Keytec (GB) Limited Retirement Benefits and Life Assurance Scheme

Statement of Investment Principles - Implementation Statement

The purpose of this Statement is to provide information, which is required to be disclosed in accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, as subsequently amended, including amendments to transpose the EU Shareholder Rights Directive (SRD II) into UK law. In particular, it confirms how the investment principles, objectives and policies of the Trustee's Statement of Investment Principles (SIP) dated December 2025, and signed January 2026, have been implemented.

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

This Statement covers the period 6 April 2025 to 5 April 2026.

Investment objectives of the Scheme

The Trustee's objective is to invest the assets in the best interest of the members and beneficiaries and, in the case of a potential conflict of interest, in the sole interest of the members and beneficiaries. Within this framework, the Trustee has agreed a number of objectives with the Sponsoring Company to help guide them in their strategic management of the assets and control of the various risks to which the Scheme is exposed. The Trustee's primary objectives are as follows:

- To ensure that it can meet its obligation to the beneficiaries of the Scheme;
- To restore the funding position of the Scheme to be 100% funded by 30 June 2027;
- To pay due regard to the Sponsoring Company's interest in the size and incidence of contribution payments.

Stewardship policy

The Trustee expects its Investment Manager, to exercise ownership rights attracted to investments, including voting and engagement rights, in order to safeguard sustainable returns over this time frame. On an ongoing basis the Trustee will assess the stewardship and engagement activity of its Investment Manager (delegating to the Investment Consultant where appropriate). This will be done by reviewing the Investment Manager's voting and engagement policy, summary reports detailing the engagement and voting activity undertaken by the Investment Manager, and asking questions directly to the Investment Manager.

Review of the SIP

The Trustee most recently reviewed the SIP in December 2025. It was updated to reflect the changes to the investment strategy of Scheme.

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

Investment managers and funds in use

In alignment with the Scheme's investment objectives, the investment funds used by the Scheme over the year are set out in the table below. Note the L&G Over 15 Year Index-Linked Gilts Fund was a new allocation over the Scheme year.

Asset Class	Fund
Multi asset funds	L&G Dynamic Diversified Fund
High yield bonds	L&G High Yield Bond Fund
Investment grade bonds	L&G Active Corporate Bond – All Stocks Fund
Government bonds	L&G Over 15 Year Gilts Index Fund L&G Over 15 Year Index-Linked Gilts Fund
Securitised Finance	L&G US Securitised Fund

Investment Governance

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

The Trustee does not actively obtain views of the membership of the Scheme to help form their policies set out in the SIP as the Scheme is comprised of a diverse membership, which the Trustee expects to hold a broad range of views on ethical, political, social, environmental, and quality of life issues.

The Trustee has put in place strategic objectives for Broadstone, as the Trustee's investment consultant, as required by Occupational Pension Schemes (Governance and Registration) (Amendment) Regulations. These strategic objectives cover demonstration of adding value, delivery of specialist investment consultancy services, proactivity of investment consultancy advice, scheme management, compliance and service standards.

The strategic objectives were put in place in November 2019, and these were last reviewed in February 2026.

Trustee Policies

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

Requirement	Policy	Implementation of Policy
Financially and Non-Financially Material Considerations	The Trustee believes that the consideration of financially material Environmental (including climate change), Social and Governance (ESG) factors in investment decision making can lead to better risk adjusted investment returns. The Trustee expects its Investment Manager, when exercising discretion in investment decision making, to take financially material ESG factors into account. On an ongoing basis the Trustee (delegating to the Investment Consultant where appropriate) assesses the ESG integration capability of its Investment Manager. Where ESG factors are non-financial (i.e. they do not pose a risk to the prospect of the financial success of the investment) the Trustee believes these should not drive investment decisions. The Trustee expects its Investment Manager, when exercising discretion in investment decision making, to consider non-financial factors only when all other financial factors have been considered and in such a circumstance the consideration of non-financial factors should not lead to a reduction in the efficiency of the investment.	No deviation from this policy over the year to 5 April 2026.
Voting Rights and Engagement	The Trustee believes that in order to protect and enhance the value of the investments, over the time horizon over which the benefits are paid, it must act as a responsible asset owner. The Trustee cannot exercise its responsibilities directly as it does not hold investments in its name. The Trustee expects its Investment Manager, to exercise voting rights on all resolutions at annual and extraordinary general meetings of companies. The Trustee has seen the policy objectives of the Investment Manager regarding voting and engagement and believes that they are compatible with its own policy. The Trustee expects the Investment Manager to report to it on the implementation of, and any changes to, their policies on voting and engagement.	No deviation from this policy over the year to 5 April 2026.

Financially and non-financially material considerations

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

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

This position is monitored periodically. As part of the monitoring process, the Trustee has access to updates on governance and engagement activities by the Investment Manager, and input from their investment advisors on ESG matters. These views are also taken into account when appointing and reviewing investment managers.

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

The Trustee invests across a range of asset classes and styles. The Trustee expects the Investment Manager to take into account ESG considerations by engaging with the underlying companies and where relevant, by exercising voting rights on these companies.

The Trustee's views on how ESG issues are taken account of in each asset class used is set out below.

Asset Class	Active/Passive	Trustee's views
Multi asset funds	Active	The Trustee expects the Investment Manager to take financially material ESG factors into account, given the active management style of the fund and the ability of the manager to use its discretion to generate higher risk adjusted returns. The Trustee also expects its Investment Manager, to engage with the underlying investee companies, where possible, although it appreciates that fixed income assets within the portfolio do not typically attract voting rights.
High yield bonds and investment grade bonds	Active	The Trustee expects the Investment Manager to take financially material ESG factors into account, given the active management style of the fund and the ability of the manager to use its discretion to generate higher risk adjusted returns. The Trustee also expects its Investment Manager to engage with investee companies, where possible, although they appreciate that fixed income assets do not typically attract voting rights.
Government bonds	Passive	The Trustee believes that there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the securities.
Secured Finance	Active	The Trustee expects the Investment Manager to take financially material ESG factors into account, where possible, given the active management style of the fund and the ability of the manager to use its discretion to generate higher risk adjusted returns. The Trustee also expects the Investment Manager to engage with investee companies, where possible, although they appreciate that fixed income assets do not attract voting rights.

Voting rights and engagement activities

The Trustee currently invests in pooled investment funds with L&G, and they acknowledge that this limits their ability to directly influence the Investment Manager. In particular, all voting activities have been delegated to L&G, as the Trustee does not have any administrative mechanism to cast a vote in line with their views on the underlying holdings, given the pooled nature of the Scheme's investments.

Within the current investment arrangements, the L&G Dynamic Diversified Fund contains publicly listed equity holdings. The fund will have voting rights attached to this underlying equity, and the Trustee has delegated these voting rights to the Investment Manager, where it sets its own voting policy. A summary of the votes from 1 April 2025 to 31 March 2026 on behalf of the Trustee for the fund used by the Scheme is provided in the table below.

Manager	Fund	Resolutions voted on	Total Resolutions Voted: For	Against	Abstained
L&G	Dynamic Diversified Fund	107,257	75%	24%	1%

Information regarding proxy voting is detailed below:

- **L&G** uses ISS's 'ProxyExchange' electronic voting platform for proxy voting services.

Significant votes

The Trustee has requested details of the significant votes made on behalf of the Trustee by the Investment Manager. In determining significant votes, L&G will take into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at L&G's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an L&G engagement campaign, in line with L&G Investment Stewardship's 5-year ESG priority engagement themes.

The Trustee believes the following is one of the most significant votes undertaken on their behalf over the scheme year:

SIGNIFICANT VOTE – L&G	
Company	**Mastercard Incorporated**
Date	24 June 2025
% of portfolio invested in firm	0.09% of L&G Dynamic Diversified Fund
Resolution	Resolution 7: Oversee and Report on a Racial Equity Audit
Why significant	Thematic - Diversity: L&G's Asset Management business views diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.
How voted	**Voted For (Against Management Recommendation).**
Manager Comments	*"Shareholder Resolution Diversity: A vote in favour is applied as we support such information and risk management approach to Diversity."*
Vote outcome	Fail (11.5%)

SIGNIFICANT VOTE – L&G	
Company	**National Bank of Canada**
Date	24 April 2025
% of portfolio invested in firm	0.04% of L&G Dynamic Diversified Fund
Resolution	Resolution 4.2: SP 2: Advisory Vote on Environmental Policies
Why significant	This shareholder resolution is considered significant as L&G's Asset Management business expects companies to undertake appropriate analysis and reporting on financially material sustainability topics including climate change, as L&G consider these issues to be material risks to companies' long-term profitability and value.
How voted	**Voted For (Against Management Recommendation).**
Manager Comments	*"Shareholder Resolution - Climate change: A vote in favour is applied as L&G expects the company to be undertaking appropriate analysis and reporting on climate change, as we consider this issue to be a material risk to companies."*
Vote outcome	Fail (13.4%)

Engagement activities

A notable engagement activity of L&G over the last 12 months is provided below:

- **L&G** met with Microsoft over 2025 to discuss improvements needed for their transparency, governance and risk management regarding the use of AI and human rights. L&G first engaged with Microsoft on AI governance in 2023 following the publication of L&G's 'safe AI' expectations report. Amongst other big tech companies, L&G considered Microsoft to be a transparency leader in AI usage over recent years. L&G views the firm's amendments to internal risk classifications for projects and increased human rights due diligence as positive but believes that Microsoft can further improve its data governance disclosures. In the 2025 AGM, L&G voted in favour of a shareholder proposal requesting a report on AI data usage oversight due to the rapidly changing legal environment around this issue. L&G will continue to engage with Microsoft on this topic into the future.

Signatories to the UNPRI (United Nations Principles for Responsible Investment) will receive an overall 'score' which represents how well ESG metrics are incorporated into managers' investment processes. The investment manager will submit a transparency report on their processes across different categories which is then assessed by the UNPRI and graded in a formal report.

For the 2025 UNPRI Assessment Reports, scores are presented as a 'star' rating ranging from ★ to ★★★★★, with more stars representing a higher score.

The latest available UNPRI scores of the Investment Manager is outlined in the table below:

Manager	UNPRI Score
L&G	★★★★★
Median	★★★★

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

Monitoring of Investment Arrangements

In addition to any reviews of investment managers or approaches, and direct engagement with investment managers (as detailed above), the Trustee will monitor the Investment Manager’s performance against its performance objectives to ensure the investment objectives set out in their SIP are being met.

On behalf of the Trustee of the Keytec (GB) Limited Retirement Benefits and Life Assurance Scheme