

EDF Energy Group of the ESPS - SIP Implementation Statement (DB Section) for the year ended 31 March 2025

1. Introduction

This SIP Implementation Statement (the Statement) has been prepared by the Group Trustees in relation to the EDF Group of the Electricity Supply Pension Scheme (the Group). The Statement is required by the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (as amended). The regulations state that the Statement must (amongst other matters):

- Set out how and the extent to which, in the opinion of the Group Trustees, the SIP (Statement of Investment Policies) has been followed during the year; and
- Describe the voting behaviour by, or on behalf of, the Group Trustees (including the most significant votes cast by the Group Trustees or on their behalf) during the year and state any use of the services of a proxy voter during that year.

From 1 October 2022, further Department of Work and Pensions (DWP) guidance on the reporting of stewardship activities through Implementation Statements came into effect. This statement has been prepared with this guidance in mind. It covers the period from 1 April 2024 to the end of the Group's financial year on 31 March 2025.

The Statement is split into three sections:

1. An overview of the Group Trustees' actions and highlights during the period covered;
2. The policies set out in the Group's SIP for the DB section and the extent to which they have been followed in the reporting period; and
3. The voting behaviour and significant votes undertaken by the investment managers on behalf of the Group.

2. Overview of Group Trustee's Actions - DB

SIP Updates

The Group Trustee reviewed the SIP in September 2024 and made no material updates in relation to the DB section. A copy of the current SIP can be downloaded from the Group's website: www.edfgpensions.co.uk/content/group-downloads

3. Investment Objectives and Strategy

Over the financial year the Group has continued to target full funding on a Self Sufficiency basis (defined by reference to a discount rate of gilts +0.5%) by 2027, through a combination of investment returns and employer contributions.

During the year, two new investments were made into liquid securitised credit. These were into the Janus Henderson Asset-Backed Securities Fund and the Aegon European ABS Fund, with both investments made in March 2025. The Group received periodic distributions from its illiquid investments as well as proceeds from redemptions of Beach Point and Aberdeen which were reinvested in the LDI portfolio for rebalancing purposes, in alignment with the *Memorandum of Understanding* (MOU) asset allocation targets and to reduce financing costs. In November 2024, the Group also fully redeemed from the Stewart Investors Worldwide Sustainability Fund.

The Group's agreed strategic asset allocation (the MOU allocation) reflects the Group Trustees' view of the most appropriate investments balancing risk/reward characteristics of the funds the Group is invested, in order to support the Group's full funding objective.

Group Trustees' policies for investment managers

For segregated mandates, the terms of the long-term relationship between the Group Trustees and their investment managers are set out in separate Investment Management Agreements (IMAs). These document the Group Trustees' expectations of their investment managers alongside the investment guidelines they are required to operate under.

For pooled arrangements, the Group's investments are managed according to standardised fund terms, ensuring the investment objectives and guidelines of the vehicle are consistent with its own objectives. These terms are reviewed at the point of investment by the Group Trustees for DB assets and following any material changes notified by the investment manager. The underlying investment managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage. If the Group Trustees are dissatisfied they will look to replace the investment manager.

Where relevant, the Group Trustees require their investment managers to invest with a medium-to long-term time horizon and use any rights associated with the investment to drive better long-term outcomes.

As demonstrated in the following sections of this Statement, the actions the Group Trustees have undertaken during the relevant reporting period reflect the policies within the Group's SIP. Any changes to the investment strategy agreed during the period but implemented after the period end will be reported against in the next implementation statement.

4. Review of DB SIP Policies

Investment Strategy and Risk Management (reviews, selection and implementation)

The Group Trustees review the Group's investment objective, strategy and structure on a quarterly basis and obtain advice from their investment adviser, Redington, as and when is necessary.

The Group Trustees monitor the allocation on a quarterly basis and use the Pension Risk Management Framework (PRMF) to ensure it remains consistent with its risk-focussed objective. The investment strategy should not risk the funding ratio falling by more than 8.5% over a 1-year period in a 1-in-20 downside scenario.

The Group Trustees manage the risk factors stated in the SIP through measures specific to each risk, consulting with the Employer and seeking guidance and written advice from its investment adviser as appropriate. Over the period the Group Trustees monitored the risk factors through the funding and risk update papers for the Group, on at least a quarterly basis and considered any action where appropriate.

The Group Trustees aim to meet with the Group's investment managers periodically. To do so, they review the information from the investment managers and Redington on a quarterly basis. They then assess the need to meet with the investment managers. Any potential issues would be raised by: Redington, the investment managers, members of the Pension Management Team (PMT) or performance of the investment. If required, members of the PMT would meet with the investment manager first on behalf of the Group Trustees. Should there be a material change in the Group's circumstances, they will review whether and to what extent the investment arrangements should be altered and whether the current risk profile remains appropriate.

Before any investment is made into a new fund, the Group Trustees will decide whether to invest into a segregated mandate compared to a pooled fund (if there is the option), taking into account the flexibility of investment guidelines, fees, and implications for liquidity.

The Group Trustees monitor and assess the allocation against the selected tolerance bands. Should a breach of the tolerance band be identified, the Group Trustees and the Employer will consider appropriate actions to resolve the situation, noting that this may not be immediate. Over the reporting period, the Group Trustees were comfortable with the allocations with respect to their tolerance bands.

The Group Trustees periodically explore alternative asset classes that may improve the overall efficiency and underlying diversification of the current portfolio. As noted above, two new investments were made into liquid securitised credit during the reporting period via the Janus Henderson Asset-Backed Securities Fund and the Aegon European ABS Fund.

The Group Trustees received training on the assessment of their investment managers in relation to both voting and engagement activities, relative to the Group's key Stewardship themes. In 2024, the Group Trustees received training in relation to the latest TCFD (Task Force on Climate-related Financial Disclosures) industry trends and what is believed to be "best practice". This resulted in the Group deciding to remove the PRA stress tests as a climate risk metric and report a data quality metric for the 2024 TCFD statement and onwards.

Under the terms of the Trust Deed, the Group Trustees are responsible for the investment of AVCs paid by members. The Group Trustees review the investment performance of the chosen providers on a regular basis and takes advice as to the providers' continued suitability. The last AVC review was conducted in November 2024.

Investment Managers (reviews, selection and implementation)

The Group Trustees review the suitability of the Group's investments on a quarterly basis, including the appointed investment managers and the balance between active and passive management, which may be adjusted from time to time. Any adjustments would be made with the aim of ensuring that the overall level of risk is consistent with Section 3 - Investment Objectives within the SIP. The investment adviser maintains a dialogue with rated investment managers over the period and communicates any relevant operational/process changes at the fund or company level of the investment manager to the Group Trustees as and when they arise.

The Group's investment managers manage the day-to-day investment of the Group's assets according to the standardised fund terms that were reviewed at the point of investment by the Group Trustees. The Group's investment managers are aware of the Group Trustees' views, particularly with respect to socially responsible investment policies that are documented in the SIP. Investment managers are briefed on the Group Trustees' views before any appointment is made.

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Socially Responsible Investment

The Group Trustees incorporate financially material considerations into decisions on the selection, retention and realisation of investments through strategic asset allocation and the appointment of investment managers, so far as possible, taking into account the advice of the Group Trustees' investment adviser. The integration of ESG (Environmental, Social and Governance) and stewardship into an investment manager's investment process are considered as key selection factors in the investment adviser's overall assessment of an investment manager's strategy.

In 2020, the Group Trustees clearly defined a set of climate-related investment beliefs. The climate-related beliefs enable the Group Trustees to identify which climate-related opportunities are more relevant for the Group and its objectives, and to further understand which climate-related risks should be monitored.

As part of the Group Trustees' commitment to the requirements of TCFD to support the monitoring and management of climate risks, in 2021 the Group Trustees adopted the objective of investing in line with the goals of the Paris Agreement (i.e. achieving a 50% reduction in portfolio emissions by 2030 and a 100% reduction by 2050). Following a review during the reporting period, the Group Trustees continue to believe that this objective is aligned to the Group's climate-related beliefs and is complimentary to the Group's wider strategic objectives. The Group Trustees acknowledge the current headwinds to the transition to net zero and note that targets may need to be recalibrated in the short term.

The Group Trustees take stewardship into account in selecting, monitoring, and retaining their investment managers. The ability for the Group Trustees to influence investment managers' voting and stewardship activities will depend on the nature of the investments held. The Group Trustees' policy is to delegate responsibility for the exercise of rights (including voting rights) attaching to investments to the investment managers and to encourage the investment managers to exercise those rights. If the Group Trustees deem it not suitable, they will engage with the relevant investment manager and seek to better align the policies of the Group Trustees with the behaviour of the investment manager.

The Group Trustees maintain a Stewardship Policy with a view to align the Group to the DWP's latest guidance and the Group's chosen stewardship themes. The Stewardship Policy as referenced in the SIP states that:

"The Group Trustees expect investment managers to engage with issuers on relevant matters to maintain or enhance long-term value of its investments and limit negative externalities on the planet and society. This includes performance, strategy, risks, capital structure, conflicts of interest, and environmental, social or governance considerations.

The Group Trustees recognise that there is no 'one-size-fits-all' stewardship approach and instead encourages their investment managers to prioritise stewardship opportunities and apply the most suitable/influential engagement strategies based on their in-depth knowledge of a given asset class, sector, geography and/or specific company or other asset."

5. Overview of the Group Trustees' voting and engagement policies

Summary of the Group's policies

The Group Trustees' policy is to delegate responsibility for engaging, monitoring investee companies, and exercising of voting rights to the investment managers and expects the investment managers to use their discretion to maximise financial returns for members and others over the long term. The Group Trustees recognise that good stewardship practices, including engagement and voting activities, are an important part of general scheme governance as they help preserve and enhance asset owner value over the long term.

Engagement

Direct engagement with underlying companies (as well as other relevant persons) in respect of shares and debt is carried out by the Group's investment managers. This includes monitoring and engaging with issuers of debt or equity on financially material issues concerning strategy, capital structure, management of actual or potential conflicts of interest, risks, environmental impact, social considerations and corporate governance.

The Group Trustees expect their investment managers to independently consider whether 'Exclusion' or 'Engagement' as a method of incorporating climate change risks into an effective risk management framework is more appropriate within their investment process.

While the Group Trustees choose investment managers that align with their beliefs on stewardship (where possible), there are instances where the Group Trustees have less direct influence over the investment managers' policies on the exercise of investment right, for example, where assets are held in pooled funds, due to the collective nature of these investments. The Group Trustees disclose the voting behaviour carried out on their behalf. If the Group Trustees deem it unsuitable, they will engage with the relevant investment manager and seek to better align the policies of the Group Trustees with the behaviour of the investment manager.

Active engagement with the Group's appointed investment managers, specifically relating to climate-related risks and opportunities, is conducted by Redington and partly by the Group Trustees (during any meetings to which investment managers are invited). During the reporting period, a selection of the Group's investment managers, including Stewart Investors, Ruffer, Partners Group, M&G Investors, CBRE and Amundi attended Investment Committee and Group Trustee meetings. During these meetings the investment managers were asked to discuss how they address ESG and Stewardship within their funds and encouraged to improve the transparency of their ESG integration and emissions reporting. In addition, the IC has continued to challenge the information provided by their investment advisers, for example by conducting a deep dive on Stewart Investors Worldwide Sustainability Fund.

Voting

The Group Trustees delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the Group's investment managers. The Group Trustees are not aware of any material departures from the investment managers' stated voting policies. Given the nature of these mandates and the fact that voting activities appear to be undertaken in line with the investment managers' voting policies, the Group Trustees are comfortable that the voting policies for the Group have been adequately followed over the period.

The Group Trustees have established their own definition of what it considers to be a most significant vote. They are defined as: *resolutions that are relevant to the Group's chosen stewardship themes (Climate Change, Board Effectiveness and Health, Safety and Employee Welfare) and were considered at the shareholder meetings of issuers that are significant within the Group's portfolio (including the largest investment exposures in the portfolio and those identified as having high exposures to the scheme's chosen themes, such as Climate Action 100+ companies).*

Voting statistics for each of the Group's relevant investment managers, as well as a selection of significant votes cast on behalf of the Group over the period are provided in the appendix. Where relevant, the Group Trustees expect their investment managers to use voting rights to affect the best possible sustainable long-term outcomes. From time to time, the Group Trustees will review how best to assess the voting activity of the Group's investment managers and how best to engage with the investment managers.

Final Remarks

The reporting period for this Statement covers 1 April 2024 to 31 March 2025. Any actions undertaken by the Group Trustees after this date will be covered in the next Statement. It is the Group Trustees' belief that the policies set out in the SIP regarding the exercise of rights attaching to investments and the undertaking of engagement activities in respect of the investments has been followed over the reporting period.

The Group Trustees will continue to take account of the DWP's expectations in its approach to stewardship and engagement. Changes to the Group Trustees' approach will be taken with regard to the Group's governance and be in the best interest of the Group's members.

Appendix A: Engagement

The Group Trustees expect the nature of engagement to vary between asset classes. The Group Trustees also believe engagement can take place across the Group's investments and is not restricted to equity investments. With this in mind, below are four examples of engagement within the credit, multi-asset and infrastructure and property asset classes.

Ruffer - Direct Engagement

Topic: Oil and Gas Company Engagement

Focus of the engagement: Performance against Net Zero goals

Details of the engagement:

Ruffer challenged an oil and gas company's recent performance against its stated Net Zero aims. This oil and gas company has a stated goal of transitioning from an integrated oil company to an integrated energy company, thus meaning it will be vertically and horizontally integrated across the energy value chain. It aims to deliver both fossil fuels and renewable energy to wholesale and retail clients. Ruffer set out to understand how the remuneration committee considers fatalities in executive compensation decisions and reiterate their request for additional financial segment disclosure.

Outcome of the engagement:

Ruffer met with the oil and gas company twice in 2024. Since their first meeting at the start of 2024, their sentiment and fundamentals have clearly changed, given their 'reset' strategy. This strategy was announced in February 2025 which aims at directing more capital at oil and gas and less at the low carbon energy segment. Whilst retaining its Net Zero by 2050 aim, it reduced its aims for 2030 Net Zero from sales and Net Zero from operations.

Bluebay - Direct engagement

Topic: Electricity Company Engagement

Focus of the engagement: Thermal Coal Power Engagement

Details of the engagement:

Bluebay engaged with an electricity generating company in South America, which is a subsidiary of a global power company headquartered in the United States. Recent engagement initiatives include an investor roadshow for a new bond issuance, which featured a call with the company's management. During the call, management reviewed the company's latest operational performance and provided updates on its strategy to reduce carbon emissions (decarbonisation) to address significant climate change risks.

Outcome of the engagement:

The engagement provided evidence that the company continues to be on an improving ESG trajectory and remains focussed and committed to its decarbonisation strategy.

M&G - Direct Engagement

Topic: Communications Infrastructure Services Company Engagement

Focus of the engagement: Questioning scope 1 & 2 carbon emissions and pathway for achieving SBTi targets.

Details of the engagement:

M&G challenged the company on the recent increase in their scope 1 & 2 carbon emissions and requested them to share their pathway for achieving SBTi targets. M&G had a meeting with the Sustainability Director and a member of the Investor relations team to discuss this.

Outcome of the engagement:

The company shared that from 2021 to 2022, there was an increase in Scope 1 and 2 emissions due to an acquisition. They have completed a consultation with an external company to identify areas where they could control or influence emissions. The engagement also revealed that the company plans to replace less fuel-efficient vehicles whilst considering return on investment and are focusing on hybrids due to logistical challenges in sourcing renewable energy. They are also beginning to implement green solutions for hotels and airlines for employees and targeting purchased goods and services to engage with external stakeholders.

CBRE - Direct Engagement*

Topic: Tenant Survey 2024 Report

Focus of the engagement: Engage with a broad client relationship management network and engage directly with tenants of the assets.

Details of the engagement:

CBRE undertook tenant engagement through the collection of ESG data and by holding regular meetings and undertaking an occupier survey with an external provider on key properties within their portfolio. The survey focused on facilities management, asset quality, sustainability and customer service. The outputs of this survey have provided positive engagement scores from tenants but have also provided areas for improvement.

Outcome of the engagement:

Following the 2024 survey, it was highlighted that some of the occupiers of the retail park might benefit from a more collaborative and targeted marketing presence for the park. This feedback was taken on board by the team and was incorporated in updating the photography, website and signage on the park to improve its market presence and footfall for occupiers.

*CBRE notes that there are limited opportunities for engagement with direct real estate portfolio. However, it continues to engage throughout the year with the tenants of the buildings in the portfolio to assist in the collection of data, running of ESG workshops, and engaging with local authorities in relation to planning matters

Appendix B: Summary of voting over the period

How have the policies been followed for the Group?

The use of voting rights is most likely to be financially material in the sections of the portfolios where physical equities are held. The investment manager is responsible for voting and engagement on the underlying assets rather than the Group Trustees, the Group Trustees' ability to influence voting activities undertaken is limited. The Group Trustees monitor the voting behaviour carried out on their behalf. If the Group Trustees deem it unsuitable, they will engage with the relevant investment manager and seek to better align the policies of the Group Trustees with the behaviour of the investment manager.

As previously mentioned, the Group Trustees have formalised what they consider to be a significant vote over the reporting period. Voting statistics for each of the Group's relevant investment managers, as well as a selection of significant votes cast on behalf of the Group over the period are provided below. Where relevant, the Group Trustees expect their investment managers to use voting rights to affect the best possible sustainable long-term outcomes. It is worth noting that some of the investment managers have cast conflicting votes for the same resolution. For the most part their rationale is logical on both sides and there is no reason to believe either investment manager is misaligned with the Group's stewardship beliefs. In situations where no rationale is provided, it is less clear why investment managers may have differing views.

	Amundi	LGIM	Ruffer	Stewart
How many meetings were you eligible to vote at over the year to 31/03/2025?	16	1,465	34	79
How many resolutions were you eligible to vote on over the year to 31/03/2025?	270	21,359	566	671
What % of resolutions did you vote on for which you were eligible?	100%	99.5%	100%	100%
Of the resolutions on which you voted, what % did you vote with management?	80%	82%	99%	94%
Of the resolutions on which you voted, what % did you vote against management?	20%	17%	1%	5%
Of the resolutions on which you voted, what % did you abstain, withheld or did not vote from?	<1%	1%	<1%	1%
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	22%	N/A ¹	4%	11%

¹ Manager did not provide proxy advisor recommendation

Voting behaviour

Amundi

Voting

The Group invests in pooled fund arrangements and as such it is not necessary for investment managers to consult with the Group Trustees before voting. However, as part of their wider due diligence of the implementation of investment strategies, the Group Trustees request their investment managers to produce information that demonstrate the investment manager is exercising good stewardship.

Amundi has centralised the exercise of voting rights within a “Corporate Governance” team composed of experts in charge of coordinating all voting-related tasks, specifically:

- Monitoring General Meetings in the voting scope.
- Managing relations with custodians and proxy voting companies.
- Analysing the resolutions proposed by issuers.
- Sharing information and soliciting the opinions of investment managers and of financial and extra financial analysts.
- Calling and leading voting committees.
- Undertaking pre and post AGM’s shareholder dialogue.
- Being involved with working forums on governance

The team uses the ISS “ProxyExchange” to send voting instructions. Analysis from ISS, Glass Lewis and ECGS is available to aid problematic resolutions, while retaining autonomy for Amundi to determine their voting action.

Most significant votes

For the relevant period 1 April 2024 to 31 March 2025, Amundi did not have any significant votes in line with the Group Trustees’ definition.

Legal and General Investment Management (LGIM)

Voting

The Group invests in pooled fund arrangements and as such it is not necessary for investment managers to consult with the Group Trustees before voting. However, as part of their wider due diligence of the implementation of investment strategies, the Group Trustees request the investment managers to produce information that demonstrate the investment manager is exercising good stewardship.

L&G’s Investment Stewardship team use the ISS ‘ProxyExchange’ electronic voting platform to electronically vote clients’ shares. All voting decisions are made by L&G and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, they have put in place a custom voting policy with specific voting instructions.

Most significant votes

In line with the Group Trustees' definition, the following tables provide a sample of 10 significant votes for L&G, relevant for the period 1 April 2024 to 31 March 2025.

Company:	The Goldman Sachs Group, Inc,
Date:	24 April 2024
Resolutions:	Report on Clean Energy Supply Financing Ratio
LGIM's Vote:	For
Rationale:	L&G believe that banks and financial institutions have a significant role to play in shifting financing away from 'brown' to funding the transition to 'green'. L&G expects the company to be undertaking appropriate analysis and reporting on climate change matters, as they consider this issue to be a material risk to companies

Company:	Pfizer Inc.
Date:	25 April 2024
Resolutions:	Require Independent Board Chair
LGIM's Vote:	For
Rationale:	L&G expects companies to establish the role of Independent Board Chair.

Company:	Citigroup Inc,
Date:	30 April 2024
Resolutions:	Require Independent Board Chair
LGIM's Vote:	For
Rationale:	L&G considers the roles of chairman and CEO to be substantially separate and believes that a board should be led by an Independent Chair.

Company:	The Coca-Cola Company
Date:	1 May 2024
Resolutions:	Elect Director Barry Diller
LGIM's Vote:	Against
Rationale:	L&G have concerns regarding the time commitment required to manage all board positions and how this may impact their ability to remain informed and effectively contribute to board discussions.

Company:	Uber Technologies Inc
Date:	6 May 2024
Resolutions:	Commission a Third-Party Audit on Driver Health and Safety
LGIM's Vote:	Against
Rationale:	The civil rights assessment commissioned by the company appears to substantially implement many of the recommendations in this proposal, and the company seems to provide sufficient disclosure around its substantial policies and processes in place to address worker health and safety.

Company:	Haleon Plc
Date:	8 May 2024
Resolutions:	Re-elect Deirdre Mahlan as Director
LGIM's Vote:	Against
Rationale:	L&G have concerns regarding the time commitment required to manage all board positions and how this may impact their ability to remain informed and effectively contribute to board discussions.

Company:	Shell Plc
Date:	21 May 2024
Resolutions:	Advise Shell to Align its Medium-Term Emissions Reduction Targets Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement
LGIM's Vote:	Against
Rationale:	L&G expects companies to introduce credible energy transition plans, covering their direct and indirect emissions and consistent with the Paris objectives. A successful transition to a net zero emissions economy requires all sectors to align with those objectives and hence L&G place significant importance in their engagement and voting policies on Scope 3 emissions being integrated into a company's energy transition plan and decarbonisation efforts. Although they support the principles of this proposal, a vote AGAINST is applied as in their view, the wording of the proposal imposes inflexibility on a company that is subject to the non-linear demands of the energy transition and could lead to several unintended consequences, including those related to security of supply and the implications of divestments to less responsible operators, as we transition to a net-zero emissions economy. Their approach to such resolutions will remain dynamic.

Company:	Amazon.com Inc.
Date:	22 May 2024
Resolutions:	Commission a Third-Party Audit on Working Conditions
LGIM's Vote:	For
Rationale:	L&G supports increased disclosure through third-party auditing on warehouse working conditions.

Company:	TotalEnergies SE
Date:	24 May 2024
Resolutions:	Approve Report on Progress of Company's Sustainability and Climate Transition Plan (Advisory)
LGIM's Vote:	Against
Rationale:	L&G acknowledge the good progress the company has made against its emissions targets, coupled with the substantive allocation of capital to low carbon solutions, and they are encouraged by the strong commitments made around renewable capacity growth objectives, methane management, and climate-related disclosure. However, given the company's intention to grow its gas business this decade, L&G seek more clarity regarding the expected lifespan of the assets it is looking to further develop, the level of flexibility in revising production levels against a range of scenarios and tangible actions taken

Company:	Tesla, Inc
Date:	13 June 2024
Resolutions:	Report on Harassment and Discrimination Prevention Efforts
LGIM's Vote:	For
Rationale:	None Provided

Ruffer LLP

Voting

The Group invests in this segregated arrangement. It is not necessary for investment managers to consult with the Group Trustees before voting as they are invested in line with Ruffer's absolute returns approach. As part of their wider due diligence of the implementation of investment strategies, the Group Trustees request the investment managers produce information that demonstrates the investment manager is exercising good stewardship.

Ruffer's proxy voting advisor is Institutional Shareholder Services (ISS). They have developed their own internal voting guidelines, however they consider issues raised by ISS, to assist in the assessment of resolutions and the identification of contentious issues. Although Ruffer are cognisant of proxy advisers' voting recommendations, they do not delegate or outsource their stewardship activities when deciding how to vote on their clients' shares. Each research analyst, supported by their responsible investment team, reviews the relevant issues on a case-by-case basis and exercises their judgement, based on their in-depth knowledge of the company. If there are any controversial resolutions, a discussion is convened with senior investment staff and if agreement cannot be reached there is an option to escalate the decision to the Head of Research or the Chief Investment Officer.

Most significant votes

The following table provides two significant votes for Ruffer, relevant for the period 1 April 2024 to 31 March 2025.

Company:	Pfizer Inc.	Citigroup Inc.	Amazon.com Inc.
Date:	25 April 2024	30 April 2024	22 May 2024
Resolutions:	Require Independent Board Chair	Require Independent Board Chair	Commission a Third Party Audit on Working Conditions
Ruffer's Vote:	Against	Against	For
Rationale:	Voting guidelines are not prescriptive on the requirement to separate the role of Chair and CEO. In the context of North America, it is accepted that these roles can be combined.	In the event that Citigroup appoints a non-independent chair in the future, it will appoint a lead independent director which will ensure that there is sufficient independence on the board.	Concerns are raised regarding recent workplace related violations and resulting negative media attention. Given the potential reputational risk, an independent third-party audit appears reasonable at this time. Additionally, results from an independent audit may address the inconsistencies between the statistics cited by the proponent and the injury rates reported by the company, which would allow shareholders to more fully evaluate the company's efforts to address workplace safety.

Stewart Investors

Voting

The Group invests in pooled fund arrangements and as such it is not necessary for investment managers to consult with the Group Trustees before voting. However, as part of their wider due diligence of the implementation of investment strategies, the Group Trustees request the investment managers produce information that demonstrate the investment manager is exercising good stewardship.

Stewart Investors has a comprehensive proxy voting policy which is contained within our Stewardship and Corporate Engagement policy. Voting decisions are not outsourced to a third party or separate department, instead the investment team consider each proxy vote individually and on its own merits in the context of their knowledge about that company.

Each Portfolio Manager has ultimate discretion on voting decisions for their portfolios, ensuring that all company resolutions are reviewed and an appropriate and consistent recommendation is made in line with the corporate governance guidelines and principles. Where they have concerns they generally seek to engage a company prior to a vote so that appropriate consultation may take place with a view towards achieving a satisfactory solution. If the company does not change its behaviour and is not in-line with what Stewart Investors see as the minimum requirements for a given market, they will vote against. They look to have a positive relationship with the companies they invest in so they can have the most productive engagement. Stewart Investors are long-term shareholders and this also supports the effectiveness of engagement, ideally they will not need to vote against the company.

Stewart Investors do not outsource voting decisions. However, they use Glass Lewis as a third-party provider to assist with proxy voting operations. Glass Lewis provide proxy research and voting solutions in a centralised online platform. Stewart Investors use them to collate all ballot information applicable to company meetings and they are notified accordingly via their platform.

Stewart Investors also use the centralised platform to instruct Glass Lewis on how they wish to vote in particular company meetings. Glass Lewis then distributes how Stewart Investors have elected to vote to the relevant sub-custodians across all their eligible funds. Glass Lewis also provides a research service. This research accompanies all communications to the Portfolio Managers when notifying them of a meeting and seeking their voting instruction. This non-binding research advice helps Stewart Investors to flag potential weaknesses in governance.

As long-term shareholders, Stewart Investors are active (not activist) owners of the companies in which they invest; Stewart Investors aim to vote on all resolutions at annual and extraordinary general meetings. In this respect they consider all votes to be important. Voting rights are a valuable asset which they believe should be managed with the same care and diligence as any other asset. In addition to climate change resolutions, for the purposes of this review, they have classed significant votes as times where they have voted against management or abstained from voting.

Most significant votes

For the relevant period 1 April 2024 to 31 March 2025, Stewart Investors did not have any significant votes in line with the Group Trustees' definition.

EDF Group of the ESPS (the Group) - SIP Implementation Statement for the year ended 31 March 2025 (DC Section)

Overview of Group Trustees' Actions - DC

Introduction and SIP Updates

This Statement, written for the benefit of the members of the EDF Group of the Electricity Supply Pension Scheme (the Group), sets out how, and the extent to which, the Statement of Investment Principles (SIP) produced by the Group Trustees has been followed over the 12 months to 31 March 2025.

The SIP is a document drafted by the Group Trustees in order to help govern the Group's investment strategy. It details a range of investment-related policies, a summary of which is included in the table below, alongside the relevant actions taken by the Group Trustees in connection with each of these policies.

As required by the legislation, this Statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and the subsequent amendment in The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

The latest SIP was signed in September 2024 and remains the most recent version.

Within this Statement the Group Trustees refer to the following parties:

- MGIE - Mercer Global Investments Europe Limited, to whom the Group Trustees have delegated day to day investment decision making in respect of many of the Group's funds (the Delegated Investment Manager).
- MWS - Mercer Workplace Savings, a governance and oversight solution provided by Mercer Limited.

Investment Objectives and Strategy

The Group Trustees' objective is to invest the Group's 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 Group Trustees seek to achieve this, as detailed below:

- To establish a default arrangement broadly appropriate for the needs of the majority of the membership. This is structured as an investment programme which automatically manages a member's investments over their lifetime (Retirement Strategy). The Retirement Strategy is structured to invest members in a growth phase aiming to provide long term growth and gradually de-risk members' investments as they reach eight years from when they expect to retire (the de-risking phase) into funds which more closely match how the member wishes to access their pension savings.
- To make available a range of pooled investment funds and Retirement Strategies which serve to meet the needs and risk tolerances of the members in a DC pension arrangement. The Group Trustees recognise that members of the Group have differing investment needs and that these may change during the course of members' working lives. They also recognise that members have different attitudes to risk. The Group Trustees believe that members should be able to make their own investment decisions based on their individual circumstances.
- To avoid over-complexity in investment in order to manage administration costs and facilitate employee understanding.
- To provide options to assist members to maximise benefits (cash, annuity or drawdown) received at retirement, whilst protecting against risks relative to that benefit near retirement.
- To support members with clear communication. This is to be achieved via regular and effective communication and by signposting points of contact for bespoke advice or guidance.

The policies set out in the SIP are intended to help meet the overall investment objectives of the Group. Detail on the Group Trustees' objectives with respect to the default investment options, the alternative lifestyle strategies and the self-select fund range are outlined in SIP.

In total the Group has five defaults in the strategy including legacy arrangements:

Current Defaults:

- Cash Retirement (DC Top-Up members, Legacy Lifestyle DC Seeboard PIP members and AVC payers)
- Drawdown Retirement (Post 2015 DC Only Section)
- Annuity Retirement (LERP Section)

Legacy Defaults - discontinued during the year to 31 March 2025:

- Legacy Default 5 Years (Legacy EEPS Members)
- Legacy Default 11 Years (Legacy EEPS Members)

Group Trustees' policies for investment managers

The Group Trustees have appointed Mercer Workplace Savings (MWS) for the provision of services related to the corporate investment platform where the Group's assets are invested. The Group Trustees have delegated the ongoing governance and monitoring of Scottish Widows Limited (Scottish Widows), as the provider of the corporate investment platform, to MWS which aims to ensure it remains a market leading corporate investment platform and to ensure it provides access to a range of investment strategies. The investment strategies on the corporate investment platform include funds (Mercer funds) whose investment manager selection and monitoring has been delegated to Mercer Limited, through the MWS Investment Governance Committee (MWS IGC), with underlying investment managers being selected for the management of the underlying assets. These underlying investment managers are MGIE and investment managers with fund strategies that are highly rated by Mercer Limited (externally managed funds).

The remainder of this document summarises the actions taken by the Group Trustees over the 12 months to 31 March 2025 in connection with the policies set out in the SIP during that period. All policies have been complied with unless stated otherwise.

Policy	Evidence
Additional Voluntary Contributions (“AVCs”)	
<p>Under the terms of the Trust Deed, the Group Trustees are responsible for the investment of AVCs paid by members. The Group Trustees review the investment performance of the chosen providers on a regular basis and take advice as to the providers’ continued suitability.</p>	<p>During the Group year, the Group Trustees reviewed an annual monitoring report covering the AVC investments held. The date of the last review provided was November 2024. Within this report, the performance, fees and ongoing suitability of the investment options were reviewed in the context of the remaining membership.</p>
Securing compliance with the legal requirements about choosing investments	
<p>The Group Trustees have appointed Mercer Limited as professional consultants (the DC investment adviser) to provide relevant investment advice to the Group Trustees on the DC Section. The Group Trustees also obtain and consider advice as appropriate from other professional advisers. In the Group Trustees’ opinion this is consistent with the requirements of Section 36 of the Pensions Act 1995.</p>	<p>The last formal review of the default arrangements occurred in November 2022, with the next review scheduled for the final quarter of 2025. Following the November 2022 review, additional interim updates recommended by the MWS IGC, which involved reviewing the strategy, were considered by the Group Trustees. Based on advice from their investment adviser, Mercer Limited, the Group Trustees considered:</p> <ul style="list-style-type: none"> • Whether the lifestyle strategies should add an allocation to the new Mercer Long Term Growth Fund – following analysis of the Group’s membership, the Group Trustees decided not to add this to the glidepath for any members. • Whether to update the Cash Lifestyle Strategy to replace the BlackRock All Stocks Corporate Bonds Fund with the Mercer Diversified Retirement Fund. The Group Trustees decided to implement this change, which was successfully completed in January 2025. • Whether to remove the legacy lifestyles from the arrangement. As all members have passed their retirement dates, the Group Trustees decided to remove these strategies as part of the move to the new administrators in July 2024. • Whether to update the name of the “EDFG Inflation Linked Pre-Retirement Fund” to the “EDFG Inflation Linked Annuity Aware Fund” in line with the changes to the underlying fund. The Group Trustees decided to implement this as part of the move to the new administrators in July 2024. • Whether to update the name of the “EDFG Legal & General Ethical Global Equity Index” to the “FTSE4Good Developed Equity” in line with the changes to the underlying fund. The Group Trustees decided to implement this as part of the move to the new administrators in July 2024. <p>The Group Trustees received the appropriate investment advice from their advisers, in line with Section 36 of the Pensions Act 1995.</p>

Policy	Evidence
Kinds of investments to be held	
<p>The Group Trustees have made available a range of individual self-select fund options for investment in addition to the default arrangement. All the funds within the default arrangement are also available as self-select options.</p> <p>The Group Trustees make three retirement strategies available.</p> <p>Four risk profiled funds have also been made available to members. The Delegated Investment Manager, MGIE, is responsible for making decisions on asset allocation selection, appointment, removal and monitoring of underlying external investment managers in these funds.</p> <p>There are also a number of legacy AVC fund options invested with Prudential and Aviva.</p>	<p>The default investment strategy is reviewed at least triennially. It was subject to its last formal triennial review in November 2022. The next investment strategy review is due during the final quarter of 2025.</p> <p>The investments (fund type, management style and asset allocations) used in the default strategy were reviewed as part of this exercise. No changes were made following this review and the kinds of investment held in the default strategy are consistent with the SIP.</p> <p>As part of the triennial review, the Group Trustees also undertook a review of the alternative lifestyles available to members. The Group Trustees concluded that the available range of funds/types of investments available to members continued to be appropriate and provided members options across the risk/return spectrum.</p> <p>A range of different asset class funds has been made available including: developed market equities, emerging market equities, small capitalisation equities, low volatility equities, real estate, money market investments, gilts, index-linked gilts, corporate bonds, diversified growth funds and pre-retirement funds.</p> <p>During the Group year, the Group Trustees reviewed changes to the self-select range based on recommendations from their investment adviser, Mercer Limited, and agreed to make no changes to the range.</p> <p>The details of the types of investment referenced in the SIP remains consistent with the fund range offered to members. No changes to the type of investments used in the default have been implemented since this review and the strategy remains consistent with this policy in the SIP.</p>

Policy	Evidence
The balance between different kinds of investments	
<p>The Group Trustees recognise the risks that may arise from the lack of diversification of investments. The Group Trustees therefore make available a range of investment options to enable members to achieve a diversified holding. Members can combine the investment funds in any proportion in order to achieve the desired balance between different kinds of investments. This will also determine the expected return on a member's assets and should be related to the member's own risk appetite and tolerances.</p>	<p>The strategic asset allocation of the default investment option is reviewed on a triennial basis. The date of the last review was November 2022. This confirmed that the strategic asset allocation was appropriate to meet the stated aims and objectives of the default. The Group Trustees decided to make available additional funds within the self-select range; namely two Sustainable Equity funds and a Property Fund; these were implemented in November 2022.</p> <p>The Cash Lifestyle Strategy was updated following recommendations from the MWS IGC and Mercer, the investment adviser. It was suggested replacing the BlackRock All Stocks Corporate Bonds Fund with the Mercer Diversified Retirement Fund. The Group Trustees agreed to this change, which was successfully implemented in January 2025.</p> <p>As the Delegated Investment Manager, MGIE also conducts an annual review of the strategic asset allocation of the Mercer funds and underlying investment managers. Over the Group year, the following changes were incorporated into the Mercer Growth and Diversified Retirement funds:</p> <ul style="list-style-type: none"> • Equity allocation within the Mercer Growth fund increased from 66% to 70%. • Allocation to gold introduced to the Diversified Retirement Fund. <p>The Group Trustees receive a quarterly investment performance report that monitors the risk and return of options within the Group. The Group Trustees are satisfied that the spread of funds available and the investment managers' policies on investing in individual securities within each asset type or fund, provides adequate diversification of investments.</p>
Risks, including the ways in which risks are to be measured and managed	
<p>The Group Trustees have considered risks from a number of perspectives.</p> <p>Table 12.11 of the SIP details these risks, and how they are managed and measured.</p>	<p>The risks below are not exhaustive, but cover the main risks considered by the Group Trustees to be financially material.</p> <ul style="list-style-type: none"> - Inflation Risk - Pension Conversion Risk - Market Risk - Counterparty Risk - Currency Risk - Operational Risk - Liquidity Risk - Valuation Risk - Environmental, Social and Governance Risk - Investment manager Skill/ Alpha Risk <p>The Group Trustees regularly monitor these risks and the appropriateness of the investments in light of the risks described above. The Group Trustees maintain a risk register of the key risks, including the market risks, investment manager risks and ESG risks. This rates the impact and likelihood of the risks and summarise existing mitigations and additional actions.</p>

Policy	Evidence
Expected return on investments	
<p>Risk is not considered in isolation, but in conjunction with expected investment returns and outcomes for members. In designing the default Retirement Strategy, the Group Trustees have explicitly considered the trade-off between risk and expected returns.</p>	<p>Over the year the investment performance report was reviewed by the Group Trustees on a quarterly basis - this includes the risk and return characteristics of the default and additional investment fund choices.</p> <p>The investment performance report includes how each investment manager is delivering against their specific mandates.</p> <p>The growth phase of the default arrangements aims to provide long term growth with some protection against inflation erosion and volatility when compared to global equity markets.</p>
Realisation of investments	
<p>The selection, retention and realisation of investments within the pooled investment vehicles is the responsibility of the relevant investment manager, including the Delegated Investment Manager, MGIE.</p> <p>In selecting assets, the Group Trustees consider the liquidity of the investments in the context of the likely needs of members.</p>	<p>The Group Trustees receive an administration report on a quarterly basis to ensure that core financial transactions are processed within SLAs and regulatory timelines. As confirmed in the Annual Defined Contribution Chair Statement, the Group Trustees are satisfied that all requirements were met throughout the year.</p> <p>The pooled investment vehicles are daily dealt, with assets mainly invested in regulated markets and therefore should be realisable at short notice, based on either Group Trustees or member demand.</p>

Policy	Evidence
Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments	
<p>The Group Trustees incorporate financially material considerations into decisions on the selection, retention and realisation of investments through the appointment of investment managers, including the Delegated Investment Manager, MGIE, so far as possible, considering the advice of the Group Trustees' DC investment adviser.</p> <p>Monitoring is undertaken on a regular basis and is documented at least annually.</p> <p>The Group Trustees believe that Environmental, Social and Governance (ESG) factors (including but not limited to climate risk) will be financially material over the time horizon of the Group and should be considered as part of investment strategy and implementation decisions, noting that these decisions have largely been delegated to the Delegated Investment Manager, MGIE.</p>	<p>The investment performance report is reviewed by the Group Trustees on a quarterly basis - this includes ratings (both general and specific ESG) from the DC investment adviser. All the investment managers under the remit of the Delegated Investment Manager, MGIE, remained highly rated during the year.</p> <p>The investment performance report includes how each investment manager is delivering against their specific mandates.</p> <p>Where investment managers of Mercer funds are not highly rated by the Manager Research Team from an ESG perspective, Mercer Limited, via the MWS IGC, will engage with those investment managers to improve ESG practices or replace these investment managers with more highly rated ESG investment managers. This is in line with Mercer's Sustainable Investment Policy.</p> <p>Section 10 of the Group's SIP includes the Group Trustees' policy on ESG factors, stewardship and Climate Change. This policy sets out the Group Trustees' beliefs on ESG and climate change and the processes followed by the Group Trustees in relation to voting rights and stewardship.</p> <p>The Group Trustees have delegated the ESG, climate change and stewardship considerations to the MWS IGC and investment managers of the Group's funds, alongside other investment responsibilities. The Group Trustees believe that the MWS IGC and the investment managers, have the necessary expertise and framework in place to effectively manage and monitor investments in line with these areas, and this is implemented through their four-pillar framework: integration, stewardship, thematic investment and screening. The Mercer funds incorporate these four-pillars as far as is practical. The MWS IGC, is expected to provide reporting on a regular basis, at least annually, on the ESG integration progress, stewardship monitoring results, and climate-related metrics such as carbon foot printing for equities and/or climate scenario analysis for diversified portfolios.</p> <p>The Group Trustees acknowledge that investment managers in fixed income do not have a high ESG rating assigned by the DC investment adviser due to the nature of the asset class where it is harder to engage with the issuer of debt.</p>

Policy	Evidence
The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments	
<p>The Group Trustees take into account member views, when expressed, and may ask for member views from time to time in relation to financial and non-financial matters</p>	<p>The Group Trustees may incorporate the views of members with respect to the scheme offering. No members expressed any views during the year relating to the scheme offering.</p>
The exercise of the rights (including voting rights) attaching to the investments	
<p>The Group Trustees recognise that good stewardship practices, including engagement and voting activities, are an important part of general scheme governance as they help preserve and enhance asset owner value over the long term.</p> <p>Where relevant, the Group Trustees expect their investment managers to use voting rights to effect the best possible sustainable long-term outcomes</p>	<p>The Group Trustees have delegated their voting rights to the investment managers. Investment managers are expected to provide voting summary reporting on a regular basis, at least annually. The Group Trustees receive an annual ESG report from the MWS IGC, which includes details on the investment managers' voting policies and significant votes undertaken over the previous year.</p> <p>Once appointed, the Group Trustees give appointed investment managers, including the Delegated Investment Manager, MGIE, full discretion in evaluating ESG factors, including climate change considerations and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.</p> <p>The following funds contain an allocation to equities:</p> <ul style="list-style-type: none"> - EDFG Growth - EDFG High Growth - EDFG Moderate Growth - EDFG Defensive - EDFG Diversified Growth - EDFG Diversified Retirement - EDFG Drawdown Retirement - EDFG Active UK Equity - EDFG Active Global Equity - EDFG Active Low Volatility Equity - EDFG Active Global Small Cap Equity - EDFG Active Emerging Markets Equity - EDFG Active Sustainable Global Equity - EDFG Passive UK Equity - EDFG Passive Sustainable Global Equity - EDFG Passive Overseas Equity - EDFG Passive Overseas Equity Hedged - EDFG BlackRock Global Equity 50/50 Index - EDFG FTSE4Good Developed Index - EDFG Passive Emerging Markets Equity - EDFG Shariah <p>The voting records of the investment managers are summarised in the appendix.</p>

Policy	Evidence
Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, Group Trustees would monitor and engage with relevant persons about relevant matters)	
<p>Once appointed, the Group Trustees give appointed investment managers, including the Delegated Investment Manager, MGIE, full discretion in evaluating ESG factors, including climate change considerations and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.</p> <p>Outside of those exercised by investment managers on behalf of the Group Trustees, no other engagement activities are undertaken.</p>	<p>Investment managers are expected to provide reporting on a regular basis, at least annually including stewardship monitoring results. These are reviewed by the Group Trustees.</p> <p>The Group Trustees have delegated the ESG, climate change and stewardship considerations to the MWS IGC and investment managers of the Group's funds, alongside other investment responsibilities. The Group Trustees believe that the MWS IGC and the investment managers have the necessary expertise and framework in place to effectively manage and monitor investments in line with these areas, and this is implemented through their four-pillar framework: integration, stewardship, thematic investment and screening. The Mercer funds incorporate these four-pillars as far as is practical. The MWS IGC is expected to provide reporting on a regular basis, at least annually, on the ESG integration progress, stewardship monitoring results and climate-related metrics such as carbon foot printing for equities and/or climate scenario analysis for diversified portfolios.</p> <p>Where underlying investment managers are not meeting expectations, the Delegated Investment Manager, MGIE, and the MWS IGC, are expected to engage with these investment managers.</p> <p>Engagement for the DC Section's investment managers is summarised in the appendix.</p>

Policy	Evidence
<p>How the arrangement with the investment manager incentivises the investment manager to align its investment strategy and decisions with the Group Trustees’ policies mentioned in sub-paragraph (b) of the legislation</p>	
<p>The Group Trustees’ policy in relation to investments to be held is set out in section 18 of the SIP.</p> <p>In line with section 18 - paragraph 2 of the SIP, the Group Trustees appoint investment managers of externally managed funds and the Delegated Investment Manager, MGIE, based on their capabilities and therefore the perceived likelihood of achieving the expected return and risk characteristics required.</p>	<p>The Group Trustees access the investment managers’ products (or funds) through the Scottish Widows insurance platform. The Delegated Investment Manager, MGIE, appoints underlying investment managers for the majority of the Group’s funds, while Mercer Limited (via the MWS IGC) remain responsible for the appointment of investment managers for the white-labelled “Mercer” Funds. The Group Trustees select funds from external investment managers based on their capabilities, and therefore the perceived likelihood of achieving the expected return and risk characteristics required. Mercer Limited’s manager research rating reflects Mercer’s forward-looking assessment of an investment manager’s ability to meet or exceed their objectives.</p> <p>As the Group Trustees invest in pooled or multi-client investment vehicles, they accept that they have no ability to influence the investment managers to align their decisions with the Group Trustees’ policies set out in this Statement. However, appropriate mandates can be capped to align with the overall investment strategy.</p>
<p>How the arrangement incentivises the investment manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.</p>	
<p>The Group Trustees appoint their investment managers with an expectation of a long-term partnership, which encourages active ownership of the Group’s assets. When assessing an investment manager’s performance, the focus is on longer-term outcomes and is assessed over a medium-to longer-term timeframe.</p>	<p>The Group Trustees, the MWS IGC and the Delegated Investment Manager, MGIE, all expect the underlying investment managers to incorporate the consideration of longer-term factors, such as ESG, into their decision-making process where appropriate. The extent to which this is so will be considered during the selection, retention and realisation of investment manager appointments. Voting and engagement activity should be used by investment managers to discuss the performance of an issuer of debt or equity. The MWS IGC monitors and oversees the engagement activity of all Mercer white-labelled funds and, if dissatisfied, will look to replace the investment manager. The Delegated Investment Manager, MGIE, engages with underlying investment managers on this activity and if dissatisfied will look to replace the investment manager.</p> <p>Shorter term performance is also monitored to ensure any concerns can be identified in a timely manner. The Group Trustees would not expect to terminate an investment manager’s appointment based purely on short-term performance. However, an investment manager’s appointment could be terminated within a shorter timeframe than three years due to other factors such as a significant change in business structure or the investment team.</p> <p>All DC funds are open-ended, with no set duration. Within the DC section, the MWS IGC, is responsible for the selection, appointment, monitoring and removal of the underlying investment managers while MGIE is responsible for the selection, appointment, monitoring and removal of the underlying investment managers within the majority of underlying funds. The Group Trustees are responsible for the selection, appointment and removal of the externally managed funds. The Group Trustees may also choose to remove a fund from the fund range, if no longer considered appropriate and the fund range is reviewed on at least a triennial basis. No such changes were made over the year.</p>

Policy	Evidence
<p>How the method (and time horizon) of the evaluation of the investment managers' performance and the remuneration for investment management services are in line with the Group Trustees' policies mentioned in sub-paragraph (b) of the legislation.</p>	
<p>The Group Trustees recognise their time horizon is long as set out in section 18 of the SIP. As such, investment managers are assumed to be held for a suitably long time.</p> <p>Investment managers' performance net of fees is therefore reviewed over both short and long-time horizons. Remuneration is agreed upon prior to investment manager appointment and is reviewed on a regular basis.</p>	<p>Investment managers are paid an ad valorem fee for a defined set of services. The Group Trustees review the fees periodically to confirm they are in line with market practices. The annual Value for Money Assessment reviews the DC section fees to ensure they represent value for members. If performance is not satisfactory, the Group Trustees will ask the underlying investment manager, MGIE, to provide additional rationale, and if not satisfied with this, may request further action be taken, including a review of fees.</p> <p>The Delegated Investment Manager, MGIE, is also responsible for making decisions on asset allocation, selection, appointment, removal and monitoring of underlying external investment managers in the majority of Mercer funds. The underlying external investment managers, including the third-party investment managers who are appointed by the MWS IGC to manage Mercer funds, have full discretion to buy and sell investments on behalf of the Group. The Group Trustees are responsible for the selection, appointment, removal and monitoring of the Delegated Investment Manager, MGIE, the externally managed Mercer Funds and any other funds offered to members.</p> <p>The fund range is formally reviewed on at least a triennial basis, with the next investment strategy review due during the final quarter of 2025, or sooner if the Group Trustees deem it necessary. This was the case over the past year when the self-select range was reviewed based on recommendations from the investment adviser, Mercer Limited. In June and September 2024, the Trustees reviewed the self-select fund range and concluded it remains appropriate for members.</p> <p>Within the quarterly performance reports, long and short time horizons are considered for performance metrics.</p>

Policy	Evidence
How the Group Trustees monitor portfolio turnover costs incurred by the investment manager, and how they define and monitor targeted portfolio turnover or turnover range.	
<p>The Group Trustees' policy in relation to the monitoring of portfolio turnover costs is set out in section 18 of the SIP.</p> <p>The Group Trustees review the portfolio transaction costs and portfolio turnover range of investment managers periodically, where the data is disclosed and available.</p>	<p>The Group Trustees will determine whether the costs incurred are within reasonable expectations. Within the DC Section, portfolio turnover costs for each of the funds are reviewed on an annual basis as part of the annual value for members assessment. However, at present, the Group Trustees note a number of challenges in assessing these costs:</p> <ul style="list-style-type: none"> • No industry-wide benchmarks for transaction costs exist • The methodology leads to some curious results, most notably “negative” transaction costs • Explicit elements of the overall transaction costs are already taken into account when investment returns are reported, so any assessment must also be mindful of the return side of the costs. <p>The Group Trustees do not currently define target portfolio turnover ranges for funds.</p> <p>Transaction costs, using the ‘slippage cost methodology’ (as defined in COBS 19.8 of the FCA Handbook), are disclosed in the Annual Defined Contribution Governance Statement (the latest Statement is available here: https://www.edfgpensions.co.uk/content/group-downloads). The transaction costs for each fund cover the buying, selling, lending and borrowing of the underlying securities in the fund by the investment manager. An investment manager can also factor in anti-dilution mechanisms into the total transaction costs.</p> <p>It is worth noting that transaction costs can be negative, thus contributing positively to performance.</p> <p>The slippage cost methodology captures the change in price of the relevant asset between the decision to execute a transaction and the actual execution. It is based on identifying the price at the decision point, which is referred to as the arrival price. The slippage cost methodology is based on a price being available for the asset at the time the decision was made to execute. If a price is not available from the time of the decision, then a price needs to be taken from the nearest time before the decision point when a price is available - the price that is found is then compared with the execution price.</p> <p>There is little flexibility for the Group Trustees to impact transaction costs as they invest in pooled funds. While the transaction costs provided appear to be reflective of costs expected of various asset classes and markets that the Group invests in, there is not as yet any “industry standard” or universe to compare these to. As such, any comments around transaction costs at this stage can only be viewed as speculative. However, the Group Trustees will continue to monitor transaction costs on an annual basis and developments on assessing these costs for value.</p>

Policy	Evidence
The duration of the arrangement with the investment manager	
<p>All DC funds are open-ended, with no set duration. Within the DC section, the Delegated Investment Manager, MGIE, is responsible for the selection, appointment, monitoring and removal of the underlying investment managers. The Group Trustees are responsible for the selection, appointment and removal of the externally managed funds. The Group Trustees may also choose to remove a fund from the fund range, if no longer considered appropriate, and the fund range is reviewed on at least a triennial basis.</p>	<p>There is no set duration for the investment manager appointment. However, the appointment is regularly reviewed as to its continued suitability and could be terminated either because the Group Trustees are dissatisfied with the investment managers' ongoing ability to deliver the mandate promised or because of a change of investment strategy by the Group Trustees.</p> <p>The Group Trustees have not removed any investment managers during the year to 31 March 2025.</p>

Overview of the Group Trustees' voting and engagement policies

Summary of the Group's policies

The Group Trustees recognise that good stewardship practices, including engagement and voting activities, are an important part of general Group governance as they help preserve and enhance asset owner value over the long term.

As the Group invests in pooled funds, the Group Trustees require their underlying investment managers to engage with the investee companies. The Group Trustees have delegated their voting rights to the investment managers. Where underlying investment managers are not meeting expectations, MGIE, as the Delegated Investment Manager, is expected to engage with these investment managers.

As mentioned previously, direct engagement with underlying companies (as well as other relevant persons) in respect of shares and debt is carried out by the Group's investment managers. This includes monitoring and engaging with issuers of debt or equity on financially material issues concerning strategy, capital structure, management of actual or potential conflicts of interest, risks, environmental impact, social considerations and corporate governance. Where relevant, the Group Trustees expect their investment managers to use voting rights to affect the best possible sustainable long-term outcomes.

While the Group Trustees choose investment managers that align with their beliefs on stewardship (where possible), there are instances where the Group Trustees have less direct influence over the investment managers' policies on the exercise of investment rights. For example, where assets are held in pooled funds, due to the collective nature of these investments. The MWS IGC monitors and discloses the voting behaviour carried out on all Mercer Funds and the Group Trustees monitor voting behavior of any externally managed funds. If the Group Trustees deem it not suitable, they will engage with the relevant investment manager and seek to better align their respective policies of the Group Trustee with the behaviour of the investment manager.

The Group Trustees expect their investment managers to independently consider whether 'Exclusion' or 'Engagement' as a method of incorporating climate change risks into an effective risk management framework is more appropriate within their investment process.

How have the policies been followed for the Group?

All of the Group's DC investment managers (Scottish Widows, Mercer, BlackRock, Legal & General (LGIM) and the AVC investment managers (Prudential and Aviva) are signatories to the UN Principles of Responsible Investment (UN PRI).

The use of voting rights is most likely to be financially material in the sections of the portfolios where physical equities are held. The investment manager is responsible for voting and engagement on the underlying assets rather than the Group Trustees. The Group Trustees' ability to influence voting activities undertaken is limited.

Overview of MGIE approach to voting and engagement

MGIE's policy on consulting with clients before voting

The legal right to vote belongs to the relevant fund, as the owner of the securities. The voting activity is delegated to the external underlying investment managers (sub-investment managers) as appointed by MGIE, as the investment manager for the investment vehicles in which clients are invested. MGIE expects sub-investment managers to comply with its Engagement Policy and will seek to ensure that obligations under this Engagement Policy are discharged by the sub investment managers. The Engagement Policy is available here:

<https://investment-solutions.mercer.com/global/all/en/investment-solutions-home/corporate-policies.html>

MGIE's process for deciding how to vote

MGIE has developed adequate and effective strategies for determining when and how any voting rights in funds are to be exercised, to the exclusive benefit of the fund and its investors. MGIE has put in place a policy covering each fund to ensure the exercise of voting rights are in accordance with the investment objective and policy of the fund. Mercer will provide a report on an annual basis which provides an overview of underlying investment manager engagement processes, significant votes, use of proxy advisers and engagement examples.

MGIE's proxy voting services

An overview of the use of any proxy voting services by underlying investment managers will be provided by Mercer on an annual basis going forward.

MGIE's policy with respect to conflicts of interest

MGIE applies an effective written conflicts of interest policy and has put in place procedures and measures for the prevention or management of conflicts of interest including where such conflicts may arise due to how it engages with the companies it invests in. A conflicts of interest policy is published here:

<https://investment-solutions.mercer.com/global/all/en/investment-solutions-home/corporate-policies.html>

MGIE operates on a manager of managers basis, appointing sub-investment managers to its funds under management, and does not hold securities directly on behalf of clients. The sub-investment managers the voting processes, therefore there is no conflict of interest involving MGIE as the investment manager.

MGIE's additional comments with respect to voting activities or processes

MGIE accepts that underlying investment managers may have detailed knowledge of both the governance and the operations of the investee companies and has therefore enabled underlying investment managers to vote based on their own proxy-voting execution policy.

Source: MWS

DC Voting (broken down for each mandate)

Passive Funds	Passive UK Equity	Passive Overseas Equity	Passive Overseas Equity Hedged	Passive Emerging Market Equity	Passive Sustainable Global Equity	Shariah
How many meetings were you eligible to vote at over the year to 31/03/2025?	684	1,891	2,082	2,545	1,124	105
How many resolutions were you eligible to vote on over the year to 31/03/2025?	9,642	24,298	26,424	21,886	16,329	1,719
What % of resolutions did you vote on for which you were eligible?	99%	94%	98%	95.8%	98.6%	96%
Of the resolutions on which you voted, what % did you vote with management?	97%	94%	94%	77.4%	77%	78%
Of the resolutions on which you voted, what % did you vote against management?	2%	5%	5%	19.7%	22.3%	21%
Of the resolutions on which you voted, what % did you abstain from?	1%	1%	1%	2.9%	0.7%	1%

Source MGle as at 31 March 2025

Active Funds	Active UK Equity	Active Global Equity	Active Emerging Markets Equity	Active Global Small Cap Equity	Active Low Volatility Equity	Active Sustainable Global Equity
How many meetings were you eligible to vote at over the year to 31/03/2025?	93	563	309	730	425	370
How many resolutions were you eligible to vote on over the year to 31/03/2025?	2,066	8,652	3,279	8,437	7,287	6,240
What % of resolutions did you vote on for which you were eligible?	100%	97.9%	98.8%	99.3%	98.3%	99.6%
Of the resolutions on which you voted, what % did you vote with management?	98.4%	90.6%	80.0%	91.7%	93.2%	89.4%
Of the resolutions on which you voted, what % did you vote against management?	1.5%	8.9%	13.6%	8%	6.6%	9.9%
Of the resolutions on which you voted, what % did you abstain from?	0.1%	0.5%	0.7%	0.3%	0.2%	0.7%

Source MGIE as at 31 March 2025

Multi Asset Funds	Diversified Growth	Diversified Retirement	Growth	Moderate Growth	Defensive	High Growth
How many meetings were you eligible to vote at over the year to 31/03/2025?	8,940	5,815	7,237	8,648	4,171	8,800
How many resolutions were you eligible to vote on over the year to 31/03/2025?	102,119	67,246	87,220	99,092	41,641	101,294
What % of resolutions did you vote on for which you were eligible?	96.1%	96%	94%	96%	95%	96.1%
Of the resolutions on which you voted, what % did you vote with management?	84.6%	84.2%	83.7%	84.5%	82.4%	84.7%
Of the resolutions on which you voted, what % did you vote against management?	14.5%	14.7%	15.4%	14.6%	15.8%	14.4%
Of the resolutions on which you voted, what % did you abstain from?	0.9%	1.1%	0.9%	0.9%	1.8%	0.9%

Source: MGIE as at 31 March 2025

LGIM / BlackRock Funds	LGIM FTSE4Good Developed Index	BlackRock Global Equity 50/50 Index
How many meetings were you eligible to vote at over the year to 31/03/2025?	1,194	2,443
How many resolutions were you eligible to vote on over the year to 31/03/2025	16,792	32,896
What % of resolutions did you vote on for which you were eligible?	99.6%	95.0%
Of the resolutions on which you voted, what % did you vote with management?	82.1%	95.0%
Of the resolutions on which you voted, what % did you vote against management?	17.5%	4.0%
Of the resolutions on which you voted, what % did you abstain from?	0.4%	1%
In what % of meetings, for which you did vote, did you vote at least once against management?	73.5%	22%
Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, they have put in place a custom voting policy with specific voting instructions. For more details, please refer to the Voting Policies section of this document.	BlackRock use Institutional Shareholder Services' (ISS) electronic platform to execute their vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, they work with proxy research firms who apply their proxy voting guidelines to filter out routine or non-contentious proposals and refer to them any meetings where additional research and possibly engagement might be required to inform their voting decision.
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	13.6%	0%

Source: LGIM and BlackRock as at 31 March 2025

Significant Votes

To ensure voting behaviour is consistent with the Group's investment objectives and stewardship priorities, the Group Trustees have established their own definition of what they consider to be a most significant vote. They are defined as: *resolutions that are relevant to the Group's chosen stewardship themes (Climate Change, Board Effectiveness and Health, Safety and Employee Welfare) and were considered at the shareholder meetings of issuers that are significant within the Group's portfolio (including the largest investment exposures in the portfolio and those identified as having high exposures to the scheme's chosen themes, such as Climate Action 100+ companies).*

Investment managers have provided examples of significant votes across the funds previously noted as containing equity. Given the volume of voting activity across the funds, for the purpose of this Statement, we have disclosed significant voting activity of funds used in the default strategy, where the majority of members' assets are invested. Significant votes have been defined as votes which meet one or more of the following criteria:

- Votes relating to one of the Group Trustees' key stewardship themes;
- Votes relating to an issuer to which the Group has a large £ exposure;
- Votes identified due to potential controversy, driven by the size and public significance of a company,
- The nature of the resolution and the weight of shareholder vote against the management recommendation.

Mercer Global Investments Europe Limited (MGIE)

MGIE determine significant votes based on its Engagement Priorities, as set out in the Beliefs, Materiality and Impact (BMI) Framework in the MGIE Sustainable Investment Policy, which is available at:

<https://investment-solutions.mercer.com/content/dam/mercercor/subdomains/delegated-solutions/CorporatePolicies/Mercer/20ISE/20Sustainability20Policy.pdf>

The significant votes outlined on the next page are votes relating to shareholder resolutions with a specific focus on Climate Change, Modern Slavery and Diversity (i.e. the engagement priority areas in the BMI framework). When there are a large number of votes in any one fund relating to these priority areas / themes we consider the size of the holding within the fund.

Applicable to the Diversified Growth (DGF), Growth (GF), Moderate Growth (MGF) and High Growth Funds (HGF):

Company:	Mitsubishi UFJ Financial Group, Inc.	Sumitomo Mitsui Financial Group, Inc.	Toyota Motor Corp.	Microsoft Corporation	Apple Inc
Date:	27 June 2024	27 June 2024	18 June 2024	10 December 2024	25 February 2025
Resolutions:	Amend Articles to Add Provision on Assessment of Clients' Climate Change Transition Plans	Amend Articles to Add Provision on Assessment of Clients' Climate Change Transition Plans	Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement	Shareholder Proposal Regarding Report on Risks of Providing AI to Facilitate New Oil and Gas Development and Production	Shareholder Proposal Regarding Abolishing Inclusion and Diversity Program and Policies
Investment Manager Vote:	Against	Against	Against	For	Against
Rationale:	The proposal will not serve shareholder's interest.	The proposal will not serve shareholder's interest.	The proposal will not serve shareholder's interest.	Shareholders would benefit from additional disclosure related to the potential risks associated with the use of the company's artificial intelligence and machine learning tools for new oil and gas development and production.	Apple has strong compliance measures and effective oversight of legal and regulatory risks. Additionally, the company maintains clear non-discrimination policies and aligns its oversight with market standards and there are no known controversies regarding employee discrimination linked to Apple's DEI efforts at the time of the AGM.
Where the investment manager voted against management, did they communicate your intent to the company ahead of the vote?	N/A			No	N/A
Outcome:	Not approved				

Company:	Mitsubishi UFJ Financial Group, Inc.	Sumitomo Mitsui Financial Group, Inc.	Toyota Motor Corp.	Microsoft Corporation	Apple Inc
Approx.Size of Holding at date of vote	DGF: 0.067%	DGF: 0.048%	DGF: 0.127%	DGF: 1.906%	DGF: 2.315%
	GF: 0.122%	GF: 0.086%	GF: 0.221%	GF: 2.701%	GF: 3.402%
	MGF: 0.066%	MGF: 0.046%	MGF: 0.140%	MGF: 1.808%	MGF: 2.174%
	HGF: 0.063%	HGF: 0.044%	HGF: 0.138%	HGF: 2.947%	HGF: 3.606%
Priority Area	Climate Change	Climate Change	Climate Change	Climate Change	Board Effectiveness

Applicable to the Sharia Fund:

Company:	NVIDIA Corporation	Amazon.com, Inc.	Meta Platforms, Inc.
Date:	26 June 2024	22 May 2024	29 May 2024
Resolutions:	Elect Director Stephen C. Neal	Report on Efforts to Reduce Plastic Use	Report on Framework to Assess Company Lobbying Alignment with Climate Goals
Investment Manager Vote:	Voted Against	Voted For	Voted for
Rationale:	HSBC are voting against this Nomination Committee Chair as we have concerns about insufficient gender diversity of the board.	HSBC believe that the proposal would contribute to circular economy.	HSBC believe that the proposal would contribute to the better management of climate issues, particularly relating to lobbying.
Where the investment manager voted against management, did they communicate your intent to the company ahead of the vote?	No		
Outcome:	Approved	Not Approved	Not Approved
Approx.Size of Holding at date of vote	7.69%	6.26%	4.41%
Priority Area	Board Diversity	Biodiversity	Climate Change

Applicable to the LGIM FTSE4Good Developed Index:

Company:	Alphabet Inc.	Bank of America Corporation	Toyota Motor Corp.	Oracle Corporation
Date:	7 June 2024	24 April 2024	18 June 2024	14 November 2024
Resolutions:	Elect Director John L. Hennessy	Report on Clean Energy Supply Financing Ratio	Elect Director Toyoda, Akio	Elect Director Bruce R. Chizen
Investment Manager Vote:	Against	For	Against	Against
Rationale:	A vote against is applied as LGIM expects a company to have at least one-third women on the board.	LGIM believes that banks and financial institutions have a significant role to play in shifting financing to green energy. LGIM expects the company to be undertaking appropriate analysis and reporting on climate change matters, as LGIM consider this issue to be a material risk to companies.	A vote against is applied due to the lack of meaningful diversity on the board	A vote against is applied as LGIM expects a company to have at least one-third women on the board.
Where the investment manager voted against management, did they communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with our investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics			
Outcome:	Pass	N/A	N/A	N/A
Approx. Size of Holding at date of vote	2.4%	0.6%	0.6%	0.6%
Priority Area	Diversity	Climate Change	Diversity	Diversity

Applicable to Passive UK Equity (1), BlackRock Global Equity 50/50 Index (2), Passive Overseas Equity Hedged (3), UK Equity (4) funds:

Company:	Shell Plc (1,2,4)	Dow Inc. (2,3)	PACCAR Inc (2.3)	Berkshire Hathaway Inc. (2,3)
Date:	21 May 2024	11 April 2024	30 April 2024	4 May 2024
Resolutions:	Advise Shell to Align its Medium-Term Emissions Reduction Targets Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement	Commission Audited Report on Reduced Plastics Demand	Report on Climate Lobbying	Disclose BHE's Emissions and Progress Towards Goal in Consolidated Report
Investment Manager Vote:	Against	Against	Against	For
Rationale:	Shell has provided and continues to provide a clear assessment of its plans to manage material climate-related risks and opportunities, while also demonstrating progress against its stated "Energy Transition Strategy	Company already has policies in place to address these issues.	The company already has policies in place to address the request being made by the proposal or is already enhancing its relevant policies.	Additional information regarding the company's plan to manage their strategy in the context of a transition to a low-carbon economy will help investors assess long-term risks and opportunities on this economically material issue.
Where the investment manager voted against management, did they communicate your intent to the company ahead of the vote?	The investment manager endeavours to communicate to companies when they intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. The investment manager publishes their voting guidelines to help clients and companies understand our thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which the investment manager assesses a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. The investment manager applies their guidelines pragmatically, taking into account a company's unique circumstances where relevant. Their voting decisions reflect our analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and their active investment colleagues.			
Outcome	Fail	Fail	Fail	Fail
Approx.Size of Holding at date of vote*	8.0%	Not provided by manager	Not provided by manager	Not provided by manager
Priority Area	Climate Change	Climate Change	Climate Change	Climate Change

Source: BlackRock as at 31 March 2025