Registered number: 10040297

UNUM PENSION SCHEME

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

CONTENTS

TRUSTEE AND ITS ADVISERS
YEAR ENDED 30 JUNE 2024

Company Appointed Trustees	Graham Hockings (retired 29 February 2024) Bill Mansfield PTPMI (Accred) (retired 8 December 2023)
Member-Nominated Trustees	Roger Spencer (retired 29 February 2024) Paul Sprules (retired 29 February 2024) Penny Tompkins (retired 29 February 2024)
Professional Trustee	Capital Cranfield Pension Trustees Limited Represented by Kate Jarvis and Wai Wong
Principal Employer	Unum European Holding Company Limited ('Unum')
Actuary	Russell Agius, FIA Aon Solutions UK Limited
Administrator	Aon Solutions UK Limited
Independent Auditors	KPMG LLP (resigned 17 July 2023) JW Hinks LLP (appointed 17 August 2023)
Bankers	Bank of Scotland plc (closed 8 November 2023) Lloyds Bank plc HSBC Bank plc
Investment Adviser	Aon Investments Limited ('AIL')
Fiduciary Investment Manager	BlackRock Investment Management (UK) Limited ('BlackRock')
AVC Providers	Phoenix Life Limited ('Phoenix Life') Standard Life Aberdeen plc ('Standard Life') Utmost Life and Pensions Limited ('Utmost')
Custodian	The Bank of New York Mellon ('BNY Mellon')
Legal Adviser	CMS Cameron Mckenna Nabarro Olswang LLP ('CMS')
Contact Details	Unum Pension Scheme Aon Solutions UK Limited PO Box 196 Huddersfield HD8 1EG unum.pension@aon.com 0330 123 4594

TRUSTEE'S REPORT
YEAR ENDED 30 JUNE 2024

Introduction

The Trustee of Unum Pension Scheme (the 'Scheme') is pleased to present the annual report together with the audited financial statements for the year ended 30 June 2024.

Constitution and management

The Scheme is an occupational Defined Benefit ('DB') pension scheme. The Scheme is governed by a Trust Deed, as amended from time to time, and is administered by Aon Solutions UK Limited in accordance with the establishing document and Rules solely for the benefit of its members and other beneficiaries.

The Scheme was closed to new entrants on 31 December 2002. New employees have the opportunity to join the Principal Employers GPP arrangement. New employees will however be covered for death in service lump sum benefits under Unum Pension Scheme's Trust. A block of former Sun Life of Canada ('SLOC') employees joined the Scheme on 1 March 2003.

The Scheme closed to future accrual on 30 June 2014, but members who are still employed by Unum Pension Scheme will have the accrued benefits to the date of closure linked to the higher of their Final Pensionable Salary on 30 June 2014 with Statutory Revaluation or their Final Pensionable Salary on leaving service (or on taking their pension benefits, if earlier).

The Trustee and former Trustees are shown on page 1.

Under the Trust Deed and Rules of the Scheme, the Trustee is appointed and removed by the Employer, subject to the Member-Nominated arrangements.

Capital Cranfield Pension Trustees Limited is an independent, professional Trustee Company which removes the need for any members to be represented within the Trustee body.

The Trustee has appointed professional advisers and other organisations to support it in delivering the Scheme's objectives. These individuals and organisations are listed on page 1. The Trustee has written agreements in place with each of them.

Trustee meetings

The Trustee Board met formally five times during the year to consider the business of the Scheme.

Change of independent Auditor

The Trustee appointed JW Hinks LLP as the Scheme auditor on 17 August 2023. KPMG LLP had previously been the Scheme auditor. In a statement to the Trustee, KPMG LLP confirmed that they knew of no circumstances connected to their resignation which affected the interests of members, prospective members or beneficiaries of the Scheme.

Scheme changes

There were no significant changes to the Scheme during the year.

With effect from 29 February 2024, the Principal Employer has decided for the Scheme to move from having a board of individual Trustees to having a sole corporate Trustee. A Deed of Amendment has put in place changes to the Definitive Deed and Rules to provide for this.

TRUSTEE'S REPORT
YEAR ENDED 30 JUNE 2024

Financial statements

The financial statements included in this annual report have been prepared and audited in accordance with the regulations made under Sections 41 (1) and (6) of the Pensions Act 1995.

Membership

Details of the membership changes of the Scheme in the year are as follows:

	Actives	Deferreds	Pensioners	Total
Members at the start of the year	79	638	408	1,125
Adjustments to members	-	(42)	3	(39)
New spouses	-	-	5	5
Retirements	(2)	(16)	18	-
Deaths	-	(1)	(17)	(18)
Transfers out	-	(2)	-	(2)
Leavers with no further liability	(2)	2	-	-
Members at the end of the year	75	579	417	1,071

Pensioners include 36 (2023: 33) individuals receiving a pension upon the death of their spouse who was a member of the Scheme. Pensioners also include Nil (2023: Nil) child dependants in receipt of a pension.

These membership figures do not include movements notified to the Administrator after the completion of the annual renewal.

The adjustments to members shown above relates to member's GMP notional records.

Included in the above are 5 (2023: 5) pensioners whose benefits are financed by insurance (annuity) policies.

Members with multiple periods of service are included more than once in the above table.

Pension increases

All pensions in payment were increased with effect from 1 December 2023 in accordance with the Rules of the Scheme. With the exception of a small number of pensions which do not increase in payment, Pre 97 Pensions in excess of Guaranteed Minimum Pension ('GMP') were increased at 2.5% for Unum Pension Scheme section members, Post 97 Pensions were increased at 5.0% for Unum Pension Scheme section members and 5.0% for SLOC section members, Post 6 April 2010 Pensions were increased at 2.5%. Post 88 GMPs were increased at 3.0%, Pre-88 GMPs were not increased in accordance with the Scheme Rules and statutory requirements.

There were no discretionary pension increases in the year.

Deferred benefits are increased in line with legislation and the Scheme Rules.

Transfers

Cash equivalents paid during the year with respect to transfers have been calculated and verified in the manner prescribed by the Pension Schemes Act 1993 and do not include discretionary increases.

Transfers into the Scheme are not allowed.

TRUSTEE’S REPORT
YEAR ENDED 30 JUNE 2024

Contributions

The actuarial valuation of the Scheme as at 30 June 2021 revealed a funding shortfall (technical provisions minus value of assets) of £6.6M on the Statutory Funding Objective. The Trustee and Employer have agreed that the following contributions will be paid to an escrow account to eliminate this funding shortfall:

From January 2023 to June 2026 inclusive	£1.24M p.a., payable monthly by no later than the end of the calendar month to which the contribution relates

The operation of the escrow account is governed by a Deed Relating to Release Events dated 29 September 2022. The escrow Deed sets out further information about the payments to be made from the escrow account to the Scheme and/or the Employer. There are provisions within the escrow Deed for payments to be made from the escrow to the Scheme in certain circumstances. In particular, if by the 30 June 2026 there remains a deficit on the technical provisions basis, a payment will be made from the escrow account to the Scheme by 30 September 2026 equal to the lower of the technical provisions deficit and the value of the escrow account.

The Employer continues to pay the cost of any death in service lump sum benefits provided through the Scheme via an insurance contract and the cost of any levies payable to The Pensions Regulator and the Pension Protection Fund.

Going concern

The Scheme’s financial statements have been prepared on the going concern basis. In making this assessment, the Trustee has assessed the ability of the Principal Employer to continue to meet its obligations to the Scheme and for the Scheme to meet its future obligations to pay member benefits as they fall due.

The Trustee has reviewed information available to them from the Principal Employer and their advisers and as a consequence, the Trustee believes the Scheme is well positioned to manage its risks successfully. In light of this the Trustee has a reasonable expectation that the Scheme will continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Scheme’s financial statements.

TRUSTEE'S REPORT
YEAR ENDED 30 JUNE 2024

Report on Actuarial Liabilities

As required by Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102), the financial statements do not include liabilities in respect of promised retirement benefits.

Under section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions, which represent the present value of benefits to which members are entitled based on pensionable service to the valuation date. This is assessed at least every 3 years using assumptions agreed between the Trustee and the Employer and set out in the Statement of Funding Principles, a copy of which is available to Scheme members on request.

Results of the last valuation and subsequent funding updates

The results of the latest actuarial valuation at 30 June 2021 and the 30 June 2022 and 30 June 2023 actuarial reports are shown below:

	30 June 2021	30 June 2022	30 June 2023
Market value of assets (A)	£209.9M	£152.6M	£109.9M
Technical provisions (B)	£216.5M	£174.0M	£139.2M
Surplus/(Shortfall) (B–A)	£(6.6)M	£(21.4)M	£(29.3)M
Funding level (A/B)	97%	88%	79%

Note: The number shown in the table may not sum due to rounding.

The value of technical provisions is based on assumptions about various factors that will influence the Scheme in the future, such as the levels of investment returns and pay increases, when members will retire and how long members will live.

The actuarial method used in the calculation of the technical provisions is the Projected Unit Method. The significant actuarial assumptions used to calculate the technical provisions are:

Retail Price Inflation ('RPI')	Term dependent rates equal to the difference between the market yields on long-dated fixed interest and index linked gilts.
Consumer Price Inflation ('CPI')	Retail Price Inflation less a margin (equal to 1.0% p.a. pre-2030 and 0.1% p.a. post-2030 at 30 June 2021, 1.0% p.a. pre-2030 and 0.2% post-2030 at 30 June 2022 and 0.9% p.a. pre-2030 and 0.1% p.a. post-2030 at 30 June 2023).
Discount rate (pre-retirement)	Term dependent rates equal to the nominal gilt yield curve plus 3.0% p.a.
Discount rate (post-retirement) Mortality base table	Term dependent rates equal to the nominal gilt yield curve plus 0.5% p.a. S3PXA Light tables with scaling factors of 110% for non-pensioner, 100% for pensioners.
Mortality improvement rate	CMI_2020 (Sk=7.0, A=0.5% and w2020-0%) with a long term rate of improvement of 1.5% p.a.

TRUSTEE'S REPORT
YEAR ENDED 30 JUNE 2024

Report on Actuarial Liabilities (continued)

Recovery plan

The Employer will pay £1.24M p.a. into an escrow account from January 2023 to June 2026. There are provisions within the escrow Deed for payments to be made from the escrow account to the Scheme in certain circumstances. In particular, if by 30 June 2026, there remains a deficit on the technical provisions basis, a payment will be made from the escrow account to the Scheme by 30 September 2026. At the valuation date, these contributions, together with investment returns of 0.25% p.a. above the prudent technical provisions discount rate, were expected to eliminate the deficit at the valuation date by 30 September 2026.

Next actuarial valuation

The next triennial valuation is being carried out as at 30 June 2024.

Investment matters

Management and custody of investments

As required by Section 35 of the Pensions Act 1995 ('PA95'), the Trustee has prepared a Statement of Investment Principles ('SIP').

A copy of the SIP can be found on the Scheme's website at:
https://pensioninformation.aon.com/unumsip and is available on request from the Administrator.

The Trustee has delegated management of investments to the Fiduciary manager shown on page 1. This manager, who is regulated by the Financial Conduct Authority in the United Kingdom, manages the investments in line with the investment manager agreements ('IMAs') which is designed to ensure that the objectives and policies captured in the SIP are followed.

The Trustee has considered environmental, social and governance ('ESG') factors for investments (including but not limited to climate change) and has delegated to the Fiduciary manager the responsibility for taking these considerations into account when assessing the financial potential and suitability of an investment and for exercising the rights (including voting rights) relating to the Scheme's investments.

The investment manager is paid fees for its services. The fees are calculated as a percentage of the market value of the part of the Scheme that it manages.

The Trustee has appointed Bank of New York Mellon as the custodian of the Scheme's investments.

The Custodian is responsible for the safe keeping, monitoring and reconciliation of documentation relating to the ownership of listed investments. Investments are held in the name of the Custodian's nominee company, in line with common practice for pension scheme investments.

The Trustee has considered the nature, disposition, marketability, security, and valuation of the Scheme's investments and believe them to be appropriate relative to the reasons for holding each class of investments.

TRUSTEE'S REPORT
YEAR ENDED 30 JUNE 2024

Investment report

The Trustee is responsible for ensuring the investment strategy is consistent with the Scheme's funding objectives and its assessment of the employer covenant.

Professional advisers have been appointed by the Trustee to support the running of the Scheme's investments. Roles and responsibilities are as follows:

- Fiduciary Manager (BlackRock) –in its capacity as investment manager, has been appointed to manage the Scheme's assets in such a way to aim to achieve the Scheme's long term investment objective.

- Investment Managers – the Scheme gains exposure to asset classes by investing in pooled investment vehicles that are managed by other/underlying investment managers, which are selected by BlackRock in its capacity as the Fiduciary Manager, as delegated by the Trustee.

The broad investment objective of the Scheme is to invest the assets of the Scheme prudently with the intention that the benefits promised to members are provided.

Following professional advice, the Trustee has determined an appropriate asset allocation to be implemented by the Fiduciary Manager, as governed by the IMA. The IMA details the level of delegation afforded to the Fiduciary Manager and outlines the parameters the Fiduciary Manager must operate within. The IMA is subject to change over time as the strategy evolves.

The investment strategy for the Scheme is to:

- Invest in a portfolio of assets to immunise a proportion of the interest rate and inflation risk inherent within the Scheme's liabilities
- Invest in a diversified portfolio of assets to achieve an efficient risk / reward trade off with the objective of generating sufficient returns to close the Scheme's funding deficit

Investment performance

Investment performance has been measured by asset class since the appointment of the Fiduciary Manager. Performance of the total portfolio and the underlying managers is provided to Trustees on a quarterly basis in the Quarterly Investment Report.

Performance for the period ending 30th June 2024 is shown in the table below:

	1 year	**3 year**	**Since Inception (p.a.)**
Total Portfolio	3.4%	(16.6)%	(14.0)%

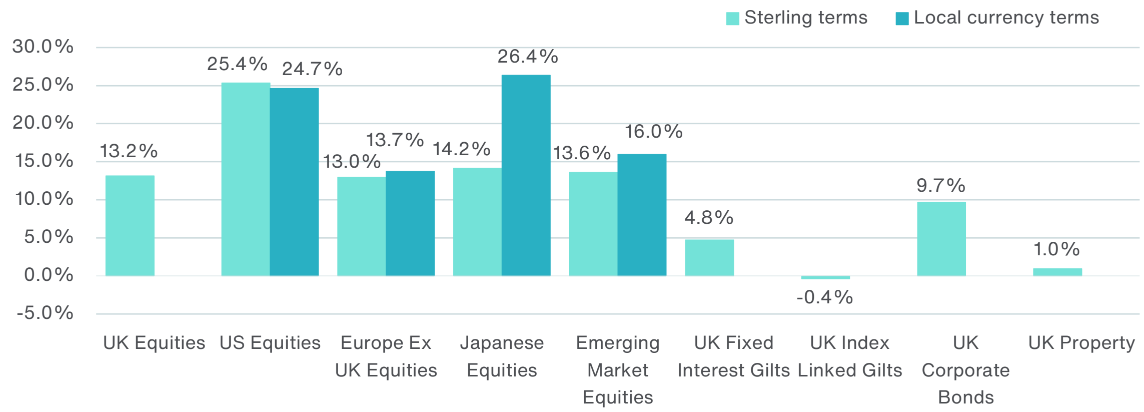
*Inception date:31 March 2021

TRUSTEE'S REPORT
YEAR ENDED 30 JUNE 2024

Investment report (continued)

Market background

Index returns from 30/06/2023 to 30/06/2024



Source: FactSet, MSCI (Equities, Property), FTSE (Gilts), iBoxx (Credit)

Index returns from 30/6/2022 to 30/6/2023. Source: FactSet, MSCI (Equities, perty), FTSE (Gilts), iBoxx

General Background

Global equity markets rose over the year. The MSCI ACWI rose 21.3% in local currency terms. Inflation began to moderate in most major economies as the global economy proved more resilient than previously anticipated. The Information Technology (39.2%) and Communication Services (33.5%) sectors were the major contributors to rallying the market over the past year.

In May 2024, UK Prime Minister Rishi Sunak announced a snap general election on July 4. In that election, the Labour Party returned to government in the UK after 14 years in opposition, winning 412 seats with a vote share of 33.8%. The Conservative party came second, winning 121 seats with a vote share of 23.7%. Keir Starmer has been appointed as the Prime Minister with Rachel Reeves as Chancellor.

In the UK Spring Budget (Q1 2024), Chancellor Jeremy Hunt announced a further 2% reduction in employee National Insurance rates, to 8%, which follows the 2% cut announced in the Autumn Statement. Meanwhile, the Office for Budget Responsibility (OBR) updated its growth forecasts and now predicts the UK economy to grow by 0.8% in 2024 and 1.9% in 2025. The OBR also revised its inflation forecasts, with UK inflation expected to decline below the central bank's 2% target over the next few months and sustain that level until 2027. The OBR additionally anticipated that underlying government debt will continue to rise in each of the next 4 years, peaking at 93.2% of GDP, before falling back somewhat to 92.9% in 2028-29.
somewhat to 92.9% in 2028-29.

In Q3 2023, Fitch downgraded the US debt rating from AAA to AA+, citing 'erosion of governance' over the past two decades which saw the US government in repeated debt limit stand-offs and last-minute resolutions. In Q4 2023, Moody's downgraded their US credit outlook from 'stable' to 'negative' following no permanent funding agreement and sharp rises in debt service costs as the drastic rise in Treasury yields 'has increased pre-existing pressure on US debt affordability'. In Q1 2024, US President Joe Biden signed a $1.2 trillion spending bill to avert a partial government shutdown. The bill will keep the US government funded until September 2024.

TRUSTEE'S REPORT
YEAR ENDED 30 JUNE 2024

Investment report (continued)

General background (continued)

Geopolitical tensions remained elevated over the past year. The G7 countries announced a plan to provide a long-term security framework to Ukraine by continuing existing financial assistance, supplying military equipment, providing training to Ukrainian forces, and sharing intelligence. However, NATO refrained from committing to any timeline for Ukraine's accession to the military alliance and pledged to 'extend an invitation' when 'allies agree, and conditions are met'. On October 7, Hamas launched a surprise attack from Gaza on Israel.

Israeli Prime Minister Benjamin Netanyahu consequently declared the nation 'at war' and mounted military retaliation in Gaza. In Q1 2024, the US and UK launched military strikes against Houthi rebels in Yemen, increasing fears that conflict in the Middle East will spread. The Houthi militants had attacked shipping in the Red Sea (a major commercial shipping lane), forcing shipping to go around the Cape of Good Hope. This has increased shipping costs and disrupted manufacturing due to a shortage of parts which could potentially impact global growth and inflation. Furthermore, the US and UK accused China of carrying out cyberattacks on their officials and businesses that are of national economic importance. In response to two cyber-attacks on UK parliamentarians and the Electoral Commission, UK Prime Minister Rishi Sunak promised to action a 'careful' crackdown on the Chinese entities operating in the UK. Oliver Dowden, the Deputy Prime Minister, stated that there was a 'strong case' for putting China in an 'enhanced tier' of countries that are considered to pose risks to Britain under the 2023 National Security Act.

In Q1 2024, the European Union (EU) introduced a new set of sanctions against Russia, targeting nearly 200 individuals and entities. The United States also announced 500 new sanctions against Russia, including measures in response to the death of opposition activist Alexei Navalny. These sanctions are aimed at officials involved in Navalny's imprisonment and Russia's financial sector, defence industry, and procurement networks. In Q2 2024, the EU applied extra tariffs ranging from 17% to 38% on electric vehicles (EVs) imported from China, in addition to the existing 10% tariff. Chinese officials have criticised the tariffs as 'blatant protectionism' and have vowed to take necessary measures to protect China's interests.

The Bank of England (BoE) raised its benchmark interest rate by 25bps to 5.25% in August 2023 but kept policy unchanged thereafter. In the latest monetary policy meeting, the Monetary Policy Committee (MPC) voted 7-2 to maintain the current rate in June, with two members voting for a 25 basis point rate cut. BoE governor Andrew Bailey expressed optimism about recent encouraging inflation data, emphasising the need to ensure inflation remains low. Earlier, the BoE agreed to increase its current quantitative tightening pace of £80bn to £100bn in 2023-24. Elsewhere, the BoE warned that British companies face a higher risk of corporate default as a result of rising interest rates. The US Federal Reserve (Fed) increased its benchmark interest rate by 25bps to a range of 5.25%- 5.5%, representing the highest level in more than 22 years. The Federal Open Market Committee (FOMC) stated that it does not expect it will be appropriate to reduce the target range until it has gained greater confidence that inflation is moving sustainably toward 2%. According to the latest Fed 'dot plot,' the median FOMC member believes only one quarter-point cut this year is appropriate, compared to three rate cuts projected earlier in March. The European Central Bank (ECB) raised its deposit rates by 25bps in both August and September 2023 to peak at 4%. However, in Q2 2024, the ECB reduced the policy interest rate by 0.25% to 3.75% as a result of lower inflation. ECB president Christine Lagarde emphasised that further rate cuts 'depend on the data'. Meanwhile, the Bank of Japan (BoJ) ended its era of negative interest rates by raising its interest rate to 0-0.1% from the previous -0.1%. Japan's 10-year government bond yield rose above 1% for the first time in 11 years. The BoJ trimmed the purchase amount of bonds with 5 to 10 years left to maturity to 425 billion yen ($2.7 billion) from the previous 475 billion yen. This, along with the recent shift in monetary policy by the BoJ, has led investors to expect that the BoJ might increase interest rates further this year.

Brent crude oil prices rose by 15.4% to $86.4/BBL over the last twelve months. Meanwhile, Opec+ members announced voluntary oil production cuts until Q1 2024. Saudi Arabia pledged to extend an ongoing 1mn barrels per day (bpd) production cut whilst Russia was set to increase its export reduction from the current 300,000 bpd to 500,000 bpd. Opec+ aims for a total of 2mn bpd production cut with the help of other members.

TRUSTEE'S REPORT
YEAR ENDED 30 JUNE 2024

Investment report (continued)

Market focus

The UK equities delivered positive returns over the year, rising by 13.2%. Rising commodity prices helped the sizeable resource sector as Energy and Materials rose by 20.3% and 16.9%, respectively. The index-heavyweight Financial sector rose by 17.9%, while other heavyweight sectors such as Consumer Staples and Industrials returned -1.6% and 32.4%, respectively.

The US equities were the best-performing market in sterling terms and second-best in local currency terms. In Q1 2024, earnings growth was strongest in the Communication Services, Utilities, Consumer Discretionary, and I.T. sectors. Several amongst the 'Magnificent-7' stocks performed well after reporting solid earnings amidst high demand for A.I. technology. Index-heavyweight sectors such as Information Technology and Financials returned 40.4% and 26.1%, respectively. Communication Services was the best-performing sector with a return of 43.5%.

Emerging markets (EM) have delivered positive returns both in local currency and sterling terms. Slower-than-expected economic recovery, and renewed US-China tensions put pressure on Chinese equities. Taiwan equities rose the most at 47.3% while Chinese equities fell by 1.7%. Indian, Korean, and Brazilian equities rose 37.1%, 13.4%, and 6.8%, respectively over the year. Meanwhile, JP Morgan added Indian government bonds to its GBI-EM index in June 2024 with a maximum weight threshold of 10%.

On a global sector level over the last twelve months, Information Technology (39.2%) and Communication Services (33.5%) were the best performers in local currency terms. Consumer Staples (3.0%) and Real Estate (5.9%) were the worst-performing sectors.

Global bond yields generally trended higher over the last twelve months with the JP Morgan Global Aggregate Bond Index rising 1.3% in local currency terms. In Q3 2023, yields rose due to tighter monetary policy across major central banks. In Q4 2023, yields fell sharply as major central banks around the world kept their interest rates unchanged and market participants expected a greater chance of interest rate cuts in 2024. In the first half of 2024, bond yields moved higher following falling market expectations for central bank rate cuts this year. The JP Morgan Global Aggregate Bond Index rose 1.9% in sterling terms.

The UK nominal gilt curve had a mixed performance over the past twelve months as the gilt curve fell at shorter and medium-term maturities but rose at longer-term maturities. In Q3 2023, the UK nominal gilt curve fell at the short to medium maturities but rose at the longer end of the curve. In Q4 2023, the UK nominal gilt curve shifted downwards as yields fell sharply across maturities. In the first half of 2024, the UK nominal gilt curve shifted upwards as yields rose across maturities. The spread between 2-year and 10-year gilt yields fell to 18bps from 102bps over the past twelve months. The 10-year nominal bond yield fell by 14bps to 4.24%. Overall, according to FTSE All-Stocks indices, UK fixed-interest gilts rose 4.8% while index-linked gilts fell by 0.4% over the last twelve months.

The UK credit market performed positively over the past twelve months. UK investment-grade credit spreads (the difference between corporate and government bond yields), based on the iBoxx Sterling Non-Gilt Index, narrowed by 46bps to 109bps. The index rose 9.7% over the year.

Sterling ended the twelve months 1.3% higher on a trade-weighted basis.

The MSCI UK property index returned 1.0% over the year. The income return was 5.9% but capital values fell by 4.7%. The industrial and retail sectors rose by 5.3% and 1.9%, respectively while the office sector fell by 9.1%.

TRUSTEE'S REPORT
YEAR ENDED 30 JUNE 2024

Engagement Policy Implementation Statement ('EPIS')

The Trustee have prepared an Engagement Policy Implementation Statement in accordance with legislation. This statement is shown on pages 35 to 43.

Employer related investments

The investments of the Scheme are invested in accordance with Section 40 of the Pensions Act 1995. Details of any Employer related investments are disclosed in note 21 to the financial statements.

TRUSTEE'S REPORT
YEAR ENDED 30 JUNE 2024

Further information

Further information about the Scheme is available, on request, to members, their spouses and other beneficiaries together with all recognised trade unions. In particular, the documents constituting the Scheme, the Rules and a copy of the latest actuarial report and the Trustee's SIP can be inspected.

Individual benefit statements are provided to active deferred members annually and for deferred members on request. In addition to the information shown on these statements members can request details of the amount of their current transfer value. Such requests are available free of charge once a year.

If members have any queries concerning the Scheme or their own pension position, or wish to obtain further information, they should contact the administrator at the contact details on page 1 who will also be able to provide them with a further copy of the Scheme's booklet should they require one and answer any queries that they may have about entitlement to benefits.

Aon Solutions UK Limited processes the personal data as contained in this report and financial statements for the purpose of providing the Trustee with a report and financial statements on the operation of the Scheme. Aon Solutions UK Limited processes personal data in the context of providing pension scheme administration services on behalf of the Trustee, the data controller. Aon Solutions UK Limited, when operating in its capacity as a data processor who provides the members of the Scheme with pension scheme administration services on behalf of the Trustee, will comply with the applicable legislation including any data protection legislation and the instructions of the Trustee.

The Trustee or the Employer will ensure the data subjects of whom personal data is processed for the purposes of this report and financial statements are informed of the processing activities in accordance with the requirements of the applicable data protection legislation.

TRUSTEE’S REPORT
YEAR ENDED 30 JUNE 2024

Governing bodies, regulators and sources of reference

Pension Tracing

The Scheme is registered with the Pension Tracing Service which maintains a list of up to date addresses of schemes to assist ex-members in tracing their rights if they have lost contact with the previous Employers' scheme. The Pension Tracing Service can be contacted at:

The Pension Tracing Service 9
Mail Handling Site A
Wolverhampton
WV98 1LU

0800 731 0193
www.gov.uk/find-pension-contact-details

The Pensions Regulator

The Pensions Regulator (‘TPR’) is the United Kingdom (‘UK’) regulator of work-based pension schemes.

TPR’s role is to act to protect the interest of pension scheme members and to enforce the law as it applies to occupational pension schemes.

The regulations set out clearly the areas that TPR covers and the powers that are vested in it. For example, TPR can prohibit or disqualify trustee for acting unlawfully, and can impose fines on wrong doers.

TPR can be contacted at:

The Pensions Regulator
Telecom House
125-135 Preston Road
Brighton
BN1 6AF

0345 600 0707
customersupport@tpr.gov.uk
www.thepensionsregulator.gov.uk

The Pension Protection Fund

The Pension Protection Fund was established to provide compensation to members of eligible pension schemes, when there is a qualifying insolvency event in relation to the Employer and where there are insufficient assets in the pension scheme to cover Pension Protection Fund levels of compensation.

The Pension Protection Fund can be contacted at:

PPF Member Services
Pension Protection Fund
PO Box 254
Wymondham
NR18 8DN

0330 123 2222
ppfmembers@ppf.co.uk
www.ppf.co.uk

TRUSTEE'S REPORT
YEAR ENDED 30 JUNE 2024

Governing bodies, regulators and sources of reference (continued)

Questions about pensions

If you have any questions about your pension, MoneyHelper which is part of the Money and Pensions Service, provides professional, independent and impartial help with pensions for free. Services include independent information and general guidance on pension matters.

MoneyHelper can be contacted at:

Money and Pensions Service
Borough Hall
Cauldwell Street
Bedford
MK42 9AP

0800 011 3797
www.moneyhelper.org.uk

Resolving difficulties/Internal Dispute Resolution

It is expected that most queries relating to benefits can be resolved with the Scheme's Administrator. In the event that a member's complaint cannot be resolved by the Administrator they may make a formal complaint using the Scheme's Internal Dispute Resolution ('IDR') procedure, details of which can be obtained from the Administrator, Pension Manager or use the Pensions Ombudsman's informal Early Resolution Service.

The Government appointed Pensions Ombudsman can investigate complaints brought by members and beneficiaries against the Trustee or the Scheme's Administrator in relation to maladministration or disputes of fact of law. The Pensions Ombudsman can be contacted at:

The Pensions Ombudsman
10 South Colonnade
Canary Wharf
London
E14 4PU

0800 917 4487
enquiries@pensions-ombudsman.org.uk
www.pensions-ombudsman.org.uk

TRUSTEE'S REPORT
YEAR ENDED 30 JUNE 2024

Statement of Trustee's Responsibilities

The audited financial statements, which are to be prepared in accordance with UK Generally Accepted Accounting Practice ('UK GAAP'), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, are the responsibility of the Trustee. Pension Scheme regulations require the Trustee to make available to Scheme members, beneficiaries and certain other parties, audited financial statements for each scheme year which:

(i) show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and

(ii) contain the information specified in the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the accounts have been prepared in accordance with the Statement of Recommended Practice Financial Reports of Pension Schemes.

The Trustee has supervised the preparation of the financial statements and has agreed suitable accounting policies, to be applied consistently, making estimates and judgements on a reasonable and prudent basis. It is also responsible for:

- assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless it either intend to wind up Scheme, or has no realistic alternative but to do so; and
- making available each year, commonly in the form of a Trustee's annual report, information about the Scheme prescribed by pensions legislation, which it should ensure is fair and impartial.

The Trustee also has certain responsibilities in respect of contributions which are set out in the Statement of Trustee's Responsibilities accompanying the Trustee's Summary of Contributions.

The Trustee is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities.

Approval

The Trustee's Report was approved by the Trustee and signed on its behalf by:

Trustee:

Date:

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF UNUM PENSION SCHEME

Independent Auditor's Report to the Trustee of the Unum Pension Scheme

Opinion

We have audited the financial statements of Unum Pension Scheme ('the Scheme') for the year ended 30 June 2024 which comprise the Fund Account and the Statement of Net Assets (available for benefits) and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year ended 30 June 2024 and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Scheme in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Trustee has prepared the financial statements on the going concern basis as it do not intend to wind up the Scheme, and as it has concluded that the Scheme's financial position means that this is realistic. It has also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ('the going concern period').

In our evaluation of the Trustee conclusions, we considered the inherent risks to the Scheme and analysed how those risks might affect the Scheme's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Trustee's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Scheme's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Scheme will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF UNUM PENSION SCHEME

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ('fraud risks') we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Trustee as to the Scheme's high-level policies and procedures to prevent and detect fraud as well as enquiring whether they have knowledge of any actual, suspected or alleged fraud.

- Reading Trustee meeting minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards we performed procedures to address the risk of management override of controls, in particular the risk that Trustee (or their delegates including Scheme administrators) may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as the valuation of the Level 3 pooled investment vehicles.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted after the first draft of the financial statements have been prepared.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Trustee and their delegates (as required by auditing standards), and from inspection of the Scheme's regulatory and legal correspondence and discussed with the Trustee and their delegates the policies and procedures regarding compliance with laws and regulations.

As the Scheme is regulated by The Pensions Regulator, our assessment of risks involved gaining an understanding of the control environment including the Scheme's procedures for complying with regulatory requirements and reading the minutes of Trustee meetings.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Scheme is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related pensions legislation) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF UNUM PENSION SCHEME

Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations (continued)

Secondly, the Scheme is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation, or the loss of the Scheme's registration. We identified the following areas as those most likely to have such an effect: pensions legislation and data protection legislation, rrecognising the financial and regulated nature of the Scheme's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and its delegates and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

We have reported separately on contributions payable under the schedule of contributions in our statement about contributions on page 33 of the annual report.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Trustee are responsible for the other information, which comprises the Trustee's report (including the implementation statement, report on actuarial liabilities and the summary of contributions). Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon in this report.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on this work we have not identified material misstatements in the other information.

Trustee responsibilities

As explained more fully in their statement set out on page 15, the Scheme Trustee is responsible for: supervising the preparation of financial statements which show a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to wind up the Scheme, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF UNUM PENSION SCHEME

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Scheme's Trustee, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee, as a body, for our audit work, for this report, or for the opinions we have formed.

JW Hinks LLP, Statutory Auditor
Chartered Accountants
19 Highfield Road
Edgbaston
Birmingham
B15 3BH

Date:

FUND ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 £000	2023 £000
Other income	4	31	31
Benefits paid or payable	5	(4,296)	(3,892)
Payments to and on account of leavers	6	(466)	(1,029)
Administrative expenses	7	(663)	(1,002)
		(5,425)	(5,923)
Net withdrawals from dealings with members		(5,394)	(5,892)
Returns on investments			
Investment income	8	2,118	2,219
Change in market value of investments	9	780	(39,614)
Net returns on investments		2,898	(37,395)
Net decrease in the fund during the year		(2,496)	(43,287)
Opening net assets		110,825	154,112
Closing net assets		108,329	110,825

The notes on pages 20 to 31 form part of these financial statements.

STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS)
AS AT 30 JUNE 2024

	Note	2024 £000	2023 £000
Investment assets			
Pooled investment vehicles	11	107,050	108,317
AVC investments	12	1,343	1,257
Cash	13	21	20
Other investment balances	14	(132)	860
		108,282	110,454
Total net investments		108,282	110,454
Current assets	18	407	690
Current liabilities	19	(360)	(319)
Net assets available for benefits at 30 June		108,329	110,825

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which does take account of such obligations, is dealt with in the Report on Actuarial Liabilities included in the Trustee's Report on pages 5 and 6. These financial statements and Actuarial Certificate should be read in conjunction with this report.

The notes on pages 22 to 31 form part of these financial statements.

These financial statements on pages 20 to 31 were approved by the Trustee and were signed on its behalf by:

Trustee:

Date:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

1. Basis of preparation

The individual financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 ('FRS 102') – The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and the guidance set out in the Statement of Recommended Practice ('SORP') (2018) - Financial Reports of Pension Schemes, published by the Pensions Research Accountants Group ('PRAG').

2. Identification of financial statements

Unum Pension Scheme is a Defined Benefit occupational pension scheme established under trust under English Law.

The address of the Scheme's registered office is Milton Court, Dorking, Surrey, RH4 3LZ.

3. Accounting policies

The principal accounting policies applied to the preparation of the financial statements are set out below. These policies have been consistently applied unless otherwise stated.

Functional and presentational currency

The Scheme's functional and presentational currency is GBP.

Benefits paid or payable

Pensions in payment, including pensions funded by insurance (annuity) contracts, are accounted for in the period to which they relate.

Benefits are accounted for in the period in which the member notifies the Trustee of their decision on the type and amount of the benefit to be taken, or if there is no member choice, on the date of retiring or leaving.

Payments to and on account of leavers

Individual transfers to other schemes are accounted for when member liability is discharged which is normally when the transfer amount is paid.

Refunds and opt-outs are accounted for when the Trustee is notified of the member's decision to leave the Scheme.

Administrative expenses

Administrative expenses are accounted for on an accruals basis, net of recoverable VAT.

Other income

Other income is accounted for on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

3. Accounting policies (continued)

Investment income

Income from pooled investment vehicles is accounted for when declared by the fund manager.

Income from cash and short-term deposits is accounted for in these financial statements on an accruals basis.

Income arising from insurance (annuity) policies held by the Trustee to fund benefits payable to Scheme members is included within investment income and is accounted for on an accruals basis.

Change in market value of investments

The change in market value of investments during the year comprise all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments and unrealised changes in market value. In the case of pooled investment vehicles which are accumulation funds, where income is reinvested within the fund without issue of further units, change in market value also includes such income.

Valuation of investment assets

Investments

Investment assets are included in the financial statements at fair value. The methods of determining fair value for the principal classes of investment are:

Pooled investment vehicles which are unquoted or not actively traded are stated at bid price or single price where there is no bid/offer spread as provided by the investment manager at the year end.

The Trustee has reviewed the Scheme's insurance (annuity) policies which are held with ReAssure and has concluded that these are not material to the Scheme assets and Fund Account movement. Therefore, insurance (annuity) policies are not reported within these financial statements.

AVC funds are included within the Statement of Net Assets (Available for Benefits) on the basis of fair values provided by the AVC provider at the year end.

With profits insurance policies held as AVC investments are reported at the policy value provided by the insurer based on cumulative reversionary bonuses declared and the current terminal bonus.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

4. Other income

	2024 £000	2023 £000
Other income	31	31

Other income above is an unfunded pension of a member for the year.

5. Benefits paid or payable

	2024 £000	2023 £000
Pensions	3,472	3,252
Commutations of pensions and lump sum retirement benefits	824	639
Lump sum death benefits	-	1
	4,296	3,892

6. Payments to and on account of leavers

	2024 £000	2023 £000
Individual transfers to other schemes	466	1,029

7. Administrative expenses

	2024 £000	2023 £000
Administration and processing	117	189
Actuarial fees	366	549
Audit fees	7	24
Legal fees	-	27
Other professional fees	171	207
Trustee fees and expenses	1	2
Sundry expenses	1	4
	663	1,002

8. Investment income

	2024 £000	2023 £000
Income from pooled investment vehicles	2,086	2,195
Interest on cash deposits	27	19
Annuity income	5	5
	2,118	2,219

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

9. Investments

	Opening value at 1 Jul 2023 £000	Purchases at cost £000	Sales proceeds £000	Change in market value £000	Closing value at 30 Jun 2024 £000
Pooled investment vehicles	108,317	16,106	(18,022)	649	107,050
AVC investments	1,257	-	(45)	131	1,343
	109,574	16,106	(18,067)	780	108,393
Cash	20				21
Other investment balances	860				(132)
Total net investments	110,454				108,282

Transaction costs

There are no direct transaction costs in the year nor in the previous year. Indirect costs are incurred through the bid-offer spread on pooled investment vehicles. It is not possible for the Trustee to quantify these indirect costs.

10. Taxation

The Scheme is a registered pension scheme in accordance with the Finance Act 2004 and is exempt from income tax and capital gains tax except for withholding tax on overseas investment income. This means that the contributions paid by the Employer and the members qualify for full tax relief.

11. Pooled investment vehicles

	2024 £000	2023 £000
Alternative funds	6,883	14,776
Bond funds	2,585	12,204
Cash and liquidity funds	527	1,145
Equity funds	46,247	41,888
Liability matching funds	50,808	38,304
	107,050	108,317

The legal nature of the Scheme's pooled arrangements is:

	2024 £000	2023 £000
Authorised unit trust	80,974	75,151
Unit linked insurance policies	16,081	14,461
Limited Partnership	6,883	14,776
Exchange Traded funds	3,112	3,929
	107,050	108,317

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

12. AVC investments

	2024 £000	2023 £000
Utmost	21	19
Phoenix Life Limited	148	168
Standard Life	1,174	1,070
	1,343	1,257

The Trustee holds assets which are separately invested from the main Scheme to secure additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. Members participating in this arrangement each receive an annual statement made up to 30 June each year confirming the amounts held to their account and movements during the year.

A valuation at the year end for Phoenix Life have not been received, as a result the valuation shown above is based on the previous valuation, adjusted for subsequent cash movements.

Utmost, Phoenix Life and Standard Life can be further analysed as:

	2024 £000	2023 £000
Unit trusts	169	187
With profits	1,174	1,070
	1,343	1,257

13. Cash and other investment balances

	2024 £000	2023 £000
Cash	21	20
	21	20

14. Other investment balances

	2024 £000	2023 £000
Unsettled purchases	(400)	860
Unsettled sales	268	-
	132	860

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

15. Fair value hierarchy

FRS 102 requires for each class of financial instrument an analysis of the level in the following fair value hierarchy into which the fair value measurements are categorised. A fair value measurement is categorised in its entirety on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Level 1: The unadjusted quoted price in an active market for an identical asset or liability that the entity can access at the assessment dates.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e., developed using market data) for the asset or liability either directly or indirectly.

Level 3: Inputs are unobservable (i.e., for which market data is unavailable) for the asset or liability.

The Scheme’s investment assets fall within the above hierarchy as follows:

Investment assets	**Level 1 £000**	**Level 2 £000**	**Level 3 £000**	**2024 Total £000**
Pooled investment vehicles	-	77,839	29,211	107,050
AVC investments	-	1,174	169	1,343
Cash	21	-	-	21
Other investment balances	(132)	-	-	(132)
	(111)	79,013	29,380	108,282

Investment assets	**Level 1 £000**	**Level 2 £000**	**Level 3 £000**	**2023 Total £000**
Pooled investment vehicles	1,052	83,414	23,851	108,317
AVC investments	-	1,070	187	1,257
Cash	20	-	-	20
Other investment balances	860	-	-	860
	1,932	84,484	24,038	110,454

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

16. Investment risks

FRS 102 requires the disclosure of information in relation to certain investment risks.

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk, interest rate risk and other price risk.

> **Currency risk:** this is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
>
> **Interest rate risk:** this is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
>
> **Other price risk:** this is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustee determines its investment strategy after taking advice from a professional investment adviser. The Scheme has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustee manages investment risks, including credit risk and market risk, taking into account the Scheme's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustee by regular reviews of the investment portfolio.

Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Scheme is indirectly exposed to credit risk arising from the instruments held by the pooled investment vehicles.

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements.

The Scheme has indirect exposure to credit risk because it invests in pooled funds that hold derivatives, bonds, cash balances and repurchase agreements.

- The credit risk arising from derivatives is managed by the underling manager and reduced by collateral or margin requirements,
- The credit risk arising from bond holdings is mitigated by the underlying manager by investing in a diversified portfolio of assets,
- Repurchase agreements are held across a diversified panel of counterparties.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

16. Investment risks (continued)

Market risk

This comprises currency risk, interest rate risk and other price risk.

Currency risk

This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
The Scheme is exposed to indirect currency risk through some of the Scheme's investments in overseas markets held in pooled investment vehicles.

The Scheme's approach to currency risk is to remove non-GBP currency exposure wherever possible in the developed markets, unless a tactical view on currency exposure is taken. All currency hedging is implemented through hedged share classes at the underlying pooled vehicles. The Fiduciary manager may express tactical currency views from time to time via an allocation to unhedged pooled vehicle share classes.

At end of June 2024 the matching strategy (£50.8m) was invested in a combination of Liability Driven Investments, all denominated in GBP. The growth strategy was split between currency hedged/GBP denominated and non-currency hedged exposure.

Interest rate risk

This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.

The Scheme has indirect exposure to interest rate risk through its fixed income pooled investments. At the end of June 2024, the Scheme had interest rate risk exposure through its investments in Government Bonds, Global Credit, Emerging Market Debt, High Yield Debt, Cash and the Matching Strategy. At the end of June 2024, the monetary value for the aforementioned assets was £60.7m.

The Scheme targets a level of interest rate and inflation risk to match the sensitives of the Scheme's liabilities and thus reducing the risk of the funding deficit increasing as a result in a fall in government yields. This is primarily executed through the matching strategy by holding a combination of physical and synthetic (derivatives) exposure to Gilts and Index-Linked Gilts via pooled vehicles.

The level of interest rate exposure is monitored daily. The Scheme's exposure to interest rates will gradually increase over time as the Scheme de-risks, ultimately bringing the interest exposure of the assets in-line with the liabilities exposure (adjusted for the funding ratio).

Other price risk:

This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Indirect price risk arises principally from the Scheme's growth strategy, which is designed to generate long term returns. The level of price risk varies for each of the underlying investments. The portfolio has been designed to deliver an appropriate risk-return profile by investing across a diverse range of asset classes. The risk attributes of the portfolio are reviewed on a regular basis and rebalanced accordingly.

As at the end of June 2024 the Scheme's exposure to investments subject to other indirect price risk, namely the growth strategy, was £56.7m.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

17. Concentration of investments

The following investments, account for more than 5% of the net assets of the Scheme.

	2024		2023	
	Value	**%**	**Value**	**%**
LMF GBP PROF LONG REAL FLEX	31,679	29.01	33,074	29.85
ASG REDITUS FUND	29,211	26.75	23,851	21.53
LMF GBP PROF LONG NOMINAL FLEX	11,926	10.92	12,744	11.50
LMF GBP PROF SHORT NOMINAL	6,061	5.55	5,951	5.37

18. Current assets

	2024 £000	2023 £000
Cash balances	407	690

19. Current liabilities

	2024 £000	2023 £000
Accrued expenses	243	267
Accrued benefits	59	-
HM Revenue & Customs	58	52
	360	319

20. Employer related investments

There were no direct Employer related investments during the year or at the year end (2023: Nil).

The Trustee recognise that indirect investment in the Employer’s sponsor group, is possible through holdings in pooled investment vehicles. The Trustee believe that any indirect exposure to shares in the Employer sponsor group was no more than 5% of the Scheme assets at any time during the year or at year end.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

21. Related party transactions

Related party transactions and balances comprise:

Key management personnel

Fees and expenses were paid to the Trustee in the amount of £1k (2023: £2k) by the Scheme.

The membership status of Trustees in place during the year is as below:

G Hockings – pensioner (2023: pensioner) (retired 29 February 2024)
Capital Cranfield Pension Trustees Limited, represented by Kate Jarvis. – non-member (2023: non-member)
B Mansfield – pensioner (2023: deferred) (retired 8 December 2023)
R Spencer – pensioner (2023: pensioner) (retired 29 February 2024)
P Sprules – in service deferred (2023: in service deferred) (retired 29 February 2024)
P Tompkins – pensioner (2023: pensioner) (retired 29 February 2024)

Employer and other related parties

The Principal Employer is considered a related party.

The Principal Employer meets the premiums for any insurance death benefits provided under the Scheme and all levies payable to the Pensions Regulator or the Pension Protection Fund.

During the year ended 30 June 2024, the Principal Employer met the fees of the Independent Trustee directly of £42,113.

22. Contingent assets and liabilities

GMP equalisation

In October 2018, the High Court determined that pension schemes must adjust members' benefits for the effects of unequal Guaranteed Minimum Pensions ('GMPs') between men and women. This ruling potentially affects members of the Unum Pension Scheme who earned benefits between May 1990 and April 1997. Such members might be eligible for an increase in their pension, although not every such member will be affected and in many cases any increase is likely to be small.

In November 2020, the High Court determined that GMPs accrued between May 1990 and April 1997 also need to be equalised for members who had previously transferred-out. Under the ruling, schemes are required to calculate and pay a top-up to the receiving scheme and provide interest on the top-up amounts.

Based on an initial assessment the Trustee do not expect the likely amounts and related interest for either ruling to be material to the financial statements and therefore have not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

The Trustee is continuing to review, with its advisers, the implications of both rulings on the Scheme. When this review is completed and adjustments to benefits are determined, the Trustee will communicate with affected members. This process is likely to take several years.

In the opinion of the Trustee, the Scheme had no other contingent assets and liabilities as at 30 June 2024 (2023: £Nil).

Contingent asset

As described in the Summary of Contributions on page 33, the Employer is paying contributions of £1.24M p.a. into an escrow account that is governed by a Deed that allows payments to be made from the escrow account to the Scheme/Employer if certain conditions are met. At 30 June 2024, the balance in the escrow account was £1.87M.

INDEPENDENT AUDITORS' STATEMENT ABOUT CONTRIBUTIONS TO THE TRUSTEE OF UNUM PENSION SCHEME

Independent Auditor's Statement about Contributions to the Trustee of the Unum Pension Scheme

Statement about contributions

We have examined the Summary of Contributions payable under the Schedule of Contributions to the Unum Pension Scheme in respect of the Scheme year ended 30 June 2024 which is set out on page 33.

In our opinion contributions for the Scheme year ended 30 June 2024 as reported in the Summary of Contributions and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the actuary on 30 September 2022.

Scope of work on statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the Summary of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the Schedule of Contributions.

Respective responsibilities of Trustee and Auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 15, the Scheme's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates and due dates of certain contributions payable towards the Scheme by or on behalf of the Employer. The Trustee is also responsible for keeping records in respect of contributions received and for monitoring whether contributions are made to the Scheme by the Employer in accordance with the Schedule of Contributions.

It is our responsibility to provide a statement about contributions paid under the Schedule of Contributions to the Scheme and to report our opinion to you.

The purpose of our work and to whom we owe our responsibilities

This statement is made solely to the Scheme's Trustee, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our work has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to them in an auditor's Statement about Contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee, as a body, for our work, for this statement, or for the opinions we have formed.

JW Hinks LLP, Statutory Auditor
Chartered Accountants
19 Highfield Road
Edgbaston
Birmingham
B15 3BH

Date:

SUMMARY OF CONTRIBUTIONS
FOR THE YEAR ENDED 30 JUNE 2024

Statement of Trustee's Responsibilities in respect of Contributions

The Scheme's Trustee is responsible under pension's legislation for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates of contributions payable towards the Scheme by or on behalf of the Employer of the Scheme and the dates on or before which such contributions are to be paid. The Scheme's Trustee is also responsible for keeping records of contributions received and for monitoring that contributions are made to the Scheme in accordance with the Schedule.

This Summary of Contributions has been prepared by, or on behalf of, and is the responsibility of the Trustee. It sets out the Employer and member contributions payable to the Scheme under the Schedule of Contributions certified by the Actuary on 30 September 2022 in respect of the Scheme year ended 30 June 2024. The Scheme Auditor reports on contributions payable under the Schedule in the Auditor's Statement about Contributions.

During the year ended 30 June 2024 the contributions payable to the Scheme were as follows:

	Employer £000	Employees £000	Total £000
Contributions payable under the Schedule of Contributions and as reported by the Scheme auditor			
Total contributions reported in the financial statements	**Nil**	**Nil**	**Nil**

The Company will pay £1.24M p.a. payable monthly from January 2023 to June 2026 inclusive into an escrow account. The operation of the escrow account is governed by a Deed Relating to Release Events dated 30 September 2022. The escrow Deed sets out further information about the payments to be made from the escrow account to the Scheme and/or the Employer. There are provisions within the escrow Deed for payments to be made from the escrow to the Scheme in certain circumstances. In particular, if by the 30 June 2026 there remains a deficit on the technical provisions basis, a payment will be made from the escrow account to the Scheme by 30 September 2026 equal to the lower of the technical provisions deficit and the value of the escrow account.

The Escrow Deed includes more information about the mechanics of this calculation. If the assumptions play out in practice, these contributions together with investment returns on Scheme assets of 0.25% p.a. above the technical provisions discount rate will remove the deficit relative to the technical provisions by 30 September 2026.

The Summary of Contributions was approved by the Trustee and signed on its behalf by:

Trustee:

Date:

ACTUARIAL CERTIFICATE

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that the Statutory Funding Objective could have been expected on 30 June 2021 to be met by the end of the period for which the schedule is to be in force.

Adherence to Statement of Funding Principles

2. I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 30th September 2022

The certification of the adequacy of the rates of contributions for the purpose of securing that the Statutory Funding Objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Scheme's liabilities by the purchase of annuities if the Scheme were to be wound up.

Signature:	DocuSigned by: D18DB9F59D7C4F0
Name:	Robert Sergeant
Qualification:	Fellow of the Institute and Faculty of Actuaries
Employer:	Aon Solutions UK Limited, Briarcliff House, Kingsmead, Farnborough, Hampshire, GU14 7TE
Date:	30-Sep-2022

APPENDIX – ENGAGEMENT POLICY IMPLEMENTATION STATEMENT
(forming part of the Trustee's Report)

Introduction

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

This statement covers the Scheme's accounting year to 30 June 2024. It is intended to meet the updated regulations and will be included in the Scheme's Report & Accounts. In preparing this statement, the Trustees have taken advice from their professional advisers.

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

Policies

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

The Trustees have appointed BlackRock as the Fiduciary Manager ('the Manager') for the Scheme. The Trustees delegate the day-to-day investment decisions and asset allocation to the Manager. The Trustees retain responsibility for the strategic investment objective and oversight of the Manager.

During the year to 30 June 2024 the Trustees did not update the SIP, as such the policies contained in the December 2021 SIP are those which are relevant to this Statement, which can be accessed online.

The Trustees note the 'Guidance issued by the DWP relating to Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement' in July 2022. Going forwards, the Trustees plans to develop its policies and build more elements of this guidance into future iterations of this statement such as in relation to fixed income managers.

Scope of the statement

The Trustees acknowledge that the extent to which the policies in relation to stewardship, voting and engagement can be applied varies across the portfolio. For example, in general, voting rights are not attached to fixed income securities, while the applicability to the LDI (liability-driven investment) portfolio is limited. Nonetheless, the Trustees and the Manager expect all investment managers to take an active role in the stewardship of investments where relevant.

Scheme activity

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

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

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

APPENDIX – ENGAGEMENT POLICY IMPLEMENTATION STATEMENT
(forming part of the Trustee's Report)

Voting and Engagement

The Trustees have delegated to the Manager the responsibility of collecting the stewardship and engagement reports of the underlying managers and assessing the suitability. The Trustees also expect the Manager to monitor the underlying manager's activity to ensure compliance and confirm that it remains a suitable investment for the Scheme. The Trustees are comfortable that under the governance structure the responsibility sits with the Manager to communicate with the underlying managers and on a regular basis collect information as required.

The Manager has noted that there is variability between managers in the extent of their engagement and voting policies, with equity managers generally having made more progress than fixed income. This Implementation Statement focuses on the Scheme's equities managers. It is intended that in future years there will be greater focus on other asset classes, in particular the fixed income managers.

The section below details the investment managers' approach to voting and engagement as well as some examples of significant engagements these managers have made over the 12 months in respect to the funds in which the Scheme is invested.

In addition, summary voting statistics in respect of the Scheme's equities funds over the year to 30 June 2024 have been included. Voting statistics have been reported over the one-year period to 30 June as this likely to result in greater coverage across investment managers and therefore also provide greater comparability and consistency going forwards.

BlackRock

The Scheme has a portion of its Growth assets invested in funds managed by the Manager. Given the Manager's appointment as both the fiduciary manager as well one of the investment managers, the Trustees recognise the importance of ensuring that the Manager's own policies and actions are appropriate for the Scheme. The Manager publicises its own policies as well as quarterly updates online (which can be accessed here) which the Trustees have visibility of. This includes details of any changes to policies and also reports at an aggregate level the impact of its voting and engagement. The Trustees are comfortable that the transparency of the Manager in publicising reports and developments online ensures alignment with the interests of the Scheme.

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

With the exception of the BlackRock European Equities, BlackRock Factor Equities and BlackRock Thematic Equities, the Scheme's BlackRock equities funds are passive (i.e. index) strategies. In respect of passive strategies, there is a wide universe of underlying companies which may number in the hundreds if not thousands. Where strategies are actively managed, investments are typically more concentrated. As such, ownership is more concentrated for actively managed strategies and therefore there will be fewer resolutions in which to vote. In addition, actively managed strategies have the option to sell holdings in companies at its discretion. For these reasons, in the context of passive strategies, it is important that voting and engagement rights are exercised and that this is monitored. Examples of significant votes in respect of the BlackRock holdings are included below. The summary voting statistics below illustrate that the voting rights attached to the underlying investments in these instances have been exercised to a large extent.

APPENDIX – ENGAGEMENT POLICY IMPLEMENTATION STATEMENT
(forming part of the Trustee's Report)

BlackRock (continued)

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

Approach to voting	BlackRock sees its investment stewardship program, including proxy voting, as part of its fiduciary duty and as a way to enhance the value of clients' assets, using our voice as a shareholder on their behalf to ensure that companies are well led and well managed. The BlackRock Investment Stewardship team does this through engagement with management teams and/or board members on material business issues including environmental, social, and governance matters and, for those clients who have given BlackRock authority, through voting proxies in the best long-term economic interests of its clients. BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team ('BIS'), which consists of three regional teams – Americas ('AMRS'), Asia-Pacific ('APAC'), and Europe, Middle East and Africa ('EMEA') - located in seven offices around the world. The analysts within each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines. Whilst BlackRock subscribes to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into its vote analysis process, and it does not blindly follow their recommendations on how to vote. BlackRock does not follow any single proxy research firm's voting recommendations. It subscribes to two research providers and uses several other inputs in its voting and engagement analysis, including a company's own disclosures, public information and ESG research. BlackRock uses Institutional Shareholder Services' (ISS) electronic platform to execute vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, BlackRock works with proxy research firms who apply our proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform our voting decision.
Eicher Motors Limited (Indian Automotive manufacturer)	Eicher Motors Limited (Eicher Motors) is an Indian automotive manufacturer which owns and operates the Royal Enfield motorcycle brand. BIS has had multiyear engagements with Eicher Motors to better understand the company's governance and strategy, as well as its approach to board composition and refreshment. In 2023, BIS engaged with Eicher Motors on board and committee independence matters in relation to the director election proposals at the August AGM and November EGM. During AGM in August 2023, BIS voted FOR the re-election of Siddhartha Vikram Lal as Director. This decision was based on the company's responsiveness to shareholder concerns, including a commitment to review the composition of the board. BIS emphasises the importance of board performance for a company's economic success and highlights their role in engaging with and electing directors as a key responsibility. BIS consider factors such as director independence and the overall independence of boards and committees, which are crucial for effective oversight and long-term value creation. BIS had previously raised concerns about the CEO's role on the audit committee. Prior to the AGM, BIS engaged with the company to raise the concern, as well raise concerns on the independence level of the board and audit committee. BIS also raised the length of tenure of the independent non-executive director sitting as chair of the board. Following engagement, BIS noted the steps the company committed to taking to address shareholder concerns. Shortly before the 2023 AGM, Eicher Motors announced that the company's board of directors would 'engage in [a] review of the number of independent directors on the board and composition of various board committees'. Based upon the company's public comments regarding a board refreshment and the potential to address shareholder concerns, BIS determined that supporting this vote at the August 2023 AGM was warranted.

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Dassault Systèmes SE (French Software Company)	Dassault Systemes SE is a French software company that develops 3D design, simulation, manufacturing, and data management software. Its products are used by companies in a wide range of industries, including aerospace and defense, automotive, consumer goods, and healthcare. BIS engages with companies to better understand how company leadership identifies and manages the material risks and opportunities in their business model that, in their assessment, can impact their ability to deliver durable financial performance for long-term investors. BIS also engages to provide a long-term investor perspective on corporate governance practices. BIS has a multi-year engagement history with Dassault Systèmes, over which they have discussed the company's approach to executive remuneration and other material governance-related issues. In particular, BIS has had concerns with the structure of the long-term incentive plan (LTIP) for the company's executives as, in their assessment, the LTIP is not aligned with the financial interests of long-term shareholders. At the AGM of Dassault Systèmes in 2020, 2021, and 2022, the company received high levels of dissent on their compensation policies from unaffiliated shareholders, including from BIS. BIS note that, even though Dassault Systèmes' has a controlled shareholding structure, following the 2022 AGM the company has been responsive to feedback from unaffiliated shareholders and has demonstrated that the feedback is informing changes they have made to their executive remuneration practices. At the 2023 AGM, BIS did not support the approval of the compensation plan for the Vice Chairman and CEO of Dassault Systemes that was granted in 2022. This was due to concerns over the lack of a cap on his LTIP. This resulted in an excessive payout of approximately $60 million, which BIS deemed disproportionate compared to his peers in Europe. BIS advocates against remuneration proposals that lack appropriate rationale or explanation for excessive pay relative to peers. Additionally, BIS criticised the 2022 LTIP for being based on one non-IFRS EPS target where there was little disclosure on performance targets. BIS believes that variable pay should be based on multiple metrics and BIS will vote against relevant remuneration proposals when there is insufficient information on the use of performance criteria for vesting long-term awards. BIS plan to continue monitoring Dassault Systèmes' executive remuneration practices and engage with the company to ensure alignment with long-term financial value creation.

BlackRock Europe Equities (Active)

	Year to 30 June 2024
Votable proposals	827
% of resolutions voted	100%
% of resolutions voted against management	7%
% of resolutions abstained	2%

BlackRock US Equities (Index)

	Year to 30 June 2024
Votable proposals	7,129
% of resolutions voted	99%
% of resolutions voted against management	2%
% of resolutions abstained	0%

BlackRock UK Equities (Index)

	Year to 30 June 2024
Votable proposals	14,576
% of resolutions voted	96%
% of resolutions voted against management	3%
% of resolutions abstained	1%

BlackRock Asia Pacific Equities (Index)

	Year to 30 June 2024
Votable proposals	3,069
% of resolutions voted	100%
% of resolutions voted against management	10%
% of resolutions abstained	0%

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BlackRock Japan Equities (Index)		**Year to 30 June 2024**
	Votable proposals	6,012
	% of resolutions voted	100%
	% of resolutions voted against management	3%
	% of resolutions abstained	0%
iShares S&P 500 ETF (Index)		**Year to 30 June 2024**
	Votable proposals	7,016
	% of resolutions voted	99%
	% of resolutions voted against management	1%
	% of resolutions abstained	0%
iShares Edge MSCI USA Value Factor ETF (Index)		**Year to 30 June 2024**
	Votable proposals	2,115
	% of resolutions voted	100%
	% of resolutions voted against management	1%
	% of resolutions abstained	0%
iShares MSCI EMU ETF (Index) *(Bought in December 2023)*		**Year to 30 June 2024**
	Votable proposals	3,986
	% of resolutions voted	100%
	% of resolutions voted against management	6%
	% of resolutions abstained	0%
BlackRock Factor Equities (Active)		**Year to 30 June 2024**
	Votable proposals	2,659
	% of resolutions voted	95%
	% of resolutions voted against management	2%
	% of resolutions abstained	0%
BlackRock Thematic Equities (Active)		**Year to 30 June 2024**
	Votable proposals	25,866
	% of resolutions voted	98%
	% of resolutions voted against management	9%
	% of resolutions abstained	2%

APPENDIX – ENGAGEMENT POLICY IMPLEMENTATION STATEMENT
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Other investment managers

The approach to voting and engagement of the Scheme's other equities managers, Schroders and Wellington and American Century are detailed below. JP Morgan is also included; however, JPM China Equities was sold in October 2023. These managers are appointed in relation to the Scheme's equity holdings.

Schroders:

Approach	The overriding principle governing Schroders' approach to voting is to act in the best interests of its clients. Schroders' voting policy and guidelines are outlined in its publicly available Environmental, Social and Governance Policy. Schroders evaluates voting issues arising and, where it has the authority to do so, votes on them in line with its fiduciary responsibilities in what it deems to be the interests of its clients. In applying the policy, Schroders considers a range of factors, including the circumstances of each company, performance, governance, strategy and personnel. It is Schroders' policy to vote all shares at all meetings globally, except where there are onerous restrictions – for example, shareblocking. Schroders utilises the services of ISS and the Investment Association's Institutional Voting Information Services ('IVIS') in conjunction with its own research and policies when formulating voting decisions. With regards to abstaining from votes, Schroders' preference is to support or oppose management and only use an abstention sparingly. Schroders may abstain where mitigating circumstances apply, for example where a company has taken some steps to address shareholder issues. For certain holdings of less than 0.5% of share capital in the USA, Australia, New Zealand, Japan, and Hong Kong, Schroders has implemented a custom policy that reflects the views of its ESG policy and is administered by Schroders' proxy voting provider, ISS. Schroders votes on both shareholder and management resolutions.
Terna Energy (Greek renewable energy company)	Terna Energy is a Greek renewable energy company that plays a leading role in clean energy production while carrying out innovative projects for the environment, which contribute to sustainable development. Throughout 2023, the Schroders investment team engaged with Terna Energy on the follow issues: • Supply chain management – how much ESG focus is given to their suppliers? • Biodiversity management – how does Terna ensure that environmental risks and depletion are managed across operations? In terms of the supply chain management, Terna adopted a procurement policy in 2022 and suppliers/partners are selected in line with these policy provisions. Terna have been applying the Code of Ethics, GDPR, human rights and purchasing policies to suppliers and as such, suppliers must provide policy statements regarding forced labour and evidence of control and monitoring facilities. Terna has the right to conduct inspections on suppliers and can terminate contracts should a supplier fail to abide by their principles and values. On biodiversity management, Terna is in full compliance with legislation and environmental requirements, whilst climate risks are formulated into the company's strategy. The following impact management initiatives are applied: investigation of project areas and whether they are governed by specific regulatory restrictions (including protected areas); preparation of environmental impact studies and implementation of an environmental management system; and installations of bird protection systems, approved by the environmental terms. For every project that is completed within forest areas, reforestation is performed equal to the project size.

		Year to 30 June 2024
Schroders EM Equities	Votable proposals	1,902
	% of resolutions voted	97%
	% of resolutions voted against management	8%
	% of resolutions abstained	2%

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Wellington:

Approach	Wellington votes according to its Global Proxy Voting Guidelines and employs a third-party vendor, Glass Lewis, to perform administrative tasks related to proxy voting. Wellington does not automatically vote proxies either with management or in accordance with the recommendations of third-party proxy providers, ISS and Glass Lewis. Wellington has its own ESG Research Team, which provides voting recommendations. Based on these resources and in conjunction with Wellington's Global Proxy Voting Guidelines, individual portfolio managers have authority to make final decisions on voting. There is no 'house vote'. Wellington's proxy voting system allows different votes to be submitted for the same security. Various portfolio managers holding the same securities may arrive at different voting conclusions for their clients' proxies.
Ryder System, Inc. (American transport company)	Ryder System, Inc. is an American transportation and logistics company. It is a third-party logistics provider and provides supply chain, transportation and fleet management solutions to companies. At the May 2024 AGM there was a shareholder proposal for additional climate transition reporting. The additional reporting would include disclosure on the impact of the company's climate change strategy on relevant stakeholders, including employees, workers in the supply chain and the communities in which they operate. The Board recommended shareholders to vote AGAINST this item. This was because they believed they already provide shareholders with sufficient information on their progress of their environmental initiatives and impacts of the business on various stakeholders. Wellington voted FOR the proposal. This was because they believe that the addition reporting would help mitigate risks, would demonstrate accountability for the company to perform against their targets. Therefore, enhanced disclosure was in the best interests of shareholders.

Wellington Small Cap Equities		**Year to 30 June 2024**
	Votable proposals	1,474
	% of resolutions voted	99%
	% of resolutions voted against management	5%
	% of resolutions abstained	0%

American Century

Approach	American Century's (ACI) Guiding ESG Principle are outlined in its ESG Policy and are as follows: ACI's primary mission is to deliver superior, long-term, risk-adjusted returns for clients. ACI focuses on material ESG issues, which are financially material. ACI seeks to integrate the analysis of potential risks and opportunities associated with ESG issues into its fundamental research process. ACI's goal is to mitigate downside risks and capture upside potential without compromising its fiduciary duty to act in the best interest of clients. ACI states that '*in addition to conducting business with the highest ethical standards and complying with all applicable laws and regulations, our ESG approach is regularly reviewed against industry investment stewardship and governance standards and other ESG methodologies to ensure alignment with our processes.'* American Century subscribes to the proxy voting services of Institutional Shareholder Services ('ISS'), including their proxy voting platform, voting advisory services, and vote disclosure services. While American Century reviews and considers ISS's research, analysis, and recommendations, it votes proxy using the ISS voting platform in accordance with the ACI's proxy voting policies, which can differ from those of ISS.
e.l.f. Beauty, Inc	e.l.f is an American cosmetics brand that operates worldwide. In August 2023, a vote was proposed to ratify the names Executive Officers' compensation. American Century voted against this proposal. The reason being because the company has not disclosed any short-

APPENDIX – ENGAGEMENT POLICY IMPLEMENTATION STATEMENT
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(American cosmetics brand)	and long- term Environmental and Social performance incentives and the company maintains an auto-accelerated equity vesting change-in-control provision. The vote was passed, however American Century will continue to monitor the company's disclosures and equity provisions.

American Century Small Cap Equities		**Year to 30 June 2024**
	Votable proposals	1,135
	% of resolutions voted	90%
	% of resolutions voted against management	9%
	% of resolutions abstained	1%

J P Morgan

Approach	JP Morgan has an explicitly stated investment stewardship philosophy, believing that the companies they engage with will produce better long-term financial results, while simultaneously contributing to an improved society. JP Morgan's stewardship activities are based on proprietary environmental, social and governance research, driven by both their broad investment teams in addition to a dedicated Sustainable Investing team. JP Morgan subscribes to research from the proxy advisory firms Institutional Shareholder Services (ISS), GES International (Sustainalytics) and Glass Lewis. JP Morgan's Sustainable Investing Oversight Committee is made up of chief investment officers and leaders from its sustainable investing and control functions, and serves as a single point of strategic oversight, decision-making, review and assurance. The business employs regional heads of stewardship to work with local teams, while the Global Head of Sustainable Investing, Jennifer Wu, oversees the global stewardship effort. With regards to engagement, JP Morgan conducts approximately 500 dedicated ESG engagement meetings per year.
Haier Smart Home (Chinese producer of smart home appliances)	Throughout JP Morgan's individual meetings, they have learnt that the company has implemented multiple initiatives and practices which in JP Morgan's view have not been disclosed clearly in the company's public reports. The company has also set a list of targets for various environmental and social issues, but these targets are very short-term in nature. The disclosure of Scope 3 emissions data were also missing. Haier Smart Home has enriched its ESG disclosure over the past two years. To further improve sustainability disclosure, JP Morgan highlighted the need for reporting the time series of material ESG data. The company recognised the issue and stated that there were no problems with supply chain and employment data. The challenges are in emission and other environmental information due to the geographical fragmentation in collecting and managing these data points. The company is trying to overcome these challenges through different means such as upgrading the Enterprise Risk Management system. The company's environmental and social targets are generally short-term with one-to-three-year targets. With respect to climate, the company mentioned that it has been working on estimating the environmental impact of its industrial park and will set 2024 as their target. It is also trying to be a pioneer in China to report their Scope 3 emissions based on ISSB standard, but the timing is to be confirmed. Most of the company's emissions are coming from its supply chain and product use, also known as Scope 3 emissions. The same applies for the company's environmental impact. The company has observed rising customer demand for green products and is working to mitigate the impact on climate and other environmental aspects. The company is conducting research and development on the life cycle of its products, to identify the changes they can make (e.g. reduction of molding, materials to avoid consumption etc.) and the monetary impact associated with these changes.

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JP Morgan has seen a significant uplift of the company's third party ESG rating, which could be attributed to higher transparency on ESG matters. To further advance its disclosure, the company will disclose all the policies and codes of conduct under separate sections on its website. JP Morgan's focus of engagement will be to set longer-term targets for material ESG issues.

		Year to 31 December 2023
JPM China Equities	Votable proposals	109
	% of resolutions voted	100%
	% of resolutions voted against management	19%
	% of resolutions abstained	0%

Concluding remarks

The Trustees are comfortable that the policies in the SIP have been followed over the year to 30 June 2024. The Trustees expect that the format and content of this statement will continue to evolve over time, in line with guidance and to reflect any future changes in the SIP.

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