provide important data and analysis, BlackRock Investment Stewardship does not follow any proxy research firm's voting recommendations.
L&G	Votes are cast according to L&G's instructions, guided by their voting policies and effected through an electronic voting platform called 'ProxyExchange', which is managed by Institutional Shareholder Services (ISS). L&G has developed a granular custom voting policy with specific voting instructions driven by its expectations. In parallel to applying its custom voting policy, L&G uses the voting information services of ISS and receives research reports for all companies in its equity portfolios. The manager undertakes quarterly performance management reviews with ISS in which it discusses issues such as timeliness, the quality of ISS's research and the application of L&G's voting policy. During these meetings, L&G receives delivery statistics and discusses changes to team resources. L&G deliberates on specific instances where its expectations have not been met and reviews possible solutions to avoid future repetition. L&G escalates issues to senior individuals at ISS where necessary. They also have regular meetings with ISS to discuss the implementation and evolution of its policies, as part of its process to ensure that its voting decisions remain aligned to market best practices and evolving regulations.
Mirova	Mirova uses ISS as a voting platform for related services such as ballot collecting, vote processing and record keeping. Mirova subscribes to the ISS research, however its recommendation is not prescriptive or determinative to Mirova's voting decisions. All voting decisions are made by Mirova in accordance with its Voting Policy.
Nordea	Nordea uses two external proxy advisors - Institutional Shareholder Services (ISS) and Glass Lewis. ISS is used for proxy voting, execution as well as research, while Glass Lewis is mainly used for research. Nordea evaluate their proxy advisors regularly on operational integrity, quality of research and the implementation of the custom voting policy.

Manager	Description of use of proxy voting
UBS	UBS Asset Management retains the services of ISS for the physical exercise of voting rights and for supporting voting research. UBS retain full discretion when determining how to vote at shareholder meetings.

Source: Aon Investments Limited. Underlying managers

Significant voting activity

To illustrate the voting activity being carried out on our behalf, we asked AIL to provide a selection of what the underlying investment managers consider to be the most significant votes in relation to the Scheme's funds. A sample of these significant votes can be found in appendix 2 for the main funds used within the default strategies.

Engagement Activity

As well as voting activity, we also monitor the engagement activities of our underlying managers in our default and self-select fund ranges. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm level i.e., is not necessarily specific to the underlying fund invested by our funds.

We expect all our managers to engage with underlying investee companies in the following themes in order to provide value to members and to mitigate material ESG risks:

Themes engaged on at a firm level						
Environment - Climate Risk Management	**Environment - Biodiversity**	**Governance - Remuneration**	**Governance - Board Effectiveness**	**Governance - Corporate Strategy**	**Social - Human Capital**	**Social - Risks & Opportunities**
						

Source: Aon Investments Limited, Underlying managers

Below we provide examples of some of the engagement activity carried out by the underlying investment managers for the default strategy and the most material self-select funds.

UBS - engagement with BP plc

Aon Stewardship Priority: Strong governance

Appliable to default and self-select range (Aon Managed Global Equity Fund)

BP's strategic reset followed a c50% decline in the share price, abandonment of key 2030 climate targets and the emergence of an activist investor with a 5% stake. These developments heightened investor scrutiny and underscored the need for disciplined capital allocation and governance reform. BP's dual leadership structure – where the chair also served in a leadership role at Novo Nordisk – raised additional concerns about strategic focus and oversight.

In November 2024, UBS began an engagement with BP's chair to express concerns about the strategic direction and capital discipline of the company. In January 2025, UBS submitted a formal letter recommending a 15% Return on Invested Capital target at the enterprise level; a 20% hurdle rate for upstream investments, reflecting elevated geopolitical and transition-related risks; and a review of the firm's governance structure, including the chair's dual role.

The outcomes from the engagement were as follows:

- In February 2025 BP announced a strategic reset, including a commitment to a >20% Internal Rate of Return target for incremental investments, representing a material improvement in capital discipline.
- BP also announced a more rigorous approach to capital deployment through enhanced hurdle rates, improving capital efficiency and reducing exposure to underperforming assets.
- In April 2025, BP announced the chair would step down once a successor is appointed. This followed UBS's engagement with the CEO and chair regarding execution risks and the lack of a shareholder vote on the revised climate strategy. UBS had voted against the chair's re-election, citing persistent concerns over culture, performance and governance.

UBS's engagement with BP remains active. UBS plan to engage with the lead independent director to reinforce the importance of cultural transformation and execution discipline; monitor progress on capital allocation, climate strategy implementation and board refreshment; and advocate for transparent investor communication and governance practices that support sustainable value creation.

L&G engagement with investee companies on Human Rights expectations

Aon Stewardship Priority: Modern Slavery

Applicable to default and self-select range (Aon Managed Global Equity Fund and L&G FTSE4GOOD Developed Equity Index Fund)

L&G have stated human rights (including modern slavery) to be one of their engagement priority areas. As part of L&G's human rights engagement campaign, they have identified the following six 'high risk' sectors which require closer scrutiny from asset owners to detect and prevent potential human rights abuses:

- Utilities
- Energy
- Mining and minerals
- Apparel and textiles
- Technology
- Automotives

As part of this initiative, L&G wrote to several investee companies in August 2025. This engagement was an initial outreach to companies within the six prioritised sectors outlined above to share L&G's expectations on human rights and to collect feedback from the companies.

Mirova – engagement with Microsoft

Aon Stewardship Priority: Artificial Intelligence

Appliable to default only

This engagement with Microsoft focuses on the social and environmental impacts of artificial intelligence (AI) and human capital management. Mirova selected this engagement due to Microsoft's significant influence in the technology sector and its role as a major player in AI development, which can have profound social and environmental consequences. This aligns with Mirova's investment strategy focused on promoting ethical AI practices and strong human capital management. Key objectives include ensuring the responsible development of AI products, mitigating the environmental impact of AI and reinforcing diversity and inclusion initiatives. Success will be measured based on Microsoft's responsiveness to these issues and its implementation of effective strategies.

This is an ongoing engagement which first began in May 2023 and has involved ongoing dialogues with Microsoft. Mirova have communicated with the company regarding several critical topics, including ethical AI and the impact of AI on carbon emissions and water usage. A collaborative engagement effort was established with the World Benchmarking Alliance Coalition on Ethical AI, which aims to assess Microsoft's governance and practices related to responsible AI development. Mirova held calls with Microsoft's Investor Relations team, discussing the balance between AI development and environmental pressures. Mirova also addressed the implications of Microsoft's layoffs, which resulted in approximately 15,000 employees losing

their jobs in 2023. Ongoing discussions have focused on the support measures available for affected employees and the company's commitment to diversity, equity, and inclusion practices, especially in light of the evolving DEI landscape in the U.S.

The engagement remains ongoing, with no definitive success yet achieved. Microsoft has shown some commitment to ethical AI development and environmental considerations, but Mirova believe continued vigilance is required to ensure accountability and transparency. Mirova plan to push for clearer plans to mitigate AI's environmental impacts and consistently engage on diversity and human capital management strategies. Their next steps include further collaborative dialogue with Microsoft and potentially exploring shareholder proposals related to AI accountability and human capital practices. Mirova continue to monitor the outcomes of the initiatives discussed and remain committed to ensuring that Microsoft fulfils its responsibilities in these critical areas.

Engagement Activity - Non-equities

While equity managers may have more direct influence on the companies they invest in, managers investing in asset classes such as fixed income and alternatives are also increasingly influential in their ability to encourage positive change.

The Aon Managed Retirement Pathway Funds and several of the wider self-select fund options include investment in non-equity assets. This might include fixed income, cash, direct property and alternatives such as gold, depending on the fund. Below we describe examples of engagement.

Fixed Income

The Aon Managed Retirement Pathway Funds and several of the wider self-select fund options invested in fixed income and cash over the year. Though holders of corporate bonds do not generally have voting rights, managers of these investments are still able to engage with their investee companies. Below is an example for the Insight Responsible Horizons UK Corporate Bond Fund.

Insight engagement with Toyota

Aon Stewardship Priority: Climate change and nature loss

Insight engaged with Toyota Motor Corporation in Q4 2025 following a sustainable bond issuance. Toyota, a global automotive manufacturer, issued the bond under a use-of-proceeds (“UoP”) framework that Insight assessed as “neutral,” as it did not clearly show additional environmental benefits. The engagement therefore focused on improving sustainable finance governance, clarifying the additional social benefits from the project and clarifying the share of proceeds directed to zero-emission vehicles.

In discussions, Toyota explained that project evaluation and selection span several departments and accepted that processes could better reflect best practice. Insight asked for formal sustainability team representation on the committee approving projects and recommended external assurance of post-allocation reports. For the social UoP, Insight questioned whether some safety-technology and R&D spending was effectively “business as usual,” weakening additionality. For the green UoP, Insight encouraged a higher allocation to Battery Electric Vehicles (“BEVs”) and clearer links between social projects and low-carbon mobility.

Overall, Insight saw strengths in Toyota’s framework but concluded that governance and verification still lag best practice, and that company responses were cautious and heavily focused on vehicle safety rather than wider decarbonisation. Insight will track progress against three objectives: improved disclosure of a quantified transition plan, reporting on the share of low-carbon steel and aluminium in manufacturing and consideration of joining the Global Battery Alliance.

Direct Property

The Aon Managed Retirement Pathway Funds, the Aon Managed Initial Growth Phase Fund and the Aon Managed Property and Infrastructure Fund invested in direct property over the year.

The Trustee appreciates that engagement activities within the direct property fund may be limited in comparison to other asset classes, such as equity and fixed income. Nonetheless, the Trustee expects ESG engagement to be integrated in its managers' investment approaches.

The direct property manager, Columbia Threadneedle, is a signatory of the UN PRI and has adopted ESG policies across its investments. Threadneedle's UK direct property funds are managed in line with their UK Real Estate ESG Policy Statement. Threadneedle takes an approach to real estate whereby it strives to understand the risks posed within the asset class and focus on mitigating these during the lifecycle of the projects. This can be done through property management, refurbishment, building improvements and strategic asset management.

Columbia Threadneedle list climate change, environmental stewardship, biodiversity, labour standards, human rights, business conduct and corporate governance as their key engagement themes over 2025.

Commodities

The Aon Managed Retirement Pathway Funds, Aon Managed Diversified Asset Fund and Aon Managed Diversified Multi Asset Fund invested in commodities over the year.

The BlackRock Gold Fund provides exposure to gold via an exchange traded fund (ETF). The main ESG consideration relates to how the gold is sourced. The London Bullion Market Association (LBMA) has established standards on the trade of gold and silver; these specify the requirements that refiners, and their gold, must meet to be accepted for trading. The refiners that source the gold that backs the BlackRock fund align to those standards.

Data limitations

All equity managers provided voting data in line with the reporting template set out by Pensions UK, with the exception of L&G who used their own template.

At the time of writing, L&G and BlackRock did provide fund level engagement information but not in line with the best practice industry standard Investment Consultants Sustainability Working Group ("ICSWG") reporting guide.

Dodge & Cox provided engagement information for the one-year period to 31 December 2025, rather than to 31 March 2026. They were also unable to provide a list of significant votes.

Appendix 1 – AIL's Stewardship priorities

Our investment manager has set stewardship priorities that align with its beliefs in relation to responsible investment.

These stewardship priorities focus on climate change and nature loss, modern slavery and artificial intelligence, as well as ensuring strong governance. These priorities have been identified as financially material risks that have the potential to impact the value of members' investments.

To support these priorities, the AIL has an Engagement Programme through which it identifies and analyses key areas for focus and engages with the underlying managers. In turn, AIL also has a set of expectations for its underlying investment managers.

• AIL looks for strong alignment between an investment manager's responsible investment policies and its engagement activity and voting decisions.
• AIL believes that transparency of engagement and voting activity is key and actively engages with its investment managers to promote transparency.
• AIL also engages with its underlying investment managers to promote the principles of the Principles for Responsible Investment and adherence to the UK Stewardship Code, as well as following industry best practice.
A summary of these stewardship priorities is set out below:

Strong governance

Strong governance is fundamental to protecting and growing long-term value for investors. Companies with clear accountability at board and executive level, transparent reporting, effective risk management, and rigorous oversight of issues such as strategy, capital allocation, climate and broader ESG risks are typically better positioned to navigate volatility and deliver sustainable performance. AIL looks for governance structures that support ethical conduct, robust internal controls, strong cyber security and data privacy, and alignment of management incentives with long-term shareholder interests. By engaging on and prioritising strong governance at investee companies, we seek to reduce operational, legal and reputational risks, improve decision-making quality, and support more stable, long-term returns for our members.

Climate transition and nature loss

Climate change and the progress towards net zero is a key area of focus for the Trustee and its investment manager, recognising the impact of climate-related risks on the value of members' savings over the long term. AIL looks for alignment between an investment manager's climate risk policy (or stated ambitions) and its responsible investment approach including engagement activities and voting decisions around climate. AIL engages with its underlying investment managers to monitor progress in the underlying investee companies towards setting targets and ensuring meaningful action as a result.

AIL also believes that biodiversity risk, including nature loss, is intrinsically linked to climate-change and hence the value of members' savings over the long term. AIL collaborated with the Cambridge Institute of Sustainability Leadership to create a framework for assessing nature-related risks including a due diligence questionnaire to measure progress on goals. AIL engages with its underlying investment managers to understand the risks in this area and ensure appropriate action is taken as a result.

Combatting modern slavery

AIL is a signatory of the 'Find It, Fix It, Prevent It' initiative which aims to combat modern slavery through engagement with investee companies, participation in shaping public policy and in developing better modern slavery data. Through this initiative AIL aims to raise awareness of the role investors can play in addressing modern slavery in supply chains. AIL engages with its investment managers to understand where any potential exposure exists and ensure appropriate action is taken as a result.

Artificial Intelligence (AI)

AI is a rapidly developing industry and its real world applications are yet to be fully explored. AIL has made AI an important topic for its engagement programme and endeavours to be at the forefront of this fast-developing area. AIL believes in the responsible use of AI. To effect this, AIL will promote transparency, explainability and appropriate guards against bias. Where AI is adopted, AIL will endeavour to engage with its investment managers to ensure this is done in a way that incorporates responsible design and that the energy and resource intensive nature of AI balances appropriately with Net Zero commitments.

Appendix 2 – Significant Voting Examples

In the table below are some significant vote examples provided by the underlying investment managers appointed by AIL and used within the Aon Managed Retirement Pathway Funds.

We consider a significant vote to be one which the underlying manager deems to be significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below.

L&G	Company name	Dyno Nobel Ltd
	Date of vote	December 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.1%
	Summary of the resolution	Resolution 7: Approve progress on climate change transition
	How the manager voted	Against management
	Did the manager communicate its intent to the company ahead of the vote?	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. The policy states not to engage with investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.
	Rationale for the voting decision	L&G recognise the progress that the company has made in its transition plan, including improved disclosure of its operational GHG transition pathway and the introduction of scope 3 targets. However, L&G requires short-, medium- and long-term targets aligned to a 1.5C trajectory and covering all scopes of emissions. Dyno Nobel does not currently meet this criteria. Nor does it disclose capex linked to its climate transition plan. As a result, L&G voted against this resolution.
	Outcome of the vote	The resolution passed
	Implications of the outcome	L&G will continue to engage with the company, publicly advocate their position on this issue and monitor company and market-level progress.

	On which criteria have the vote is considered significant?	L&G consider votes relating to alignment with the Paris Agreement to be significant.
UBS	**Company name**	Amazon.com Inc
	Date of vote	May 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	Not disclosed
	Summary of the resolution	Report on Impact of data centres on climate commitments
	How the manager voted	Against management
	Did the manager communicate its intent to the company ahead of the vote?	No
	Rationale for the voting decision	UBS will support proposals that seek to promote greater disclosure and transparency in corporate environmental policies as long as: a) the issues are not already effectively dealt with through legislation or regulation; b) the company has not already responded in a sufficient manner; and c) the proposal is not unduly burdensome or overly prescriptive.
	Outcome of the vote	The resolution failed
	Implications of the outcome	Given notable shareholder support, UBS will monitor for further developments. They will continue to engage with the company.
	On which criteria have the vote is considered significant?	Large proportion of shareholders supported the resolution.
Nordea	**Company name**	NexEra Energy, Inc
	Date of vote	May 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	1.4%
	Summary of the resolution	Elect Director Amy B. Lane, incumbent chair of the committee responsible for climate risk oversight.

	How the manager voted	Against management.
	Did the manager communicate its intent to the company ahead of the vote?	No
	Rationale for the voting decision	Nordea believe that retaining the incumbent chair of the committee responsible for climate risk oversight is warranted because the NexEra Energy is not aligned with investor expectations on achieving net zero by 2050.
	Outcome of the vote	The resolution failed
	Implications of the outcome	Nordea will continue to vote against proposals that are not in line with their expectations on climate.
	On which criteria have the vote is considered significant?	Significant votes are those that are severely against Nordea's principles and where Nordea feels it needs to enact change in the company.
Mirova	**Company name**	Microsoft Corporation
	Date of vote	December 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	5.8%
	Summary of the resolution	Shareholders request that the company publish a report assessing the effectiveness of its human rights due diligence processes addressing the misuse of its artificial intelligence and cloud products and services.
	How the manager voted	For the proposal (i.e. against management)
	Did the manager communicate its intent to the company ahead of the vote?	Yes
	Rationale for the voting decision	Mirova has concerns over Microsoft's human rights due diligence process following the misuse of one of its products by the Israeli military
	Outcome of the vote	The resolution failed
	Implications of the outcome	Mirova will focus on ensuring Microsoft explicitly connects its responsible AI principles to international human rights frameworks and develops clear implementation metrics.

	On which criteria have the vote is considered significant?	This resolution concerns a topic that is core for the company and its business model and also aligns with Aon's stewardship priorities.

Source: Aon Investments Limited, Underlying Managers (L&G, UBS, Mirova, Nordea).