

Registered number: 10040297

UNUM PENSION SCHEME
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2025

UNUM PENSION SCHEME

CONTENTS

Trustee and its Advisers	1
Trustee's Report	2
Independent Auditor's Report to the Trustee of Unum Pension Scheme	15
Fund Account.....	19
Statement of Net Assets (Available for Benefits).....	20
Notes to the Financial Statements.....	21
Independent Auditor's Statement about Contributions to the Trustee of Unum Pension Scheme	32
Summary of Contributions	33
Actuarial Certificate.....	34
Appendix – Engagement Policy Implementation Statement (forming part of the Trustee's Report).....	35

UNUM PENSION SCHEME

TRUSTEE AND ITS ADVISERS YEAR ENDED 30 JUNE 2025

Professional Trustee	Capital Cranfield Pension Trustee Limited Represented by Kate Jarvis and Wai Wong Harus Fiaz Hussan Rai Mark James Condron Philip Nicholas Whittome Steve David Godson Susan Carol Ellis (nee Anyan) Victoria Gibbard
Principal Employer	Unum European Holding Company Limited ('Unum')
Actuary	R Agius, FIA Aon Solutions UK Limited
Administrator	Aon Solutions UK Limited
Independent Auditor	JW Hinks LLP
Bankers	Lloyds Bank plc HSBC Bank plc
Investment Adviser	Aon Investments Limited ('AIL')
Fiduciary Investment Managers	BlackRock Investment Management (UK) Limited ('BlackRock') (resigned 25 July 2025) Schroders Solutions Investment Limited ('Schroders Solutions') (appointed 3 April 2025)
AVC Providers	Phoenix Life Limited ('Phoenix Life') Standard Life Aberdeen plc ('Standard Life') Utmost Life and Pensions Limited ('Utmost')
Custodians	The Bank of New York Mellon ('BNY Mellon') (resigned 25 July 2025) CACEIS (appointed 20 May 2025)
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

UNUM PENSION SCHEME

TRUSTEE'S REPORT YEAR ENDED 30 JUNE 2025

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 2025.

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 is shown on page 1.

Under the Trust Deed and Rules of the Scheme, the Trustee is appointed and removed by the Employer.

As Capital Cranfield Pension Trustee Limited is an independent, professional Trustee Company, the Scheme is exempt from the requirement to make Member Nominated arrangements.

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.

Scheme changes

Over the year, following a comprehensive review carried out by the Trustee, it was agreed to replace the Scheme's fiduciary manager. The new fiduciary manager (Schroders Solutions) has been appointed to ensure the continued effective management of the Scheme's investments and to support the long-term interests of all beneficiaries. The transfer of the Scheme's assets from BlackRock to Schroders Solutions took place on 1 July 2025. One illiquid investment will continue to be managed by BlackRock until transitioned over the next 2-3 years.

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

UNUM PENSION SCHEME

TRUSTEE'S REPORT YEAR ENDED 30 JUNE 2025

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	75	579	417	1,071
Adjustments to prior year membership	(2)	-	3	1
Retirements	(2)	(19)	21	-
Deaths	-	(1)	(7)	(8)
Leavers	(4)	4	-	-
Transfer out	-	(1)	-	(1)
Trivial Commutation	-	-	(1)	(1)
Members at the end of the year	67	562	433	1,062

Active members fell from 75 to 67, mainly due to normal retirements and leavers, together with minor adjustments to opening membership figures.

Pensioners include 37 (2024: 36) individuals receiving a pension upon the death of their spouse who was a member of the Scheme. Pensioners also include Nil (2024: 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 shown above relate to timing differences between the effective date of leaving or retiring and the actual date the administration system was updated.

Included in the above are 3 (2024: 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 2024 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 1.7% for Unum section members, Post 97 Pensions were increased at 1.7% for Unum section members and 2.7% for SLOC section members, Post 06/04/2010 Pensions were increased at 2.5%. Post 88 GMPs were increased at 1.7%, 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.

UNUM PENSION SCHEME

TRUSTEE'S REPORT YEAR ENDED 30 JUNE 2025

Contributions

The actuarial valuation of the Scheme as at 30 June 2024 identified a funding shortfall on the technical provisions' basis. In accordance with the Schedule of Contributions certified on 4 July 2025 by the Scheme Actuary, the Trustee and the Employer have agreed the following contribution schedule to address this deficit:

- The Employer will pay £10.6 million to the Scheme by 30 June 2025.
- In addition, starting 1 July 2025, the Employer will pay £1.785 million p.a., payable monthly, from 1 July 2025 to 30 June 2027.
- The Scheme will also receive an amount from the escrow account by 30 June 2025, being the estimated balance of £3.103 million, less any minimum amount required to keep the account open.

Following this period, the Employer will pay £1.785 million p.a. to the escrow account, payable monthly from 1 July 2027 to 30 June 2029. Monthly contributions are due on or before the last day of each calendar month.

The operation of the escrow account is governed by a Deed of Amendment relating to Release Events dated 26 June 2025, which includes further details about the payments to be made from the escrow account to the Scheme and/or the Employer. Specifically, if a deficit persists on the technical provisions basis as at 30 June 2029, a payment will be made from the escrow account to the Scheme by 30 September 2029, equal to the lower of the technical provisions' deficit and the value in the escrow account.

In addition, the Employer continues to pay the premiums for any insured death benefits provided under the Scheme, as well as any levies payable to The Pensions Regulator or the Pension Protection Fund. No contributions are due in respect of the period 1 July 2029 to the end of the current Schedule period.

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 its 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.

UNUM PENSION SCHEME

TRUSTEE'S REPORT YEAR ENDED 30 JUNE 2025

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

The results of the latest actuarial valuation at 30 June 2023 and 30 June 2024 actuarial reports are shown below:

	30 June 2023	30 June 2024
Market value of assets (A)	£109.9M	£107.0M
Technical provisions (B)	£139.2M	£128.3M
Surplus/(Shortfall) (B–A)	£(29.3)M	£(21.3)M
Funding level (A/B)	79%	83%

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, 0.9% p.a. pre-2030 and 0.1% p.a. post-2030 at 30 June 2024).
Discount rate (pre-retirement)	Term dependent rates equal to the nominal gilt yield curve plus: 1.7% p.a. for a period of 8 years from 30 June 2024, then reducing linearly to the gilt yield curve plus 0.5% p.a. as at 30 June 2038, then remaining at the gilt yield curve plus 0.5% p.a. thereafter.
Discount rate (post-retirement) Mortality base table	S3PXA Light tables with scaling factors of 110% for non-pensioners and 100% for pensioners.
Mortality improvement rate	The latest CMI projections with Aon's best estimate parameters and a long-term improvement rate of 1.25% p.a.

UNUM PENSION SCHEME

TRUSTEE'S REPORT YEAR ENDED 30 JUNE 2025

Report on Actuarial Liabilities (continued)

Recovery plan

Deficit reduction contributions payable to the Scheme

Contributions payable by the Employer:

- £10.6 million by 30 June 2025; plus
- £1.785 million p.a. payable monthly over the period 1 July 2025 to 30 June 2027.

Contributions payable from the escrow account:

- The balance of the escrow account (estimated as £3.103 million), less any minimum amount required to keep the account open, by 30 June 2025.

Deficit reduction contributions payable to the escrow account

Contributions payable by the Employer:

- £1.785 million p.a. payable monthly over the period 1 July 2027 to 30 June 2029.

If by 30 June 2029, there remains a deficit on the technical provisions' basis, a payment will be made from the escrow account to the Scheme by 30 September 2029. At the valuation date, these contributions, together with investment returns of 0.5% p.a. above the prudent technical provisions discount rate, were expected to eliminate the deficit at the valuation date by 30 June 2029.

Next actuarial valuation

The next triennial valuation will be carried out as at 30 June 2027.

UNUM PENSION SCHEME

TRUSTEE'S REPORT YEAR ENDED 30 JUNE 2025

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 not appointed a custodian to the Scheme as the Fiduciary managers appoint a custodian for the assets underlying the investments they manage for the Trustee. The Custodians appointed by the Fiduciary managers are shown below:

Managers	Custodians
BlackRock	BNY Mellon
Schroders Solutions	CACEIS

The Custodians are 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 Custodians' 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.

UNUM PENSION SCHEME

TRUSTEE'S REPORT YEAR ENDED 30 JUNE 2025

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 PA95 advisor to the Trustee advises on the long-term investment strategy.
 - in its capacity as fiduciary 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 investment managers, which are selected by BlackRock in its capacity as the Fiduciary Manager, as delegated by the Trustee.

*Over the year, following a comprehensive review carried out by the Trustee, it was agreed to replace the Scheme's fiduciary manager. The new fiduciary manager (Schroders Solutions) has been appointed to ensure the continued effective management of the Scheme's investments and to support the long-term interests of all beneficiaries. The transfer of the Scheme's assets from BlackRock to Schroders Solutions took place on 1 July 2025. One illiquid investment will continue to be managed by BlackRock until transitioned over the next 2-3 years.

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 as follows:

- The acquisition of suitable growth and matching assets, having due regard to the risks set out in this SIP, which will generate income and capital growth to pay, together with any contributions from members or the Sponsoring Employer, the benefits which the Scheme provides as they fall due.
- To limit the risk of the assets failing to meet the liabilities over the long-term having regard to any statutory funding requirement.
- To achieve a return on investments which is expected to at least meet the Scheme Actuary's assumptions over the long term.
- 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 Trustee on a quarterly basis in the Quarterly Investment Report.

Performance for the year ending 30 June 2025 is shown in the table below:

	1 year	3 years	Since Inception (p.a.)
Total Portfolio	(5.5)%	(9.7)%	(12.0)%

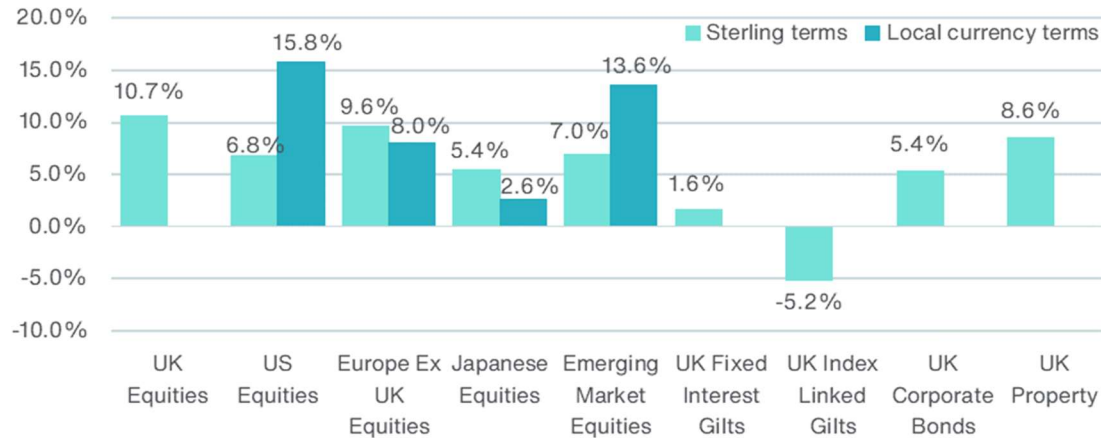
UNUM PENSION SCHEME

TRUSTEE'S REPORT YEAR ENDED 30 JUNE 2025

Investment report (continued)

Market background

Index returns from 30/06/2024 to 30/06/2025



Source: Source: FactSet, MSCI (Equities*, Property), FTSE (Gilts), iBoxx (Credit). *MSCI Indices show LOC gross total returns throughout this report.

General Background

Over the past year, global stock markets have performed well, with the MSCI All Country World Index rising by 14.2% in local currencies and 7.6% in sterling terms. Despite this positive performance, the investment environment has become more uncertain due to rising inflation and significant political changes. Inflation, which had previously reached the Bank of England's 2% target, has started to move upwards again, although it remains relatively controlled in the Eurozone. At the same time, the risk of a global economic slowdown has increased, largely as a result of growing trade tensions between the United States and its trading partners.

Political developments have played a major role in shaping the economic outlook over the last year. In the United Kingdom, the Labour Party, led by Keir Starmer, returned to government in July 2024 after 14 years in opposition. The new government appointed Rachel Reeves as Chancellor and Liz Kendall as Secretary of State for Work and Pensions. In the United States, Donald Trump won the presidential election in November 2024, beginning his second term in January 2025. The Republican Party also gained control of both the Senate and the House of Representatives. Early in his term, President Trump withdrew the US from the Paris Climate Agreement and the World Health Organisation, arguing that these organisations required reform.

Trade and economic policies have shifted notably, with the US introducing new tariffs in early 2025. These included a 25% tariff on steel and aluminium and a 10% baseline tariff on most imports, with some countries facing even higher tariffs. These measures have affected major exporters, including the UK, and have contributed to concerns about slower global growth. Reflecting this, the International Monetary Fund has revised down its 2025 growth forecasts for the global economy and major economies. In response to these changes, the UK secured a new trade deal with the US, reducing tariffs on cars and aerospace parts, though steel tariffs remain high. The UK also reached a new agreement with the European Union, which included extended fishing access, support for coastal areas, and alignment on certain product standards.

UNUM PENSION SCHEME

TRUSTEE'S REPORT YEAR ENDED 30 JUNE 2025

Investment report (continued)

General background (continued)

Europe has experienced political turbulence as well. In France, the government changed after a vote of no confidence, leading to the appointment of a new Prime Minister and a renewed focus on reducing the budget deficit. In Germany, the ruling coalition collapsed, and the Christian Democratic Union formed a new government after winning the 2025 election. New rules were introduced to allow more flexibility for borrowing to fund defence and infrastructure spending.

The UK government's first budget under Labour in October 2024 included £40 billion in tax rises, mainly from higher employer National Insurance Contributions and increased capital gains tax rates. In March 2025, further savings were announced through reduced welfare and departmental spending, along with measures to improve tax compliance. The Office for Budget Responsibility forecasts UK inflation at 3.2% in 2025, gradually falling to 2% by 2027. Economic growth is expected to be 1% in 2025, rising to nearly 2% in subsequent years. Defence spending is set to increase, financed by reductions in overseas aid.

Central banks have also responded to evolving economic conditions. The Bank of England reduced interest rates four times over the year, bringing them to 4.25%. Inflation is expected to peak at 3.5% before returning to target by 2027. In the US, the Federal Reserve cut rates by 1% over the year, with economic growth forecast to slow and inflation expected to rise slightly. The Federal Reserve is also slowing its efforts to reduce its balance sheet. The European Central Bank lowered rates seven times to 2%, with inflation expected to remain close to target and modest economic growth ahead. In Japan, the central bank raised rates twice to the highest level in 17 years, responding to rising bond yields and inflation expectations. Meanwhile, the People's Bank of China cut rates and eased lending conditions to support the economy and property market.

Energy prices have also shifted, with oil prices falling sharply by 21.8% over the year to \$67.6 per barrel. OPEC+ countries increased oil production, with further increases planned in the coming months.

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 42.

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 22 to the financial statements.

UNUM PENSION SCHEME

TRUSTEE'S REPORT YEAR ENDED 30 JUNE 2025

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.

UNUM PENSION SCHEME

TRUSTEE'S REPORT YEAR ENDED 30 JUNE 2025

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 Pensions Service
Post Handling Site A
Wolverhampton
WV98 1AF

0800 731 0469
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
Wyndham
NR18 8DN

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

UNUM PENSION SCHEME

TRUSTEE'S REPORT YEAR ENDED 30 JUNE 2025

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 & 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 & Pensions Service
Borough Hall
138 Cauldwell Street
Bedford
MK42 9AB

0800 011 3797
<http://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.

If the complaint is not resolved satisfactorily, you have the right to refer your complaint to The Pensions Ombudsman free of charge. 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

You can also submit a complaint online: <http://www.pensions-ombudsman.org.uk/making-complaint>

UNUM PENSION SCHEME

TRUSTEE'S REPORT YEAR ENDED 30 JUNE 2025

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 intends to wind up the 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 must 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 (including the Engagement Policy Implementation Statement) was approved by the Trustee and signed on its behalf by:

Trustee:

Date:

UNUM PENSION SCHEME

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 2025 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 2025 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 does 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.

UNUM PENSION SCHEME

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.

UNUM PENSION SCHEME

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, recognising the financial and regulated nature of the Scheme's activities and its legal form. Auditing standards limits the required audit procedures to identify non-compliance with these laws and regulations to enquire 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 32 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 14, 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.

UNUM PENSION SCHEME

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:

UNUM PENSION SCHEME

FUND ACCOUNT FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 £000	2024 £000
Employer contributions	4	13,703	-
Other income	5	32	31
		13,735	31
Benefits paid or payable	6	(4,502)	(4,296)
Payments to and on account of leavers	7	(39)	(466)
Administrative expenses	8	(767)	(663)
		(5,308)	(5,425)
Net additions/(withdrawals) from dealings with members		8,427	(5,394)
Returns on investments			
Investment income	9	5,050	2,118
Change in market value of investments	10	(10,522)	780
Investment management expenses	11	6	-
		(5,466)	2,898
Net increase/(decrease) in the fund during the year		2,961	(2,496)
Opening net assets		108,329	110,825
Closing net assets		111,290	108,329

The notes on pages 21 to 31 form part of these financial statements.

UNUM PENSION SCHEME

STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS) AS AT 30 JUNE 2025

	Note	2025 £000	2024 £000
Investment assets			
Pooled investment vehicles	13	95,939	107,050
AVC investments	14	1,301	1,343
Cash	15	40	21
Other investment balances	16	-	(132)
		<u>97,280</u>	<u>108,282</u>
Total net investments		<u>97,280</u>	<u>108,282</u>
Current assets	20	14,239	407
Current liabilities	21	(229)	(360)
Net assets available for benefits at 30 June		<u>111,290</u>	<u>108,329</u>

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 21 to 31 form part of these financial statements.

These financial statements on pages 19 to 31 were approved by the Trustee and were signed on its behalf by:

Trustee:

Date:

UNUM PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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, Westcott Road, 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.

Contributions

Employer's deficit contributions are accounted for in the year in which they fall due in line with the Schedule of Contributions or on receipt with the agreement of the Employer and Trustee.

Benefits paid or payable

Pensions in payment, including pensions funded by insurance (annuity) contracts, are accounted for in the year 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.

Administrative expenses

Administrative expenses are accounted for on an accrual's basis, net of recoverable VAT.

Other income

Other income is accounted for on an accrual's basis.

Investment management expenses

Investment management fees and rebates are accounted for on an accrual's basis.

UNUM PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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 accrual's 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.

Other investment balances are included in the Statement of Net Assets (Available for Benefits) on the basis of fair values provided by the investment manager at the year end.

UNUM PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

4. Contributions

	2025	2024
	£000	£000
Deficit funding	13,703	-

In accordance with the Schedule of Contributions certified by the Scheme Actuary on 4 July 2025, the Employer is scheduled to pay deficit reduction contributions of £10.6 million to the Scheme by the year ending 30 June 2025.

In addition, the Scheme has also received an amount from the escrow account by 30 June 2025, equal to the estimated balance of £3.1 million, less any minimum required to keep the account open.

5. Other income

	2025	2024
	£000	£000
Other income	32	31

Other income relates to an unfunded pension of a member for the year.

6. Benefits paid or payable

	2025	2024
	£000	£000
Pensions	3,625	3,472
Commutations of pensions and lump sum retirement benefits	877	824
	<u>4,502</u>	<u>4,296</u>

7. Payments to and on account of leavers

	2025	2024
	£000	£000
Individual transfers to other schemes	39	466

UNUM PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

8. Administrative expenses

	2025	2024
	£000	£000
Administration and processing	200	117
Actuarial fees	455	366
Audit fees	12	7
Legal fees	25	-
Other professional fees	62	171
Trustee fees and expenses	13	1
Sundry expenses	-	1
	<u>767</u>	<u>663</u>

The reason for increase in administration and processing fees and actuarial fees is due to the actuarial valuation carried out during the year.

Other professional fees in 2024 related to additional work carried out in relation to the investment strategy.

The increase in Trustee fees and expenses is due to additional Capital Cranfield Pension Trustee Limited fees paid by the scheme.

9. Investment income

	2025	2024
	£000	£000
Income from pooled investment vehicles	5,011	2,086
Interest on cash deposits	34	27
Annuity income	5	5
	<u>5,050</u>	<u>2,118</u>

The reason for increase in income from pooled investment vehicles is due changes in interest rates and inflation of LMF funds which are designed to offset liabilities by employing financial instruments.

UNUM PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

10. Investments

	Opening value at 1 Jul 2024 £000	Purchases at cost £000	Sales proceeds £000	Change in market value £000	Closing value at 30 Jun 2025 £000
Pooled investment vehicles	107,050	38,281	(38,798)	(10,594)	95,939
AVC investments	1,343	-	(114)	72	1,301
	108,393	38,281	(38,912)	(10,522)	97,240
Cash	21				40
Other investment balances	(132)				-
Total net investments	108,282				97,280

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.

11. Investment management expenses

	2025 £000	2024 £000
Management fees rebates	6	-
	6	-

12. 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.

UNUM PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

13. Pooled investment vehicles

	2025	2024
	£000	£000
Alternative funds	946	6,883
Bond funds	11,714	2,585
Cash and liquidity funds	586	527
Equity funds	18,313	46,247
Liability matching funds	64,380	50,808
	95,939	107,050
	95,939	107,050

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

	2025	2024
	£000	£000
Authorised unit trust	63,933	80,974
Unit linked insurance policies	18,760	16,081
Limited Partnership	946	6,883
Exchange Traded funds	12,300	3,112
	95,939	107,050
	95,939	107,050

14. AVC investments

	2025	2024
	£000	£000
Utmost	23	21
Phoenix Life Limited	64	148
Standard Life	1,214	1,174
	1,301	1,343
	1,301	1,343

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 Limited has 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:

	2025	2024
	£000	£000
Unit trusts	87	169
With profits	1,214	1,174
	1,301	1,343
	1,301	1,343

UNUM PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

15. Cash and other investment balances

	2025 £000	2024 £000
Cash	40	21
	40	21
	40	21

16. Other investment balances

	2025 £000	2024 £000
Unsettled purchases	-	(400)
Unsettled sales	-	268
	-	(132)
	-	(132)

17. 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:

	Level 1 £000	Level 2 £000	Level 3 £000	2025 Total £000
Investment assets				
Pooled investment vehicles	-	71,928	24,011	95,939
AVC investments	-	1,214	87	1,301
Cash	40	-	-	40
Other investment balances	-	-	-	-
	40	73,142	24,098	97,280
	40	73,142	24,098	97,280
Investment assets				
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
	(111)	79,013	29,380	108,282

UNUM PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

18. 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 determine their 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 manage 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 underlying 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.

UNUM PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

18. 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 2025 the matching strategy (£40.8m) 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 2025, 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 2025, the monetary value for the assets was £71.6m.

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 2025 the Scheme's exposure to investments subject to other indirect price risk, namely the growth strategy, was £30.8m.

UNUM PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

19. Concentration of investments

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

	2025		2024	
	Value	%	Value	%
LMF GBP PROF LONG REAL FLEX	24,388	21.99	31,679	29.01
ASG REDITUS FUND	24,011	21.65	29,211	26.75
LMF GBP PROF LONG NOMINAL FLEX	10,139	9.14	11,926	10.92
AQ LIFE HDG ESG SCR IDX S1 ACC GBP*	7,231	6.52	-	-
LMF GBP PROF SHORT NOMINAL**	-	-	6,061	5.55

*Less than 5% of net assets at 30 June 2024

**Less than 5% of net assets at 30 June 2025

20. Current assets

	2025 £000	2024 £000
Cash balances	14,239	407

The increase in cash balances is due to deficit contributions of £13.7m being received into the Scheme bank account.

21. Current liabilities

	2025 £000	2024 £000
Accrued expenses	164	243
Accrued benefits	-	59
HM Revenue & Customs	65	58
	229	360

22. Employer related investments

There were no direct Employer related investments during the year or at the year end (2024: 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.

UNUM PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

23. Related party transactions

Related party transactions and balances comprise:

Key management personnel

Fees and expenses were paid to the Trustee in the amount of £13k (2024: £1k) by the Scheme.

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

Capital Cranfield Pension Trustees Limited, represented by Kate Jarvis – non-member (2024: non-member)

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 2025, the Principal Employer met the fees of the Independent Trustee directly of £65,270 (2024: £42,113)

24. 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 2025 (2024: £Nil).

Contingent asset

The Employer was 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 2025, the balance in the escrow account was transferred to the Scheme Trustee bank account, other than an amount to keep the account open, in line with Schedule of Contribution signed on 4 July 2025.

UNUM PENSION SCHEME

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 2025 which is set out on page 33.

In our opinion contributions for the Scheme year ended 30 June 2025 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 and 4 July 2025.

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 14, 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:

UNUM PENSION SCHEME

SUMMARY OF CONTRIBUTIONS FOR THE YEAR ENDED 30 JUNE 2025

Statement of Trustee's Responsibilities in respect of Contributions

The Scheme's Trustee is responsible under pensions legislation for ensuring that a Schedule of Contributions is prepared, maintained and, where necessary, revised to show the rates and due dates for contributions payable to the Scheme by or on behalf of the Employer. The Trustee is also responsible for keeping appropriate records of contributions received and for monitoring compliance with the Schedule of Contributions.

This Summary of Contributions has been prepared by, or on behalf of, and is the responsibility of the Trustee. It sets out the contributions payable to the Scheme under the Schedule of Contributions certified by the Scheme Actuary on 30 September 2022 and 4 July 2025, in respect of the Scheme year ended 30 June 2025. The Scheme Auditor reports on contributions payable under the Schedule in the Auditor's Statement about Contributions.

During the year ended 30 June 2025, 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			
Deficit funding	13,703	-	13,703
Total contributions reported in the financial statements	13,703	-	13,703

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

Trustee:

Date:

UNUM PENSION SCHEME

ACTUARIAL CERTIFICATE

The Unum Pension Scheme (*the "Scheme"*) Certification of Schedule of Contributions

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 2024 to be met by the end of the period specified in the recovery plan dated 4 July 2025.

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 4 July 2025.

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:	 Signed by: Russell Agius EEEEF516E7E7FB497...
Name:	Russell Agius
Qualification:	Fellow of the Institute and Faculty of Actuaries
Employer:	Aon Solutions UK Limited, 3rd Floor, Epsom Gateway, 2 Ashley Avenue, Epsom, KT18 5AL
Date:	Jul 4, 2025

UNUM PENSION SCHEME

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 Trustee 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 2025. It is intended to meet the updated regulations and will be included in the Scheme’s Report & Accounts. This statement details some of the activities taken by the Trustee, the Manager and the investment managers during the year, including voting statistics, and provides the Trustee’s opinion on the stewardship activities over the year.

Policies

The Trustee 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 Trustee appointed BlackRock as the Fiduciary Manager (‘the Manager’) for the Scheme over the year, the mandate has since been terminated. The Trustee retain responsibility for the strategic investment objective and oversight of the Manager.

Scope of the statement

The Trustee 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 Trustee 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 Trustee policy on Environmental, Social and Governance (‘ESG’) factors and stewardship. This policy sets out the Trustee beliefs on ESG and the processes followed by the Trustee in relation to voting rights and stewardship.

The Trustee recognise that the Manager engaged with the underlying managers to ensure they work to further improve their ESG policies and actions over time. As part of the Trustee ESG policy, the Manager was required to request the underlying managers’ policies and their adherence to them. The Manager reviewed the policies of each underlying manager to ensure that these are appropriate.

UNUM PENSION SCHEME

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

Voting and Engagement

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

The Manager has noted that there was 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.

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 year 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 2025 have been included. Voting statistics have been reported over the one-year 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 Trustee 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 Trustee 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 Trustee 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 Trustee 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.

UNUM PENSION SCHEME

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 to enhance the value of clients’ assets, using their voice as a shareholder on their clients’ behalf to ensure that companies are well led and well managed.

BlackRock 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 stewardship policies are developed and implemented separately by two independent, specialist teams, BlackRock Investment Stewardship (BIS) and BlackRock Active Investment Stewardship (BAIS). While the two teams operate independently, their general approach is grounded in widely recognised norms of corporate governance and shareholder rights and responsibilities.

BIS is a dedicated function within BlackRock, which is responsible for stewardship activities in relation to clients’ assets invested in index equity strategies. Voting decisions are made by members of the BIS team with input from investment colleagues as required, in each case, in accordance with its Global Principles and custom market-specific voting guidelines.

BAIS, established in January 2025, manages BlackRock’s stewardship engagement and voting on behalf of clients invested in active strategies globally. Their activities are informed by their Global Engagement and Voting Guidelines and insights from active investment analysts and portfolio managers, with whom they work closely in engaging companies and voting at shareholder meetings.

Index or active, BlackRock’s stewardship teams, and all of BlackRock’s stewardship efforts across the firm, are focused on making decisions in the best interests of BlackRock’s clients.

BlackRock stewardship analysts engage with the boards and management of companies in which clients are invested to listen to their perspectives on material business risks and opportunities they are facing to help make more informed voting decisions. Voting at a company’s shareholder meeting is a basic right of share ownership and the formal means by which investors express their views on a company’s corporate governance and performance. When authorised by clients to vote on their behalf, BlackRock votes to convey support for or concern about a company’s approach to delivering financial returns for investors over time.

BlackRock contracts primarily with the vote services provider ISS and leverages its online platform to supply research and support voting, record keeping, and reporting processes. BlackRock also use Glass Lewis’ research and analysis as an input into their voting process. Whilst BlackRock subscribes to research from the proxy advisory firms, 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 research providers and uses several other inputs in its voting and engagement analysis, including a company’s own disclosures, public information and ESG research. In certain markets, BlackRock works with proxy research firms who apply their 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 their voting decision.

UNUM PENSION SCHEME

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

		Year to 30 June 2025
BlackRock Europe Equities (Active)	Votable proposals	1,074
	% of resolutions voted	100%
	% of resolutions voted against management	6%
	% of resolutions abstained	1%
		Year to 30 June 2025
BlackRock US Equities (Index)	Votable proposals	6,517
	% of resolutions voted	100%
	% of resolutions voted against management	2%
	% of resolutions abstained	0%
		Year to 30 June 2025
BlackRock UK Equities (Index)	Votable proposals	9,837
	% of resolutions voted	100%
	% of resolutions voted against management	3%
	% of resolutions abstained	0%
		Year to 30 June 2025
BlackRock Asia Pacific Equities (Index)	Votable proposals	3,148
	% of resolutions voted	100%
	% of resolutions voted against management	9%
	% of resolutions abstained	0%
		Year to 30 June 2025
BlackRock Japan Equities (Index)	Votable proposals	3,148
	% of resolutions voted	100%
	% of resolutions voted against management	9%
	% of resolutions abstained	0%
		Year to 30 June 2025
iShares S&P 500 ETF (Index)	Votable proposals	6,697
	% of resolutions voted	99%
	% of resolutions voted against management	1%
	% of resolutions abstained	0%
		Year to 30 June 2025
BlackRock Factor Equities (Active)	Votable proposals	2,625
	% of resolutions voted	96%
	% of resolutions voted against management	2%
	% of resolutions abstained	0%

UNUM PENSION SCHEME

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

Shell Pic

Issue(s): Climate Risk

May 2025 request to vote that the company disclose whether and how its LNG demand forecasts, LNG production & sales targets, and new capex in natural-gas assets are consistent with Shell’s stated climate commitments (including its net-zero ambition). Vote cast: AGAINST

Rationale: Disclosure already substantial: Shell publishes extensive TCFD-aligned reporting, scenario analysis and an Energy Transition Strategy, and the Board’s AGM materials set out management’s position and response to the shareholder resolution. On balance, we judged that the requested report risked being duplicative of existing disclosures rather than decision-useful incremental information.

Over-prescriptive ask: The resolution would effectively steer specific planning assumptions for a single business line (LNG) and constrain the Board’s strategic discretion across multiple time horizons. We generally do not support proposals that risk micromanaging strategy or impose one-size-fits-all scenario alignment tests. This is consistent with our stewardship approach, which supports only a small minority of environmental & social proposals where they are clearly linked to long-term value.

Engagement remains the primary tool: We will continue to engage management on capital allocation to gas, methane and flaring reductions, and the clarity of medium-term decarbonisation targets, using future votes where needed if progress stalls. (Board recommended voting against the resolution.)

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. These managers are appointed in relation to the Scheme’s equity holdings.

Schroders:

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.

Approach

It is Schroders’ policy to vote all shares at all meetings globally, except where there are onerous restrictions – for example, share blocking. Schroders utilises the services of ISS and the Investment Association’s Institutional Voting Information Services (‘IVIS’) in conjunction with its own research and policies when formulating voting decisions. 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.

UNUM PENSION SCHEME

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

		Year to 30 June 2025
Schroders EM Equities	Votable proposals	1,932
	% of resolutions voted	96%
	% of resolutions voted against management	8%
	% of resolutions abstained	0%
Mahindra & Mahindra Ltd (Indian automotive company)	Issue(s): Governance	
	Mahindra & Mahindra is an Indian automobile manufacturing company headquartered in Mumbai.	
	In July 2024, there was a vote on the election of Ranjan Pant and Haigreve Khaitan as board members, as well as the re-appointment and approval of remuneration for Anish Shah (Managing Director and CEO) and Rajesh Jejurikar (Whole-time Director). Schroders vote was against management due to concerns about independence, as less than 50% of the non-executive directors could be considered independent, and concerns of “over boarding” due to one or more of the nominees sitting on multiple external boards, potentially impacting their effectiveness in their role	
China Petroleum & Chemical Corp (Chinese oil refining conglomerate)	Issue(s): Governance	
	China Petroleum & Chemical Corp is a Chinese oil and gas enterprise based in Beijing. It is one of the world’s largest oil refining conglomerates and has the second highest revenue in the world.	
	In June 2024, there was a vote to elect Chairman Ma Yongsheng. Schroders voted against management as they had concerns over multiple topics. Notably, Schroders believed there was insufficient independence on the nomination committee, a lack of gender diversity on the board, and concerns over independent oversight. Less than half of the committee can be considered independent.	
<u>Wellington:</u>		
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.	
		Year to 30 June 2025
Wellington Small Cap Equities	Votable proposals	1,439
	% of resolutions voted	99%
	% of resolutions voted against management	5%
	% of resolutions abstained	0%

UNUM PENSION SCHEME

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

Issue(s): Environmental, Governance

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 additional 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.

Issue(s): Governance

H&R Block Inc.
(American Tax Company)

H&R Block Inc. is a tax preparation company headquartered in Kansas City, Missouri, United States. It provides tax return preparation services and related financial products to individuals and small businesses in the United States, Canada, and Australia.

On November 6th, 2024, a significant vote took place regarding the election of Victoria J. Reich to the board of directors. The vote was cast against the proposal due to concerns about “over boarding”, as the nominee sits on multiple external boards, which could impact her effectiveness in the role. This vote was assessed by Wellington as significant due to the vote against management, the fund’s holdings, and the type of resolution. There are potential implications for enhancing company engagement in the future.

American Century

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.

Approach 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.

		Year to 30 June 2025
American Century Small Cap Equities	Votable proposals	1,513
	% of resolutions voted	100%
	% of resolutions voted against management	12%
	% of resolutions abstained	0%

UNUM PENSION SCHEME

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

Issue(s): Long Term Financial Performance
June 2025 - Advisory Vote to Ratify Named Executive Officers' Compensation.

Duolingo, Inc. *Following additional research, and based on the firm's latest 10-K, the Clawback Policy is in fact sufficiently robust as it includes a three-year lookback period and applies to all incentive awards. As such, American Century recommend a vote FOR this resolution.*

Issue(s): Governance

Brookfield Infrastructure Corporation (Canadian asset management company) Brookfield Infrastructure Corporation is a Canadian alternative asset management company that focuses on investments in real estate, renewable power, infrastructure, credit and private equity, headquartered in Toronto, Canada.

In December 2024, there was a vote to approve a reorganisation/restructuring plan that maintains the benefits of the business structure, while addressing proposed amendments to the Income Tax Act (Canada) that are expected to result in extra costs for the company if action isn't taken. American Century voted for the proposal. The rationale behind this decision was to support maximising shareholder value. The plan was passed successfully, and there are no known implications at this time, but American Century will continue to monitor the impact of the plan. This vote was assessed by American Century as most significant due to its nature as a material corporate transaction.

Concluding remarks

The Trustee are comfortable that the policies in the SIP have been followed over the year to 30 June 2025. The Trustee 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 Trustee 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.