Sirdar PLC Retirement Benefits Plan (1974) Implementation Statement (for the year ended 30 June 2025)

Purpose

This Implementation Statement provides information on how, and the extent to which, the Trustees of the Sirdar PLC Retirement Benefits Plan (1974) ("the Plan") have followed their policy in relation to the exercising of rights (including voting rights) attached to the Plan's investments, and engagement activities during the year ended 30 June 2025 ("the reporting year"). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

Background

In Q2 2023, the Trustees discussed their beliefs around Environmental, Social and Governance ("ESG") issues with their Investment Adviser, XPS Investment Limited ("XPSIL"). This enabled the Trustees to consider how to update their policy in the future in relation to ESG and voting issues.

In Q1 2024, the new Trustee board revisited their beliefs in consultation with XPSIL, taking into account the latest regulatory guidance and expectations on trustee responsibilities around ESG, stewardship and engagement.

In Q2 2024, the Trustees agreed to introduce a new investment strategy for the plan and began the transition to this portfolio throughout the following quarters.

The Trustees' policy on ESG and stewardship

The Trustees have considered their approach to environmental, social and corporate governance ("ESG") factors for the long-term time horizon of the Plan and agreed a policy where they believe there are financially material risk considerations relating to such issues. They therefore have some additional requirements for managers to explicitly consider as part of their investment processes in relation to the selection, retention and realisation of investments, in this regard. However, the Trustees' still delegate responsibility for the exercise of rights (including voting rights) attached to the Plan's investments to the investment managers.

The latest version of the Statement of Investment Principles ("SIP") dated September 2023 still contains the Trustees' previous policy. However, the SIP will be updated during 2026 following interim and long-term investment strategy changes, and this SIP update will include changes to the Trustees' views on ESG and stewardship.

Manager selection exercises

During the reporting year, there has been an equity manager selection exercise. The Plan is invested in a leveraged, equity solution with downside protection - the Schroders Sentinel Fund. The Trustees agreed to conduct a manager selection exercise over the period to replace the fund in line with the agreed strategic changes.

The Trustees confirmed that they would like to proceed with the implementation of the State Street Universal World Equity Index Fund. The fund is overall "green" rated by XPSIL's equity research team, and the Trustees believe that the fund is well placed to achieve the long-term objectives of the Plan. Further, the fund has been given the XPSIL "sustainable" designation reflecting the positive active stewardship that State Street have demonstrated, which strongly aligns with the Trustee's ESG views.

Ongoing governance

The Trustees, with the assistance of XPSIL, monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustees' requirements as set out in this statement. Further, the Trustees have set XPSIL the objective of ensuring that any selected managers reflect the Trustees' views on ESG (including climate change) and stewardship.

The Trustees have received assurance from their investment managers that the managers were effectively undertaking stewardship activities on their behalf during the reporting year. XPSIL, on behalf of the Trustees, requested examples of engagement outcomes in respect of underlying companies from their managers, and these are detailed later in this report.

Beyond the governance work currently undertaken, the Trustees believe that their approach to, and policy on, ESG matters may evolve over time based on developments within the industry and, at least partly, on a review of data relating to the voting and engagement activity conducted annually.

Adherence to the Statement of Investment Principles

During the reporting year the Trustees are satisfied that they followed their policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree.

Voting activity

The main asset class where the investment managers will have voting rights is equities. The Plan has specific allocations to both public and private equities. Therefore, a summary of the voting behaviour and most significant votes cast by each of the relevant investment manager organisations is shown below. The Plan also has allocations to other asset classes such as property which may have some, albeit limited, voting activity and represent a small portion of the Plan's assets, therefore are not shown below as they are not deemed to be significant.

Whilst the Trustees have not, to date, introduced specific stewardship priorities, they will monitor the results of those votes deemed by the managers to be most significant to determine whether specific priorities should be introduced and communicated to the manager.

As the Plan invests in pooled funds, the Trustees acknowledge that they cannot directly influence the policies and practices of the companies in which the pooled funds invest. They have therefore delegated responsibility for the exercise of rights (including voting rights) attached to the Plan's investments to the investment managers.

The Trustees have confirmed this approach to be appropriate for the Plan's investments. The information below is the investment managers' activity in relation to voting. This voting information has been provided by the investment managers. The Trustees consider votes to be significant on the basis they are linked to key ESG issues including, but not limited to: climate change; other climate issues such as natural capital; executive remuneration; governance; independence; modern slavery or other factors such as the size of the holding.

Where the manager has provided a selection of significant votes, the Trustees have reviewed the rationale for significant votes provided by the managers and are comfortable with the rationale provided, and that it is consistent with their policy.

The Trustees, with the help of XPSIL, have considered the information the investment managers have been able to provide on significant voting, and have deemed the below information as most relevant.

Notes:

Voting data does not apply to the Plan's LDI and credit portfolio due to the nature of the funds. The Schroders Equity Sentinel Fund does not invest directly in the underlying shares and instead invests using derivatives which do not carry voting rights. Partners Group carry out direct voting with their underlying companies through their ownership.

Disclaimer: Neither XPSIL nor the Trustees have vetted these votes. These summaries have been provided by the investment manager(s) and any reference to "our", "we" etc. is from the investment manager's perspective.

Partners Group Partners Fund as at 31 December 2024

Partners Group Partners Fund
The manager voted on 100% of resolutions of which they were eligible out of 794 eligible votes.
Investment Manager Client Consultation Policy on Voting
Partners Group do not consult with clients before voting.
Investment Manager Process to determine how to Vote
Partners Group’s voting is based on the interplenal Proxy Voting Directive.
How does this manager determine what constitutes a 'Significant' Vote?
Size of the holding in the fund.
Does the manager utilise a Proxy Voting System? If so, please detail
Partners Group hire services of Glass Lewis & Co, which is one of the leading global proxy voting service providers, and they have been instructed to vote in-line with their Proxy Voting Directive. Wherever the recommendations for Glass Lewis, their proxy voting directive, and the company's management differ, they vote manually on those proposals.

Top 5 Significant Votes during the Period

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote	Outcome
Velvet Care	**Not applicable to private markets space.**	**Not applicable to private markets space.**	**As Partners Group control the Board, please see below the ESG efforts of the portfolio company.**	**Board representation**	**Not applicable to private markets space.**
Why the vote was deemed significant: Size of holding in fund					
Where voted against the company, was this communicated: Not applicable to private markets space.					

<table>
<tr><td colspan="6">Rationale: Velvet Care is a direct private equity investment in Partners Group’s portfolio of companies, where they invest directly to obtain control and influence over their operations.</td></tr>
<tr><td colspan="6">Implication: Since Partners Group’s investment in early 2024, their primary focus has been on establishing a robust governance framework to support Velvet Care’s long-term sustainable growth. Given their control position, they have worked closely with the company to refine its strategic direction, ensuring that sustainability considerations are embedded into decision-making and value creation efforts.

Their key initiatives have included strengthening board governance, formalizing sustainability oversight, and enhancing workforce engagement strategies. They have also prioritized aligning Velvet Care’s policies with global best practices, reinforcing commitments to ethical supply chain management and talent retention. This governance structure lays the foundation for future expansion while maintaining Velvet Care’s strong market position.

Going forward, Partners Group will continue supporting the company in scaling its workforce development initiatives and deepening sustainability integration across its operations, ensuring that Velvet Care remains well-positioned for sustainable, long-term value creation.</td></tr>
<tr><td>Gren</td><td>Not applicable to private markets space.</td><td>Not applicable to private markets space.</td><td>As Partners Group control the Board, please see below the ESG efforts of the portfolio company.</td><td>Board representation</td><td>Not applicable to private markets space.</td></tr>
<tr><td colspan="6">Why the vote was deemed significant: Size of holding in fund</td></tr>
<tr><td colspan="6">Where voted against the company, was this communicated: Not applicable to private markets space.</td></tr>
<tr><td colspan="6">Rationale: Gren is a direct private infrastructure investment in their portfolio of companies, where they invest directly to obtain control and influence over their operations.</td></tr>
<tr><td colspan="6">Implication: Since Partners Group’s investment, their focus has been on establishing a strong governance framework to support Gren’s continued growth as a leading provider of sustainable energy solutions. In 2024, they worked closely with the company to formalize governance structures, strengthen board oversight, and align sustainability initiatives with long-term strategic goals. Key achievements include supporting the completion of a Double Materiality Assessment (DMA) in preparation for CSRD compliance and advancing Scope 3 emissions assessments.

Their engagement has also enabled Gren to progress on major energy transition projects, such as the Energy on Clyde district heating initiative in Glasgow and the waste-to-energy plant in Acone, Latvia. Additionally, they have helped reinforce supplier accountability, workforce engagement programs, and safety initiatives to ensure operational excellence.

Moving forward, they will continue to support Gren’s decarbonization strategy, focusing on emission reduction targets and expanding its role in delivering sustainable and affordable energy solutions across Northern Europe and the UK.</td></tr>
<tr><td>Confluent Health</td><td>Not applicable to private markets space.</td><td>Not applicable to private markets space.</td><td>As Partners Group control the Board, please see below the ESG efforts of the portfolio company.</td><td>Board representation</td><td>Not applicable to private markets space.</td></tr>
<tr><td colspan="6">Why the vote was deemed significant: Size of holding in fund</td></tr>
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<tr><td colspan="6">Rationale: Confluent Health is a direct private equity investment in Partners Group’s portfolio of companies, where they invest directly to obtain control and influence over their operations.</td></tr>
<tr><td colspan="6">Implication: Since their investment, they have worked closely with Confluent Health to support its growth as a leading provider of physiotherapy and occupational health services. Partners Group’s primary focus has been on expanding access to high-quality healthcare, enhancing workforce development programs, and improving patient outcomes through digitalization.</td></tr>
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<tr><td colspan="6">Key achievements include the rollout of standardized patient outcome tracking, which has allowed for better assessment of therapy effectiveness. Confluent Health has also expanded its network of clinics, ensuring more communities benefit from specialized rehabilitation services. Additionally, the company has strengthened its partnerships with universities to train the next generation of physical therapists, reinforcing a long-term commitment to healthcare education.

Looking ahead, they will continue to support technological advancements in patient care, further expand clinic accessibility, and integrate sustainability best practices within healthcare facilities to ensure operational efficiency while reducing environmental impact.</td></tr>
<tr><td>atNorth</td><td>Not applicable to private markets space.</td><td>Not applicable to private markets space.</td><td>As Partners Group control the Board, please see below the ESG efforts of the portfolio company.</td><td>Board representation</td><td>Not applicable to private markets space.</td></tr>
<tr><td colspan="6">Why the vote was deemed significant: Size of holding in fund</td></tr>
<tr><td colspan="6">Where voted against the company, was this communicated: Not applicable to private markets space.</td></tr>
<tr><td colspan="6">Rationale: atNorth is a direct private infrastructure investment in Partners Group's portfolio of companies, where they invest directly to obtain control and influence over their operations.</td></tr>
<tr><td colspan="6">Implication: Since their investment, they have focused on scaling atNorth's sustainable data center operations while strengthening governance, energy efficiency, and circular economy initiatives. Their efforts have enhanced atNorth's ability to expand while maintaining its leadership in low-carbon computing solutions powered by 100% renewable geothermal and hydro energy.

Key achievements include the expansion into Finland and Denmark, leveraging strategic locations for low-cost, sustainable energy to support rapid growth. Additionally, atNorth submitted its Science Based Targets initiative (SBTi) application in 2023, reinforcing its commitment to long-term carbon reduction in alignment with the Paris Agreement. To further enhance environmental impact, they supported the waste sorting rate improvement to 63.3%, with targeted 90% recycling by 2028, and introduced smart water meters across sites to align with the Climate Neutral Data Center Pact's efficiency goals.

Governance and compliance enhancements have been central to their engagement. atNorth successfully achieved ISO 14001 and ISO 27001 certifications, ensuring strong environmental and cybersecurity management across all sites. Additionally, Partners Group implemented enhanced supplier sustainability standards, reinforcing ethical procurement and data security guidelines.

Looking ahead, Partners Group will continue supporting atNorth's expansion strategy, further optimizing its low-carbon infrastructure, and enhancing waste circularity initiatives to position it as a global leader in sustainable digital infrastructure.</td></tr>
<tr><td>International Schools Partnership</td><td>Not applicable to private markets space.</td><td>Not applicable to private markets space.</td><td>As Partners Group control the Board, please see below the ESG efforts of the portfolio company.</td><td>Board representation</td><td>Not applicable to private markets space.</td></tr>
<tr><td colspan="6">Why the vote was deemed significant: Size of holding in fund</td></tr>
<tr><td colspan="6">Where voted against the company, was this communicated: Not applicable to private markets space.</td></tr>
<tr><td colspan="6">Rationale: International Schools Partnership is a direct private equity investment in their portfolio of companies, where Partners Group invest directly to obtain control and influence over their operations.</td></tr>
<tr><td colspan="6">Implication: ISP is a global network of private schools, committed to providing high-quality education across 22 countries. Since their investment, their focus has been on embedding sustainability into the curriculum, expanding student learning opportunities, and improving operational efficiency across school facilities.</td></tr>
</table>

Key achievements include the introduction of environmental education initiatives, allowing students to engage in sustainability-focused projects. Additionally, ISP has expanded its teacher development programs, ensuring the highest educational standards while promoting diversity, equity, and inclusion within its workforce. Moving forward, Partners Group will continue supporting ISP in sustainability-focused facility improvements, decarbonization strategies for school operations, and enhancing digital learning platforms to provide greater educational access.

Engagement information

Engagement is an effective method of driving long-term positive change in company policies and practices and is applicable across all asset classes.

A high-level summary of the number of engagement activities, as well as examples of engagement, by the investment managers, BlackRock Investment Management ("BlackRock"), Schroder Investment Management ("Schroders"), M&G Investments ("M&G") and Partners Group, are as follows.

Notes:

1. **Partners Group:** Overall firm-level data has been shown for Partners Group because specific company examples of engagement for Partners Group are provided in the voting data section due to the fact that Partners Group operate in the private markets space. Therefore, overall thematic engagements have been included.
2. **BlackRock:** BlackRock are currently not able to provide any fund-level data for the UK Property Fund in the format requested. However, BlackRock do provide investors with regular quarterly reports for the Fund which have sections describing highlights and initiatives that have been undertaken relating to ESG and stewardship.
3. **Schroders:** Given the nature of the LDI Funds and Equity Sentinel Fund there is no fund-specific engagement. Therefore, a high-level overview of engagements undertaken by Schroders at firm-level has been shown instead.

Disclaimer: All engagement information is provided by the investment manager. Neither XPS Investment Limited nor the Trustees have vetted this data. These summaries have been provided by the investment manager and any reference to "our", "we" etc. is from the investment manager's perspective.

Firm-level engagement data provided by Partners Group as at 30 June 2025

Firm level engagement Information	
Engagement focus	Partners Group, are involved in industry working groups which allow them to exchange knowledge, experience and consultation. They are active in a number of industry bodies such as Swiss Sustainable Finance (SSF), Asset Management Association Switzerland (AMAS), InvestEurope, Initiative Climate International (ICI), which form the base of peer collaboration and industry exchange. Partners Group are part of various working groups such as: consultation of the Swiss Ordinance of Climate Disclosures, Swiss Stewardship Code, Voluntary Carbon Market Guidance for Private Markets. For their asset engagement, they aim to integrate stewardship considerations into each stage of the investment lifecycle where they are material to long-term value creation and risk management. ESG considerations are embedded across sourcing, due diligence, ownership, engagement, and exit, and their approach varies by asset class and degree of control. Partners Group's investment activity spans the full spectrum of private markets strategies, with a focus on Private Equity, Private Credit, Infrastructure, and Real Estate. The firm invests through both direct lead positions and indirect partnerships, tailoring its stewardship approach to reflect the degree of influence and the structural characteristics of each investment. During ownership, Partners Group combine a traditional sustainability approach through stewardship for non-controlled investments with a strategic sustainability approach through active ownership for controlled investments: Direct controlled investments enable a more hands-on approach to stewardship. This includes implementing sustainability-linked value creation

	plans, assuming board roles, and embedding oversight mechanisms to ensure strategic alignment. One of Partners Group's first targets for controlled assets is to establish ESG governance within the first 100 days of ownership. This includes the appointment of ESG responsibilities at the board, executive, and leadership levels, as well as the formation of a Risk & Audit Committee to oversee implementation and compliance. Their internal Sustainability Team—together with their Sustainability Champion and Investment Team—works closely with the Lead Operating Director (LOD) and the CEO of each portfolio company. This collaboration ensures that sustainability is not only integrated into operations and governance, but also continuously monitored and improved. The Sustainability Team develops robust frameworks, processes, and routines to drive ESG performance at scale, offering expert oversight and ensuring alignment with their corporate sustainability objectives, such as Net Zero by 2050. In contrast, stewardship in indirect and non-controlled investments is shaped by more collaborative channels, such as General Partner engagement, LPAC participation, and ongoing dialogue. In credit investments, stewardship is often exercised through the negotiation of sustainability-linked loan terms and covenants that aim to drive progress on material sustainability-related issues. Partners Group also provides training available to portfolio companies and shares best practices and resources such as playbooks, case studies to support its portfolio investments to reduce sustainability risks and/or execute on opportunities

The section below provides examples of where the investment manager has engaged with the underlying constituents of their portfolio over the 12-month period to 30 June 2025. Due to Partners Group's investment strategy where they obtain significant control and exert influence over companies, thematic examples, as well as specific case studies have been provided.

Engagement theme/topic	Environment: Climate change
Rationale for engagement	For every engagement, Partners Group discuss their commitment to ESG and ambition for the company with company management teams, align with company management and Partners Group Investment and Industry Value Creation teams on the ESG topics most relevant to the company or asset's business and stakeholders, identify key ESG improvement opportunities, and define the vision and strategy for the company or asset's ESG engagement with Partners Group.
Engagement activity carried out	2023 highlighted their continued high-growth conviction on decarbonization as an investment theme. Having committed to achieve corporate net zero by 2030 across their Scope 1, Scope 2, and material Scope 3 emissions (Categories 1-14)* , 2023 marked a year when they assessed how their full investment portfolio (Scope 3 Category 15)* will contribute to net zero by 2050. The aim was to see how their existing climate targets could be extended and adhere to the Swiss Climate Ordinance, as well as finding the best approach to apply to their full investment portfolio, covering all asset classes, and supporting 100% of their investments going forward.
Outcomes and next steps	After extensive analysis of various decarbonization frameworks, they found that the NZIF best suits Partners Group. They invest directly on a control basis in companies and assets while also having a significant non-control investment portfolio including private credit investments and partnership investments. The NZIF provides Partners Group with a framework for both these types of investments so they ultimately have a single framework covering Partners Group's full AuM. For the direct control assets, the NZIF sets out a framework for companies to develop Paris-aligned greenhouse-gas (GHG) reduction targets, based on credible guidance (e.g. Science Based Targets initiative (SBTi)). For partnership investments, the NZIF sets out an engagement model for Partners Group to engage with the owners/GPs who execute on net zero strategies by 2050. In 2023, they established Portfolio Coverage Targets (PCTs) and interim targets for their Private Equity and Infrastructure portfolio in line with NZIF principles. Partners Group will further analyze and develop these targets in 2024, which will ensure they continue supporting the decarbonization efforts at each of their portfolio companies.

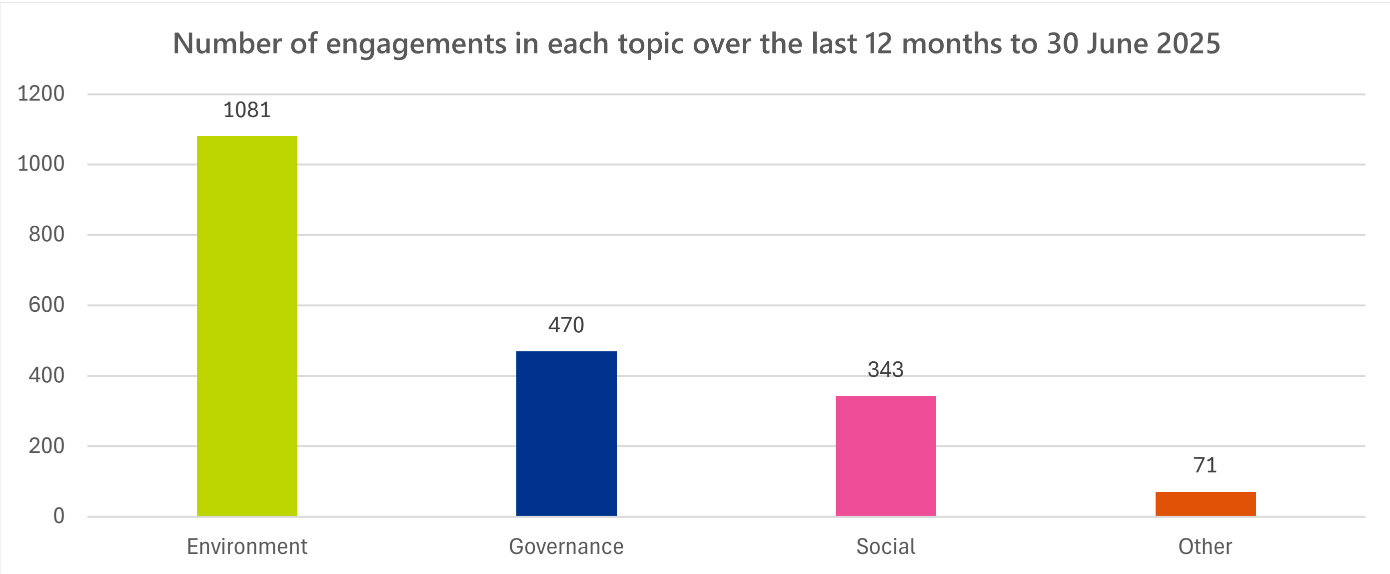
Engagement theme/topic	Social - Human capital management (e.g. inclusion and diversity, employee terms, safety)
Rationale for engagement	For every engagement, they discuss Partners Group's commitment to ESG and ambition for the company with company management teams, align with company management and Partners Group's Investment and Industry Value Creation teams on the ESG topics most relevant to the company or asset's business and stakeholders, identify key ESG improvement opportunities, and define the vision and strategy for the company or asset's ESG engagement with Partners Group.
Engagement activity carried out	• They aim for a top-quartile employee engagement score, with 75%+ of employees engaged and less than 12% annual attrition. • They assure equal pay for equal work globally and equal (promotion) opportunities • They aim for their teams to reflect the local talent pools in the societies in which they operate • They aim for at least 25 female leaders in Senior Management • They relaunch the Partners Group Stakeholder Impact effort
Outcomes and next steps	• Conduct their annual employee engagement survey • Continue to develop employees through Partners Group Academy • Incorporate actions identified through the employee engagement survey into cell leaders' P&D goals assessment and compensation • Engage a reputable external party to verify equal pay for equal work (i.e. no material deviations globally) • Update the D&I Strategy. Partners Group define and explore local talent pools and pursue targeted recruitment campaigns (e.g. summer internships; university ambassadors) to increase diversity • Relaunch the Partners Group Stakeholder Impact effort. Further encourage employees to support local communities through impact / ESG projects that create lasting positive impact, providing their time, expertise or financial resources

Engagement theme/topic	Strategy, Financial and Reporting - Strategy/purpose
Rationale for engagement	For every engagement, Partners Group discuss their commitment to ESG and ambition for the company with company management teams, align with company management and Partners Group's Investment and Industry Value Creation teams on the ESG topics most relevant to the company or asset's business and stakeholders, identify key ESG improvement opportunities, and define the vision and strategy for the company or asset's ESG engagement with Partners Group.
Engagement activity carried out	• They further refine their ESG strategy, governance and control framework, and continue to create value and mitigate risks, which should provide the basis for the highest rating by the UN PRI in its annual assessment • They link a part of their executive compensation to select ESG focus areas and goals • They aim to hire 50% of new board members from underrepresented groups, without compromising on merit based assessments • As role models, their Board and Executive Team own and govern the most strategic initiatives at corporate level
Outcomes and next steps	• Formalize their Internal Control System for ESG processes at corporate level and portfolio level, in line with their ESG & Sustainability Directive • Continue to prepare for changing ESG regulation and reporting standards (e.g. CSRD, SFDR, TCFD) to adhere to regulation and transparently communicate to their stakeholders • Include ESG and sustainability in the P&D goals, assessment and compensation of leaders and employees, beyond investment departments • Train all employees on ESG and their Sustainability Strategy through Partners Group Academy to enable them to create impact in their roles • Issue a Renumeration Directive that links Board and Executive Team compensation to their Six Pillar Strategy and ESG targets

Firm-level engagement data provided by Schroders as at 30 June 2025

Firm-level engagement Information	
Engagement Focus	Constructive and committed engagement with management teams at the companies and assets Schroders invest in is a key element of the value they bring to their clients. Social and environmental forces are reshaping societies, economies, industries and financial markets. Approached thoughtfully and with focus, encouraging management teams to adapt to those changes, and holding them accountable for doing so, can strengthen the long term competitiveness and value of those assets and can accelerate positive change towards a fairer and more sustainable global economy.
How many entities did you engage with over the last 12 months at firm level?	689
How many active engagements were ongoing as at the year end at firm level?	1,236

Engagement Activity Outcomes



Topic	**Number of engagements over the 12 months to 30 June 2025**
Environment	
Carbon capture and removal	*27*
Circular economy, pollution and waste	*63*
Climate adaptation	*64*
Climate alignment - decarbonising and minimising emissions	*552*
Climate risk and oversight	*175*
Deforestation	*60*
Just Transition	*46*
Nature-related risk and management	*94*
Sustainable food and water	*30*
Social	

Communities	*31*
Customers and consumers	*77*
Health, safety and wellbeing	*37*
Investment in the workforce	*26*
Overarching approach to human rights	*49*
Value chain diversity and inclusion	*15*
Workers	*81*
Workforce diversity and inclusion	*27*
Governance	
Boards and management	*97*
Corporate culture and oversight of human capital	*33*
Engagement and representation	*25*
Executive diversity and inclusion	*5*
Executive remuneration	*98*
Purpose, strategy and capital allocation	*103*
Relationship with shareholders	*11*
Transparency, risk and reporting	*68*
Board diversity and inclusion	*30*
Other*	
**Other topics include the following themes: climate, natural capital and biodiversity, human capital management, human rights, diversity and inclusion, corporate governance.*	71

Note that the topics of engagement are as per Schroders categorisation.

Name of entity you engaged	Harum Energy
Topic of Engagement	**Environment - Climate Change**
Rationale for engagement	Schroders began their engagement in 2019 when the company was primarily focused on coal mining as part of a wider initiative where they contacted companies they had shareholdings in with material exposure to thermal coal. A rapid transition away from coal is considered essential for reducing greenhouse gas emissions that cause climate change. Despite continued demand for coal, they noticed that companies in the sector face increased policy resolve to reduce emissions and air pollution in Asia and improved market adoption of renewable alternatives for power, which impact the medium and long-term prospects of the business. However, they also believe that through far-sighted planning and disciplined capital allocation, the value of the industry could be relatively well protected. Their objective was to understand how the company was adapting its strategy to the prospect of a global energy transition, enabling us to evaluate the resilience of their business model and monitor their exposure to financial risks related to the industry.
Engagement activity carried out	In 2024 they met the CEO to discuss progress on the company's transition away from coal and its ability to decarbonise its business model toward net zero by mid-century. He explained how in 2020 the company recognised the need to diversify its operations away from coal. As part of this strategy, the company ventured into the nickel industry, acknowledging its growing significance in steel production and battery manufacturing. In 2021, they successfully acquired their first nickel ore mine along with a 51% stake in a smelter, an industrial facility that processes nickel ore into refined forms used in stainless steel and battery manufacturing. In 2024, they further expanded by acquiring a majority stake in a second smelter. The CEO clarified that while government polices to support the energy transition and emission reduction targets played a role, the main motivator for this shift was economic. He is optimistic that the nickel market will

	sustain growth in the coming years, especially as the global automotive sector moves from internal combustion engines (ICE) to electric vehicles (EVs), alongside the broader trend of reducing dependence on fossil fuels. Schroders understand that a critical element of the company's transition was securing a banking facility that serves as their sole financing source. This facility is unsecured, meaning it does not necessitate specific collateral. A key condition of this loan arrangement restricts the use of funds for any coal-related investments. The company confirmed that there has been no capital expenditure on coal expansion, and current production estimates indicate that the coal mines have approximately six years of operations left. In 2024, over half of their expected revenue is projected to come from the nickel segment. Reporting indicates that the company anticipates that by 2025, between 65% and 75% of their revenue will be derived from nickel, with the remaining revenue coming from coal. Additionally, a third nickel project is expected to start generating revenue in 2026.
Outcomes and next steps	The company has established targets for reducing scope 1 and 2 emissions. The CEO also committed to considering scope 3 targets to better monitor the downstream impacts of their operations. The company is hiring a sustainability lead and they agreed to maintain ongoing dialogue to support further initiatives focused the social and environmental impacts of transitioning the business. For example, the rehabilitation of coal mines and addressing coal workers' job losses and skills mismatch for nickel operations and land use and community conflicts at expanding nickel operations.

Name of entity you engaged	Rio Tinto
Topic of Engagement	**Environment – Climate Change**
Rationale for engagement	With increasing global regulations focused on reversing and restoring nature, it is essential for mining companies to proactively develop site-specific biodiversity plans. For example, the reliance on water and other natural resources for operational efficiency underscores the need for the company to develop a better approach to nature-related dependencies in long-term risk management. As part of the NA100 engagement, they found that the company is in the early stages of assessing its risks and dependencies on nature and defining targets to contribute to a 'nature positive' future. It operates in biodiversity-sensitive areas, contributing to biodiversity loss through land conversion, resource extraction, pollution, and climate change. Strong community relations are an important aspect of the company's sustainability strategy. Schroders believe that rebuilding trust with communities, after the company destroyed the Juukan Gorge in 2020, a sacred site for indigenous peoples, is crucial to the company's license to operate, its planning and operations. Communities across the globe have raised concerns on various issues from access to safe drinking water in Madagascar to the preservation of cultural heritage sites in Australia.
Engagement activity carried out	Through their participation in the PRI Advance collaborative engagement initiative, they have focused this year on understanding how the company responds to these concerns across multiple sites. Despite the company's efforts, trust remains a critical concern, particularly regarding water issues. Challenges range from water quality and data availability to managing community grievances. In a 2024 meeting, the company shared its plans to develop granular disclosures on site-specific water risks, embedding this into a broader nature strategy, and initiating a community perception survey. However, a gap exists between the company's and community members' perceptions of their efforts, especially concerning water management. They have requested the company to articulate how the board monitors these issues and demonstrates efforts with clear "proof points" to address community concerns. Their engagement has called for the company to accelerate work on nature by assessing and publishing an assessment of its risks and impacts and setting site-specific targets. This is particularly urgent at Simandou, Guinea, where work will soon commence to extract iron ore in one of the world's most biodiverse areas. Schroders were pleased to learn of the chairman's recent commitment to identify and establish these targets in media communications. Schroders also raised issues regarding its lobbying in Australia, where recent data showed the company lobbied against proposed updates to the Environmental Protection and Biodiversity Conservation Act. These efforts opposed the inclusion of climate considerations and new conservation areas.

	Schroders are pleased to see the company has updated its public position, now acknowledging the urgency of addressing nature loss and the impacts of climate change.
Outcomes and next steps	While the company is undertaking significant efforts to address historic and ongoing community and environmental concerns, they continue to closely monitor ongoing progress of these material risks.

Name of entity you engaged	Meta
Topic of Engagement	**Human Rights and Corporate Governance**
Rationale for engagement	Schroders believe that the safety of users' online experience is a material risk for this social media company. Schroders engagement with the company has been developing since 2018, when they engaged on General Data Protection Regulation (GDPR) issues facing the company. From then, their engagement has focused on the company's content moderation policies, platform safety and corporate governance. Social media companies are facing increasing regulatory scrutiny and litigation related to the safety of their products and privacy protections, and it has incurred large penalties for GDPR violations. Understanding how the company identifies these risks, and provides transparency to its shareholders and wider stakeholders that they are being managed, is an important component to understanding the company's long-term sustainability profile.
Engagement activity carried out	Over the course of 2022 and 2023, Schroders held several engagements directly and collaboratively on the topics of digital rights and corporate governance. In 2024, they remained concerned about how responsive the company is to issues that most shareholders raise, as evidenced by the voting results of Class A shareholders. They therefore took action to co-file a shareholder resolution at the 2024 AGM. They had a meeting to discuss the shareholder resolution they co-filed, requesting disaggregated vote results by share class. The disaggregation of voting results by share class would enable Class A shareholders to better monitor how responsive the company is to issues that most shareholders raise through enhanced understanding of what these important issues are. This enhanced understanding could result in greater minority shareholder loyalty and thereby build the type of consensus and mutual trust that can prove useful when companies experience periods of below-market performance or significant market blowbacks. The company appeared to acknowledge the thoughtfulness of the resolution and the work from the group to seek to find common ground with the company on the issue of dual class shares, and noted the constructive nature of the proposal.
Outcomes and next steps	At the 2024 AGM, while the resolution did not receive majority support, due to the nature of the dual class share structure, Schroders do believe that it received majority support from Class A shareholders. As such, they will continue to engage on this topic and look forward to further progress on content moderation, disclosure, board independence, and alignment to shareholder expectations.

<u>Fund-level (Total Return Credit Investment Fund) engagement data provided by M&G as at 30 June 2025</u>

The section below provides examples of where the investment manager has engaged with the underlying companies, which the Total Return Credit Investment Fund invests in, over the 12-month period to 30 June 2025.

Name of entity you engaged	Capital One Financial Corporation
Topic of Engagement	**Environment: Net Zero/Decarbonisation (including Net Zero Commitments and Climate Transition Plans)**
Rationale for engagement	US financial company Capital One is set to acquire Discover Financial Services - which offers credit cards, student loans and banking services - at the end of 2024. As part of their due diligence, they wanted to ensure that Capital One's sustainability credentials were of a similar calibre to Discover's, and specifically they asked the company to set a scope 2 emissions reduction target (it currently has scope 1 and scope 3 targets), to publish its scope 3 category 15 emissions, and to include that in its scope 3 target.

Engagement activity carried out	M&G met with the company's head of climate and a member of the investor relations team.
Outcomes and next steps	Capital One currently reports 100% renewable energy use, primarily through RECs with a degree of onsite, and as such felt that a scope 2 target was inappropriate. Having previously spoken with the Science Based Target initiative and its approach, which informed us that 'maintenance targets' could be set in these circumstances, M&G suggested that the company publish such a target to help ensure it would remain focused on renewable sourcing. It was not aware of maintenance targets, and said this would be considered. In terms of category 15 'financed emissions', the company informed us that it was currently in the second generation of estimating those emissions, and that it would be publishing the number once it was confident with the calculation. In terms of target setting, Capital One is primarily a consumer finance business, and reductions are dependent on consumer preference - it has made estimates on credit card use - while auto financing is primarily driven by the rate of change to EVs. While the commercial business is relatively small, it has also begun making estimates, but these clients are primarily middle market, often private companies, and disclosure can vary. Additional target setting would be considered, and they will follow up once the acquisition has completed.

Name of entity you engaged	Holcim Finance (Luxembourg) SA
Topic of Engagement	**Environment - CA 100+ Specific Engagements**
Rationale for engagement	As part of the ongoing Climate Action 100+ collaborative engagement, to encourage Swiss-based cement company Holcim to improve disclosures around their absolute scope 3 GHG reduction targets, plant-by-plant decarbonisation pathways and required investments and buyer due diligence process for C02 intensive company disposals.
Engagement activity carried out	M&G held a Teams call with Investor Relations.
Outcomes and next steps	In M&G’s previous call with the company they discussed whether the company could provide investors with plant-by-plant decarbonisation pathways. The company reported that this is difficult due to market sensitive information, particularly in regions where they operate a single plant. Saying that, the company has done the regional assessment in Europe and it stated that they will do this for other regions in time. M&G stated that they would like to see the company's high level due diligence process for the sale of assets disclosed in its reporting. The company stated that they are working on the next disclosure. In terms of next steps, M&G will review the 2024 disclosures when they become available.

Name of entity you engaged	Greene King Finance PLC
Topic of Engagement	Social - Workforce (Conditions, Health & Safety)
Rationale for engagement	To ask UK pub and brewing company Greene King to confirm if it plans to take any actions in preparation for enhanced licensing requirements.
Engagement activity carried out	M&G wrote to the company to request clarification
Outcomes and next steps	A recent BBC article reports that councils across the UK are in the process of updating their licensing requirements to include the Ask for Angela scheme as a condition for granting new licenses. This may have implications for UK-based pub and restaurant chains who may need to implement enhanced staff training and reporting mechanisms. M&G asked UK pub and brewing company Greene King to confirm if it expects the enhanced licensing requirements to impact its operations and if it plans to take any actions in preparation for the changes. M&G await to hear back from the company.

The Implementation Statement has been agreed and approved by the Trustees.

Signed: ________________________, Chair of Trustees

Date: ___________________________