Implementation Statement (“IS”)

Error! Reference source not found. UK Pension Fund (the “**Error! Reference source not found.**”)

Error! Reference source not found. Year End – **Error! Reference source not found.**

The purpose of the Implementation Statement is for us, the **Error! Reference source not found.** of the **Error! Reference source not found.** (the “Trustee”), to explain what we have done during the year ending **Error! Reference source not found.** to achieve our objectives and implement our policies as set out in the Statement of Investment Principles (“SIP”). It includes:

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

Our conclusion

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

In our view, the Fund’s material asset managers were able to disclose adequate evidence of voting and engagement activity, and the activities completed by our managers align with our Responsible Investment policy, and that our voting policy has been implemented effectively in practice.

Changes to the SIP during the year

We believe that our current SIP remains comprehensive in its coverage of the Fund's investment strategy, Responsible Investment ("RI") and investment management oversight.

The **Error! Reference source not found.**'s latest SIP can be found here:

Piramal Pharma Solutions | UK Legislative Disclosure

What is stewardship?

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

This includes prioritising which Environmental Social Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

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

How the policies in the SIP have been followed

The Trustee recognises that the key risk to the Fund is that it has insufficient assets to make provisions for 100% of its liabilities ("funding risk"). The Trustee identified a number of risks which have the potential to cause a deterioration in the Fund's funding level and therefore contribute to funding risk. The Trustee's policy is to monitor these risks periodically. These are as noted in the table on the next page.

Overriding principle	Actions taken by the Trustee
The primary objective of the Defined Benefit Section of the Fund is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependants, on a defined benefits basis.	The Trustee monitors the ongoing funding of the Fund on an ongoing basis as a key determinant of the Trustee's ability to meet current and future member obligations.
The risk of a significant difference in the sensitivity of asset and liability values to changes in financial and demographic factors ("mismatching risk").	The Trustee and its advisers considered this mismatching risk when setting the investment strategy and monitors the LDI portfolio (which hedged 100% of interest rate and inflation risk as a proportion of solvency liabilities) on an ongoing basis.
The risk of a shortfall of liquid assets relative to the Fund's immediate liabilities ("cash flow risk").	The Trustee and its advisers have received regular updates from the administration team regarding the Fund's cashflow position and whether a disinvestment from the Fund's assets will be required to meet upcoming cashflow requirements. This is well managed, taking into account the timing of future payments in order to minimise the probability that this risk occurs.
The failure by the asset managers to achieve the rate of investment return assumed by the Trustee ("manager risk").	This risk is considered by the Trustee and its advisers both upon the initial appointment of the asset managers and on an ongoing basis thereafter. The Trustee receives biannual reporting on each of the Fund's managers' performance and on any relevant
The failure to spread investment risk ("risk of lack of diversification").	The Trustee and its advisers considered this risk when setting the Fund's investment strategy. The Trustee has appointed a multi-manager fund, with discretion to overriding the asset managers to make decisions relating to the fund structure. This allocation assists in providing diversification from investing in a number of underlying managers and asset classes.
The possibility of failure of the Fund's sponsoring employers ("covenant risk").	The Trustee and its advisers considered this risk when setting investment strategy and has consulted with the sponsoring employer as to the suitability of the proposed strategy which is low risk. Covenant risk is mitigated through a combination of this low-risk investment strategy alongside additional security provided by a Company guarantee.

The risk of fraud, poor advice or acts of negligence (“operational risk”).	The Trustee has sought to minimise such risk by ensuring that all advisers and third-party service providers are suitably qualified and experienced, and that suitable liability and compensation clauses are included in all contracts for professional services received. The Trustee has provided the Fund's investment advisor with a set of objectives as per the relevant CMA order, some of which assess the quality of advice and operational performance of the advisor.
The risk that environmental, social and governance factors including climate change negatively impact the value of investments held if not understood and evaluated properly.	The Trustee considers this risk by taking advice from their investment adviser when setting the Fund’s asset allocation, when selecting managers and when monitoring their performance. Monitoring performance takes place both through regular meetings with the asset managers, for which a checklist is used, and through regular reviews of the asset managers’ voting and engagement activities. The Trustee also has in place a RI Policy which is reviewed annually (with the last review taking place in May 2025). This policy is shared with the Fund’s asset managers.
The arrangements with asset managers	The Trustee has delegated responsibility for the selection, retention and realisation of investments to the Fund’s appointed asset managers. The Trustee regularly monitors the Fund’s investments to consider the extent to which the investment strategy and decisions of the asset managers are aligned with the Trustee’s policies, including those on non-financial matters. The Trustee focuses on the longer-term performance when considering suitability of managers, which is in line with its investment objectives.
Cost monitoring	The Trustee is aware of the importance of monitoring its asset managers' total costs and the impact these costs have on the overall value of the Fund’s assets. The Trustee recognises that in addition to annual management charges, there are a number of other costs incurred by its asset managers that can increase the overall cost incurred by their investments. The Trustee works with its investment consultant and asset managers to understand costs in more detail where required.

The Trustee also regularly monitors the Fund’s investments to consider the extent to which the investment strategy and decisions of the asset managers are aligned with the Trustee’s policies, including those on non-financial matters.

The Trustee's current agreed asset allocation strategy was chosen to meet the objectives set out in the SIP. This can be seen below:

Asset Class	Target Weighting %	Range %	% as at 31.12.25
Return seeking assets	**0.0**	**0.0 – 15.0**	**10.4**
Multi-strategy Growth Fund	0.0	0.0 – 15.0	10.4
Income producing assets	**15.0**	**0.0 – 30.0**	**12.4**
Direct Lending	15.0	0.0 – 30.0	12.4
Risk reducing assets	**85.0**	**60.0 – 100.0**	**77.3**
LDI*	77.5	50.0– 85.0	77.3
Synthetic Leveraged Credit Fund**	7.5	0.0 – 15.0	0.0

*The LDI allocation also includes the cash allocated to the L&G Sterling Liquidity Fund.

**The Synthetic Leveraged Credit mandate is four times leveraged, therefore the Fund has a target exposure of 30%.

As at 31 December 2025, the weightings for the Multi-strategy Growth Fund, Direct Lending and Synthetic Leveraged Credit allocations were within the strategic ranges.

Our manager's voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. We believe that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. Understanding and monitoring the stewardship that asset managers practice in relation to the Fund's investments is an important factor in deciding whether a manager remains the right choice for the Fund.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Fund's equity-owning asset managers to responsibly exercise their voting rights.

Why is voting important?

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

Source: UN PRI

Voting statistics

The table below shows the voting statistics for the Fund's material fund with voting rights for the year to 31 December 2025, and prior periods for comparison.

		Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
WTW - Partner's Fund	2025	26,220	98.8%	10.0%	1.0%
	2024	25,675	99.0%	12.4%	0.7%
	2023	25,915	93.8%	12.8%	0.3%
	2022	24,388	94.2%	13.5%	0.4%

Source: Asset Manager

Use of proxy voting advisers

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

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Fund's asset manager uses proxy voting adviser.

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

	Description of use of proxy voting adviser ***(in the manager's own words)***
WTW	For the Willis Towers Watson – Partner's Fund, the equity exposure comes from four main areas: - The manager's global equity portfolio where EOS at Federated Hermes ("EOS") provides voting recommendations to enhance engagement and help achieve responsible ownership. EOS's voting recommendations are informed by its extensive research and experience in the area of stewardship as well as its long-term engagement activities with companies. The underlying managers must provide an explanation and note their rationale when they choose to vote differently to the recommendation. The underlying managers in this portfolio use Institutional Shareholder Services' ("ISS") 'ProxyExchange' electronic voting platform to facilitate voting. - Our China equity manager uses Glass Lewis service where they have created a bespoke policy - Our emerging markets equity managers use ISS, Glass Lewis, Stakeholders Empowerment Services ("SES") and Broadridge Proxy Edge platforms for information and to facilitate voting. - Our long-short equity managers use ISS to provide corporate research and to facilitate the voting process.

Source: Asset Manager

Significant voting example

To illustrate the voting activity being carried out on our behalf, we asked the Fund's asset manager to provide a selection of what it considers to be the most significant votes in relation to the Fund's material fund with voting rights. An example of a significant vote can be found in the appendix.

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Our managers’ engagement activity

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

The table below shows some of the engagement activity carried out by the Fund’s material managers. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e. is not necessarily specific to the funds invested in by the Fund.

Funds	**Number of engagements**		**Themes engaged on at a fund/firm level**
	Fund level	**Firm level**	
WTW – Partner’s Fund			*Not Provided*
Hayfin - Direct Lending Fund II	*Not Provided*	~10	Environment* - Climate change Governance* - Other
Hayfin - Direct Lending Fund III	2		Environment - Climate Change Governance - Other

Source: Asset Managers
**For Direct Lending II fund, Hayfin did not provide fund level themes; the themes provided are at a firm-level.*

Data limitations

At the time of writing, the following managers did not provide all the information we requested:

- WTW did not provide the engagement information requested as per the Investment Consultants Sustainability Working Group ("ICSWG") best practice industry standard template. The asset manager did provide comprehensive reports covering both firm- and fund-level engagement information; however, this was for the calendar year ending 2024 and was not relevant to the reporting period of this statement.
- Hayfin did not provide fund level engagement data for Direct Lending Fund II.

This report does not include commentary on certain asset classes such as synthetic leveraged credit , gilts or cash because of the limited materiality of stewardship to these asset classes.

Appendix – Significant Voting Examples

In the table below is a significant vote example provided by the Fund's asset manager which manages the material fund with voting rights. We consider a significant vote to be one which the asset manager considers significant. Asset managers use a wide variety of criteria to determine what is considered a significant vote, which is outlined in the example below in the asset manager's own words:

WTW - Partners Fund	**Company name**	NVIDIA Corp
	Date of vote	25 June 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.7
	Summary of the resolution	Shareholder Proposal Regarding Workforce Data
	How you voted?	For the shareholder proposal (Against Management recommendation)
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
	Rationale for the voting decision	This proposal asks the company to enhance its existing public reporting to include a chart identifying employees according to gender and race in each of the nine Equal Employment Opportunity Commission ("EEOC") defined job categories. NVIDIA previously provided this information from 2018 to 2022 but no longer publishes this disclosure. As of April 2024, over 80% of the S&P 500 and nearly 50% of the Russell 1000 Index companies disclose EEO-1 data. While NVIDIA's disclosures around workforce demographics are fairly comprehensive, EEO-1 reporting provides shareholders with data that is comparable across industry peers. Moreover, this reporting is already required and therefore should not be a significant burden to make available to shareholders. While the company's stance is that the data does not accurately depict its practices given its organizational structure, it would be a helpful supplement to existing reporting and increase shareholders' understanding of how the company is addressing human capital-related risk exposures.
	Outcome of the vote	Fail
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	Although the proposal did not pass, given the relatively high level of shareholder support, the manager may follow up with the company in the short or long term for an additional engagement.
	On which criteria have you assessed this vote to be most significant?	Shareholder resolution. Vote Against Management recommendation. Large holding in the portfolio.

Source: Asset Manager