Implementation Statement

This statement demonstrates that Electricity North West Group of the ESPS has adhered to its voting and engagement policies, either through direct oversight or by delegation to their investment managers throughout the reporting year.

Statement of Investment Principles

The Statement of Investment Principles (‘SIP’) sets out the Trustee policies regarding voting rights and engagement activity. As stated within the SIP, the Trustee has acknowledged responsibility for the voting and engagement policies undertaken by the Group’s investment managers on their behalf.

The SIP can be found online at the web address: Statement of Investment Principles.

Voting

The Trustee has acknowledged responsibility for the voting policies that are implemented by the Group’s investment managers on their behalf. The Trustee has adopted the investment managers’ definition of significant votes and has not chosen to set stewardship priorities.

There were limited voting rights attached to the Group’s investments at the end of the reporting year. The majority of the Group’s assets are credit based where there is no voting rights attached.

Engagement

The Trustee has acknowledged responsibility for engagement activity that is conducted by the Group’s investment managers on their behalf. The Trustee, via their investment advisers, engage with managers about ‘relevant matters’ at least annually.

Summary of key actions undertaken to implement the SIP

The Group Trustee monitors the Group’s investments on an ongoing basis, including receiving regular reporting from the Group’s investment adviser and the investment managers.

Reporting includes monitoring the Group’s asset allocation versus the strategic allocation detailed in the SIP, reviewing the performance of the investment managers versus relevant benchmarks and their stated objectives, and monitoring investment risks.

The Group Trustee keeps the Group’s SIP under ongoing review. Whilst there were no material strategic changes undertaken over the 12-month reporting period, the SIP will be updated following completion of any future strategic changes.

The Group Trustee conducts a comprehensive annual assessment of the investment managers' Environmental, Social, and Governance (ESG) strategies. The Group's investment managers are increasingly incorporating ESG factors into their decision-making processes and due diligence frameworks. To foster continued improvement, the Group Trustee, via their investment adviser, has outlined specific actions for the managers to enhance their ESG approaches. The Group Trustee will maintain ongoing oversight to track progress against these agreed measures.

Managing risks and policy actions

Risk / Policy	Definition	Policy	Actions and details on changes to policy
Interest rates and inflation	The risk of mismatch between the value of the Group assets and present value of liabilities from changes in interest rates and inflation expectations.	To hedge c.90% of interest rate and c.90% of inflation risks inherent in the Group's uninsured liabilities on the Technical Provisions basis (excluding the bulk annuity transaction).	No changes over the reporting period. An LDI review is currently ongoing to update the hedging arrangements for the finalised AVR.
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members benefits as they fall due (including transfer values). Collateral for LDI purposes will initially be sourced by L&G using cash within the bespoke pooled mandate in place. The Group's L&G Global Unconstrained Bond Fund forms part of a collateral waterfall structure that can be used in relation to re-leveraging and de-leveraging events. An automatic rebalancing framework with pre-agreed rebalancing triggers is in place with L&G to facilitate faster collateral rebalancing.	The investment strategy and insurance policy distribute regular income to assist in paying benefits as they fall due. Several of the Group's illiquid mandates are currently in their harvesting phase and are distributing cash back to the Group. These distributions are currently being used to meet ongoing cashflow requirements. However, as the Trustees reviews the Group's long-term objectives, there may be scope to reallocate this capital into new mandates to generate additional returns.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away any unrewarded risks, where practicable.	The Group reduces market risk by diversifying its holdings across a range of asset classes and investment managers. The Group Trustee is satisfied that the Group's assets remain sufficiently diversified to appropriately address market risk. The Group's allocations are monitored on a regular basis relative to the Strategic Asset Allocation (set out in the SIP).
Credit	Default on payments due as part of a financial security contract.	To diversify this risk by investing in a range of credit markets across different geographies and sectors. To appoint investment managers who actively	The Group invests across a range of credit strategies which provide exposure to several sectors and geographies. The Trustee maintained a diversified portfolio over the reporting period. The Group's investment adviser meets

		manage this risk by seeking to invest only in debt securities where the yield available sufficiently compensates the Group for the risk of default.	with the Group's investment managers on a regular basis to monitor portfolio risk. The Trustee is satisfied with the degree of credit risk taken by the Group.
Environmental, Social and Governance	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Group's investments.	The Group Trustee has implemented its own ESG Policy which it uses in the selection and monitoring of its investment managers. The Group Trustee continues to evolve its views on ESG and has implemented a climate governance framework. ESG is taken into account as part of the Group's adviser's (Isio's) standard due diligence and ongoing research and as such is a consideration in the selection and retention of the Group's investment managers. The Group Trustee monitors the managers on an ongoing basis via the annual impact assessment, which provides further details and proposed actions for the Group's investment managers improvements in ESG integration. ESG ratings are also shared in the quarterly investment performance reports.	The Group Trustee conducted an annual review of the Group's investment managers' ESG policies and practices during the reporting period. As the ESPS is covered by Taskforce for Climate related Financial Disclosures ('TCFD') regulations, the Group Trustee produced a governance and risk management report to feed into the ESPS Scheme-level TCFD submission.
Currency	The potential for adverse currency movements to have an impact on the Group's investments.	Hedge currency risk to an appropriate level as determined by the Group Trustee with advice from their investment advisor. The Group Trustee aims to invest in Sterling share classes where possible to eliminate direct currency risk in underlying holdings, except where active currency positions are held.	The Group Trustee has discussed the relative merits of hedged vs unhedged exposure to the JPM infrastructure mandate. However, no change has been made and the Group remains invested in the USD-denominated share class.
Non-financial	Any factor that is not expected to have a financial impact on the Group's investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments.	No change to policy.

Changes to the SIP

Over the 12-month period to 31 March 2026, no changes were made to the SIP and the SIP remained compliant with evolving regulatory guidance and the Group's investment strategy and policies.

Current ESG policy and approach

The Group's Climate Risk Governance Framework

In 2024, the Trustee established a climate delegation framework, expanding on the Group's existing ESG policies. This framework defines roles and responsibilities for managing climate-related risks and opportunities. The statements below summarise the governance framework set out by Trustee.

A) Trustee Responsibility
Responsibilities include, but are not limited to:
(i) Framework:

- Agreeing and implementing a Climate Delegation Framework
- Incorporating climate-related considerations into the Group's ESG Policy (including investment beliefs), ongoing risk management (including risk register) and monitoring.

(ii) Trustee knowledge and understanding

- Ensuring the Group Trustee has sufficient knowledge and understanding relating to the identification, assessment and management of climate related risks and opportunities via regular training sessions.
- Receiving regular training on climate-related risks and opportunities to ensure it has the level of understanding required to meet statutory and fiduciary obligations.

(iii) Strategic decision-making:

- Incorporating climate-related considerations into strategic decisions relating to the Group's investments and funding arrangements.
- Allowing for climate-related considerations when assessing and monitoring the strength of the sponsoring employer's covenant
- Factoring in climate-related risk management capabilities into the selection, review, and monitoring of investment managers. This includes ensuring that the Group's investment managers are managing the climate-related risks and opportunities associated with the Group's investments.

(iv) Monitoring:

- On at least a triennial basis, review its ESG Policy and Climate Delegation Framework.
- On a periodic basis, review climate-related sections of the Scheme's risk register.
- When reviewing the ESG Policy, the Trustee should consider whether the current delegations remain appropriate.

(B) Investment Consultant Responsibility
Responsibilities include, but are not limited to:

- On at least a triennial basis, review its ESG Policy and Climate Delegation Framework.
- On a periodic basis, review climate-related sections of the Scheme's risk register.
- When reviewing the ESG Policy, the Trustee should consider whether the current delegations remain appropriate.

C) Investment Managers Responsibility
Responsibilities include, but are not limited to:

- Identifying, assessing, and managing climate-related risk and opportunities in relation to the Group's investments.
- Exercising voting rights and engaging with portfolio companies in relation to climate-related risks and opportunities, on behalf of and in the best interests of the Group's members.

ESG as a financially material risk

The SIP describes the Group's policy with regards to ESG factors as a financially material risk. As outlined in the 'Investment Manager Arrangements' section of the SIP, all decisions about the day-to-day management of the assets have been delegated to the investment managers via a written agreement. The delegation includes decisions about the:

– selection, retention, and realisation of investments including taking into account all financially material considerations, including Environmental, Social and Governance ('ESG') factors in making these decisions.

– exercise of rights (including voting rights) attaching to the investments.

– undertaking engagement activities with investee companies and other stakeholders, where appropriate.

The 'Investment Manager Monitoring and Engagement' section of the SIP also outlines the framework the Group Trustee uses to monitor and engage with the investment managers on ESG matters.

The Group Trustee has also established their own beliefs and implemented an ESG Policy to help underpin investment decisions. This Policy summarises the Group Trustee's beliefs and steps through which the Group Trustee will implement the policy. The Group's ESG Policy is detailed below.

The Group Trustee's ESG beliefs

The Group Trustee has considered and discussed ESG issues to establish their own beliefs to help underpin investment decision making having regard to an appropriate time horizon for the Group.

The following statements summarise the ESG beliefs held by the Group Trustee, which were agreed in March 2024 and reviewed in 2025, after which the Group also developed the Climate Delegation framework, which formalises the Trustee's beliefs and policies on integrating ESG factors into investment decision-making. This includes codifying the Group Trustee's approach to addressing climate change:

Risk Management

i. ESG factors are important for risk management and can be financially material. Managing these risks forms part of the fiduciary duty of the Group Trustee.
ii. The Group Trustee recognises that climate change risk poses significant investment risk that could become incrementally more severe over time.
iii. The Group Trustee believes that ESG integration leads to better risk adjusted outcomes and want a positive tilt to the investment strategy.
iv. The Group Trustee will consider the ESG values and priority areas of the Company.

Investment Approach/Framework

i. The Group Trustee wants to understand how investment managers integrate ESG considerations into their investment process and in their stewardship activities.
ii. The Group Trustee believes that sectors which demonstrate particularly bad ESG characteristics may underperform. Where possible the investment strategy will seek to avoid these sectors.

Voting & Engagement

i. ESG factors are relevant to all asset classes, whether equity or debt investments, and managers have the responsibility to engage with companies on ESG factors.
ii. The Group Trustee will seek to understand the impact of voting and engagement activity within their investment mandates.
iii. The Group Trustee believes that engaging with managers is more effective to initiate change than disinvesting and so will seek to communicate key ESG actions to the managers in the first instance.

Reporting & Monitoring

i. ESG factors are dynamic and continually evolving; therefore, the Group Trustee will receive training to develop and maintain their knowledge of these factors.
ii. The Group Trustee will seek to monitor key ESG metrics to understand the impact of their investments.

Collaboration

i. Investment managers should be actively engaging and collaborating with other market participants to raise the ESG investment standards and facilitate best practice as well as sign up and comply with common codes such as UN Principles for Responsible Investment ("PRI" – defined further below), Task Force on Climate-related Financial Disclosures ("TCFD") and the UK Stewardship Code.
ii. The Group Trustee should sign up to a recognised ESG framework to collaborate with other investors on key issues.

The Principles of Responsible Investment ("PRI") is a proponent of Responsible Investment and works to consider the investment implications of ESG factors on investment and ownership decisions. The Trustee will consider all six of the Responsible Investment principles from the PRI's voluntary code when making investment decisions. These principles are outlined in the Appendix to this document.

Implementing the Group's Policy

The Group Trustee will implement the policy through the following steps:

1. The Group Trustee will continue to develop their understanding of ESG factors through annual training on ESG and keep themselves up to date on the latest sustainable investment opportunities.

2. The Group Trustee's ESG beliefs will be formally reviewed on an ongoing basis as required.

3. The Group Trustee, with support from its investment consultant, will contribute to the Scheme-level Task Force on Climate-related Financial Disclosures ("TCFD") report.

4. The Group Trustee will incorporate ESG criteria as part of new manager selection exercises, with explicit consideration of ESG factors for any segregated mandates.

5. The Group Trustee, with support from Isio, will carry out regular reviews of the investment managers' approaches to and effectiveness in integrating ESG factors.

6. The Group Trustee will receive any relevant climate-related updates from the investment consultant, potentially covering the investment managers' climate capabilities, progress on various climate workstreams and any relevant market or regulatory updates.

7. Following the initial review, actions will be identified where investment managers are misaligned with the Group Trustee's ESG beliefs. Isio will engage with each manager on the Group Trustee's behalf to remedy these issues where possible.

8. The investment managers' stewardship and engagement activities will be monitored on an ongoing basis and the Group Trustee will seek to understand the effectiveness of these activities.

9. With guidance from Isio, the Group Trustee will seek to obtain and incorporate climate change metrics from its investment managers as TCFD aligned disclosures are required.

10. The Group Trustee, with support from Isio, will publish an annual report which outlines the extent to which the Group has followed its engagement policies and voting behaviours in the form of an Implementation Statement.

11. The Group Trustee will regularly monitor the Isio defined ESG ratings of its investment managers and will carry out regular reviews of the investment managers approach to ESG through ESG impact assessment reports and progress reports prepared by Isio.

12. The Group Trustee to consider signing up to the UNPRI or the UK Stewardship Code.

Voting & Engagement

There were limited voting rights attached to the Group's investments at the end of the reporting year. The majority of the Group's assets are credit based where there are no voting rights attached.

The Trustee reports on engagement at two levels: oversight of engagement with investment managers, and engagement undertaken by investment managers with investee companies. Responsibility for day-to-day engagement has been delegated to the Group's investment consultant and investment managers. More detail can be found within the following pages.

Engagement with investment managers

A summary of the engagement activity undertaken by the Group's investment consultant, Isio, on behalf of the Trustee, has been provided below. The table covers a summary of each assessment of the investment managers' ESG capabilities against the Trustee's expectations, as well as any related engagement activity. As part of the review, the Group Trustee communicated via the investment adviser several suggested actions for improvement in ESG integration. The Group Trustee agreed that the ESG integration of all of the investment managers was satisfactory and will continue to engage with the managers to seek improvement.

A summary of the individual investment managers' ESG policies and practices is outlined below. Please note that the below summary and this Statement does not include the ESG summaries of the Group's illiquid investment managers, namely Carlyle, Morgan Stanley, and Partners Group – as these are mature portfolios which have largely distributed their capital, as such ESG integration is difficult to enact retrospectively. These holdings are also not expected to remain as long-term holdings in the strategy as they will roll off the portfolio over time.

Manager – Fund	Sustainability Integration Assessment Summary	Actions Identified
L&G - LDI	L&G embed ESG within their counterparty review process for LDI funds via their Active ESG tool and by engaging with counterparties. L&G could look to further develop their climate scenario modelling capabilities and improve reporting of engagement activity and broader ESG metrics. An allocation to green gilts could also be considered to enhance ESG integration.	• Consider allocations to green gilts • Enhance climate scenario modelling capabilities and ESG training • Improve disclosure of engagement activity
L&G – Absolute Return Bond Fund	L&G has clear strengths in risk management and investment approach with respect to ESG. The fund has a climate objective targeting a 50% reduction in weighted average carbon intensity by 2030, compared to a December 2019 baseline level. An area for future improvement is increasing the coverage of greenhouse gas emissions data within the Fund.	• Increase coverage of greenhouse gas emissions
Insight – Asset-Backed Securities	Overall, there have been several areas of improvement over the year, particularly relating to enhancements made to the fund range's ESG due diligence and monitoring processes, as well as evidencing robust engagement with underlying counterparties and servicers.	• Introduce formal exclusions (e.g. thermal coal). • Develop climate scenario analysis • Improve emissions reporting and ESG data transparency • Strengthen ESG objectives and evidence engagements
M&G – Long Lease Property	M&G has strong firm level policies integrated at fund-level, forward-looking climate objectives and consideration of climate risks across the investment process. Stewardship has improved, driven by increased evidence of engagement with tenants to address sustainability policies. However, M&G has no formal ESG scorecard as part of its due diligence. The adoption of a formal scorecard can help M&G better capture broader ESG risks within its investment process and allow it to report on a broader range of ESG metrics.	• Introduce an ESG scorecard for due diligence and monitoring • Capture broader ESG risks • Expand the range of ESG metrics
J.P. Morgan - Infrastructure Equity	J.P Morgan continues to align with sustainability principles. The Fund maintains active stewardship engagement although JP Morgans's exit from NZAMI and Climate Action 100+ has driven downgrades within the category. While engagement with portfolio companies continues through control positions, board oversight and GRESB-aligned processes, there has been limited progression in formal risk frameworks, external data use, and fund-level evidence of engagement outcomes. As such, the score changes reflect higher expectations around transparency and structure rather than reduced stewardship activity.	• Increase use of external ESG data • Include formal risk framework and improve training • Enhance on Fund level carbon metrics
Permira – Direct Lending	Both funds remain in line with expectations. The PCS III fund is a mature fund operating outside of its investment periods, meaningful ESG improvements	• Enhance climate risk assessment and portfolio company readiness

(PCSIII and PCS V)	are more challenging. A key priority for the manager is strengthening sustainability governance and climate readiness across portfolio companies, supported by high-quality annual ESG data collection, thematic engagement, and targeted initiatives such as improved emissions reporting practices. The PCS V fund is now outside its investment period, the scope for meaningful ESG progress is more limited. Permira have incorporated more ESG-linked margin ratchets compared to past vintages, helping to drive issuer-level sustainability improvements. A key priority is strengthening sustainability governance and climate readiness across portfolio companies, supported by high-quality annual ESG data collection and issuer engagement.	• Provide clearer evidence of engagement outcomes • Improve disclosure of ESG metrics, including emissions data • Consider formal net zero commitments and industry initiatives

Source: Investment Managers

Engagement with investee companies

Investment managers are responsible for ongoing engagement with investee companies, on behalf of the Trustee. The investment managers have provided details on their engagement activities, including a summary of the engagements by category, for the 12-month period to 31 March 2026, as well as specific examples that cover engagement topic, the actions undertaken and the engagement outcome.

Manager – Fund	Sustainability Integration Assessment Summary	Actions Identified
L&G - LDI	L&G currently do not provide details of engagement activity within the LDI portfolio.	We've requested this information from L&G, but due to the fund's characteristics, the manager is unable to generate this degree of reporting for this mandate.
L&G – Absolute Return Bonds	Total Engagements: 300 Environmental: 307 Social: 25 Governance: 143 Other: 19	L&G's engagement activity is guided by their global stewardship themes such as climate & nature, social resilience and governance. Engagement is not limited to investee companies alone, but also extends to key stakeholders such as policymakers, regulators, industry peers, clients, and relevant organisations. An example of a significant engagement includes: Barclays PLC – L&G engaged with Barclays on its approach to climate risks and opportunities. L&G have been focused on understanding the growth opportunities regarding Barclays' provision of sustainable finance and client demand, as well as the bank's client engagement on the progress on their climate transition plan journeys. Throughout 2025, L&G met with the bank on multiple occasions (c.10 times) and engagement was led by L&G's climate solutions team and the Investment Stewardship team. Through continuous engagements, L&G have been able to dive into the commercial opportunities for the bank that are inherent in the climate transition, and to understand the hurdles to progress.

		Regarding remunerations, L&G were able to support both the remuneration policy and the long-term incentive plan ('LTIP') at the Company's AGM in 2025 reflecting the re-focus of pay structure from fixed towards variable pay.
Insight – Asset-Backed Securities	Total Engagements: 60	Engagement with issuers is a key part of Insight's credit analysis and monitoring and complements their approach to responsible investment. Insight regularly meets with issuers to discuss ESG related and non-ESG related issues. Most engagements are direct and substantive in nature, involving discussions as many relate to the improvement of data provided by originators and the inclusion of ESG into their loan underwriting process. An example of a significant engagement includes: BSKY (BMW) – Bavarian Sky (BMW = BSKY) is a leading issuer in both the UK and European Auto ABS market. Historically, transparency has been relatively poor in carbon reporting with sometimes limited description of make and model in data tapes hindering approximations of auto carbon reporting. The engagement aimed to improve transparency of reporting and to understand the likely path of their EV lending (environmental) and the UK commissions outcome (social) and implications for deals. BSKY confirmed that they remain committed to EV lending. Carbon reporting is also underway and BSKY expect to include it in the annual report, with the aim to increase data provided on all new deals to include CO2 emissions.
M&G – Long Lease Property	M&G did not provide details of engagement activity within the Long Lease Portfolio	SPIF, as a property fund, invests in individual or portfolio of properties let to tenants on long leases. M&G's engagement model therefore differs from traditional shareholder or bondholder roles, as they do not participate in AGMs, company meetings, or hold voting rights. Instead, M&G engages directly with tenants at the asset level, collaborating with senior leadership (e.g., Head of Property, CFO, Head of Sustainability) during regular interactions. For example, engagements focus on ESG initiatives and improving the energy efficiency of the underlying properties. Examples of significant engagements include: David Lloyd – M&G has engaged in discussions with David Lloyd which include initiatives regarding boreholes, ground source heat pumps, and PV panels. As a result, borehole installations were completed at several sites which reduced mains water usage. M&G also worked with David

		Lloyd on Community Fund applications over the reporting year, with two successful applications with Ringwood Race Against Time and ThruLife.
J.P Morgan – Infrastructure Equity	Total Engagements: Frequent with the fund's 18 portfolio companies Note: Data provided by J.P. Morgan up to 31 December 2025.	As IIF holds 100% ownership or majority governance control over its portfolio companies, the IIF team directly oversees asset operations. This involves ongoing engagement with portfolio companies, including interactions with government entities, regulators, lenders, industry bodies, and other stakeholders. IIF's strategy prioritises operational management and the integration of financially material sustainability factors into business plans and strategic decision-making. IIF includes engagement across the portfolio company on its 'S and Five Cs' framework which is Safety, Culture, Customer, Cyber and Climate. An example of a significant engagement includes: GETEC – GETEC is one of Europe's leading specialists for reliable energy and infrastructure solutions, serving over 1.5 million end users including residential, commercial, and public spaces as well as heating, steam, cooling and waste and wastewater treatment to industrial customers. The company partners with its customers to secure and decarbonize energy supply. GETEC Switzerland assumed operation of the Life Science Park Rhine Valley in Stein. Through the infrastructure team's asset management and 100% governance control, the project positioned the new GETEC Park Stein as a model of sustainable infrastructure. The company rebranded and positioned the site as a centre for smart energy and material cycles – all with a lower carbon footprint while optimizing costs for customers at the site. Operating efficiencies resulted in cost savings, increased ability to attract high-quality tenants and enhanced sustainability features that align to the company and customer goals, like meeting climate-neutral targets.
Permira – Direct Lending	Total Engagements: 46 PCS 3 – 6 PSC5 – 40	Permira Credit uses three strategies for direct lending engagement: collective engagement through annual data collection and shared insights in ESG reports and webinars; more targeted one-to-one engagement with portfolio companies on certain ESG topics; and industry engagement involving interaction with peers and industry bodies. Please note that examples below focus on Permira Fund V assets, as Permira Fund III has been largely harvested, with only two assets remaining. Examples of significant engagements include:

		Bionic: Permira engaged with Bionic, a UK-based SME energy and connectivity platform on its sustainability approach, working with them to identify KPIs that were important to their business model and also achievable within the loan period. The KPIs identified were structured around governance, human capital and climate/customer proposition. These KPIs are aimed to help the company adopt a formal ESG Policy and the established of an ESG Committee, with annual targets set out. Permira will continue to engage with Bionic on an annual basis, supporting their sustainability journey. Jagex - Permira Credit partnered with Jagex to establish a focused set of ESG KPIs aligned with the core value drivers of a talent-intensive gaming business. These include: (1) Organisational Health, measured through employee culture and engagement via an independently administered survey; (2) Gender Diversity in Senior Leadership, tracked by the representation of women at Executive and Executive-plus-one levels; and (3) Sustainability Performance, assessed through year-on-year improvements in the company's EcoVadis rating. An ESG margin ratchet was introduced in January 2026, whereby achievement of each KPI results in a 2.5bps margin reduction, up to a maximum of 7.5bps per annum. Performance against these targets is verified annually through Sustainability Compliance Certificates submitted by Jagex. This engagement highlights Permira Credit's commitment to deploying ESG-linked financing as an active stewardship mechanism, effectively aligning borrower incentives with sustained sustainability performance over the lifetime of the loan.