

Advance Tapes Group Limited Retirement Benefits Scheme

Statement of Investment Principles - Implementation Statement

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

It also includes the Trustees' voting and engagement policies, as well as details of any review of the SIP during the year, subsequent changes made with the reasons for the changes (if any). A description of the voting behaviour during the year, either by or on behalf of the Trustees, or if a proxy voter was used, is also included within this Statement. This Statement covers the period 1 November 2024 to 31 October 2025.

Investment objectives of the Scheme

The Trustees are required to invest the Scheme's assets in the best interest of members and their main investment objective is:

- Ensure that sufficiently liquid assets are available to meet benefit payments as they fall due.

The Trustees have set an additional quantitative objective, which was reviewed in December 2024. This is a measurable objective that the Trustees can use to monitor the ongoing performance of the Scheme's investments to help ensure the overall objective is met. The long-term quantitative objective is:

- The Scheme's assets are to generate a return of 2% p.a. (net of fees) in excess of the liabilities measured on the Statutory Funding Basis.

Stewardship policy

The Trustees stewardship policy, as set out in the SIP is as follows:

"The Trustees recognise that Environmental, Social and Governance (ESG) issues can and will have a material impact on the companies, governments and other organisations that issue or otherwise support the assets in which the Scheme invests. In turn, ESG issues can be expected to have a material financial impact on the returns provided by those assets. The Trustees delegate day-to-day decisions on the selection of investments to the investment managers. The Trustees have an expectation that the investment managers will consider ESG issues in selecting investments or will otherwise engage with the issuers of the Scheme's underlying holdings on such matters in a way that is expected to improve the long-term return on the associated assets."

Review of the Investment Strategy and SIP

The Trustees most recently reviewed the SIP in April 2025 to reflect changes made to the investment strategy which were implemented during Q1 2025. The investment strategy was reviewed following the Scheme's improvement in funding level and was rebalanced in accordance with the agreed flightpath set out in the appendix of the SIP.

The Trustees have a policy on financially material considerations relating to Environmental, Social and Governance (ESG) issues, including the risk associated with the impact of climate change. In addition, the Trustees have a policy on the exercise of rights and engagement activities, and a policy on non-financial considerations. These policies are set out later in this Statement and are detailed in the Trustees SIP.

Investment manager and funds in use

Following a review of the investment strategy, in conjunction with their Investment Consultant, the investment funds and allocations used by the Scheme as of 31 October 2025 are set out in the table below:

Asset Class	Investment Manager	Fund	Target Asset Allocation
Global Equities	L&G	World Equity Index Fund	48.0%
Corporate Bonds	Insight	Buy & Maintain Bond Fund	9.0%
Nominal Gilts	Insight	2031-2040 Plus Funded Gilt Fund	16.3%
		2041-2050 Plus Funded Gilt Fund	
	L&G	All Stocks Gilts Index Fund	
Index-Linked Gilts	Insight	2031-2040 Plus Funded Index-Linked Gilt Fund	7.4%
		2041-2050 Plus Funded Index-Linked Gilt Fund	
	L&G	All Stocks Index-Linked Gilts Index Fund	
Secured Finance	Insight	Insight Global ABS Fund	7.0%
Liability Driven Investments (LDI) & Cash	Insight	LDI Longer Nominal Fund	12.3%
		LDI Longer Real Fund	
		LDI Shorter Nominal Fund	
		LDI Shorter Real Fund	
		LDI GBP Liquidity Holding Fund	
		LDI GBP Liquidity Plus Holding Fund	

Investment Governance

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

The Trustees do not actively obtain views of the membership of the Scheme to help form their policies set out in the SIP.

There were no changes to the objectives, against which the Trustees assess the performance of their investment consultant (Broadstone Corporate Benefits Limited). These objectives were last reviewed in February 2024. The Trustees are due to formally review these objectives no later than February 2027.

Trustee Policies

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

Requirement	Policy	Implementation of Policy
<p>Financially Material Considerations</p>	<p>The Trustees recognise that environmental, social and governance (ESG) issues can and will have a material impact on the companies, governments and other organisations that issue or otherwise support the assets in which the Scheme invests. In turn, ESG issues can be expected to have a material financial impact on the returns provided by those assets. The Trustees delegate day-to-day decisions on the selection of investments to the investment managers. The Trustees have an expectation that the investment managers will consider ESG issues in selecting investments or will otherwise engage with the issuers of the Scheme's underlying holdings on such matters in a way that is expected to improve the long-term return on the associated assets.</p> <p>The Trustees do not currently impose any specific restrictions on the investment managers regarding ESG issues but will review this position from time to time. The Trustees receive information on request from the Investment Managers on their approach to selecting investments and engaging with issuers with reference to ESG issues.</p> <p>With regard to the specific risk to the performance of the Scheme's investments associated with the impact of climate change, the Trustees take the view that this falls within their general approach to ESG issues. The Trustees regard the potential impact of climate change on the Scheme's assets as a longer-term risk and likely to be less material in the context of the short to medium term development of the Scheme's funding position than other risks. The Trustees will continue to monitor market developments in this area with their Investment Adviser.</p>	<p>No deviation from this policy over the year to 31 October 2025</p>
<p>Non-Financially Material Considerations</p>	<p>Where ESG factors are non-financial (i.e. they do not pose a risk to the prospect of the financial success of the investment) the Trustees believe these should not drive investment decisions. The Trustees expect the Investment Managers, when exercising discretion in investment decision making, to consider non-financial factors only when all other financial factors have been considered and in such a circumstance the consideration of non-financial factors should not lead to a reduction in the efficiency of the investment.</p> <p>The Trustees note that members' views on non-financial matters including their ethical views in relation to social and environmental impacts and present and future quality of life will not be sought; however, they will be considered if raised by the membership.</p>	<p>No deviation from this policy over the year to 31 October 2025</p>

Voting Rights and Engagement	The Trustees recognise that environmental, social and governance (ESG) issues can and will have a material impact on the companies, governments and other organisations that issue or otherwise support the assets in which the Scheme invests. In turn, ESG issues can be expected to have a material financial impact on the returns provided by those assets. The Trustees delegate day-to-day decisions on the selection of investments to the investment managers. The Trustees have an expectation that the investment managers will consider ESG issues in selecting investments or will otherwise engage with the issuers of the Scheme’s underlying holdings on such matters in a way that is expected to improve the long-term return on the associated assets.	No deviation from this policy over the year to 31 October 2025
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Financially and non-financially material considerations

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

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

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

The Trustees acknowledge that they are delegating the consideration of financially material factors in relation to determining the underlying holdings to their investment manager, given they are investing in pooled funds.

The Trustees invest across a range of asset classes and styles. A summary of the Trustees’ views for each asset class in which the Scheme was invested in over the Scheme year is outlined below:

Asset Class	Actively or Passively Managed?	Comments
Global Equities	Passive	The Trustees acknowledge that the Investment Manager must invest in line with specified indices and, therefore, may not be able to disinvest from a particular security if they have concerns relating to ESG. The Trustees do expect the Investment Manager to take into account ESG considerations by engaging with companies that form the index, and by exercising voting rights on these companies.
Corporate Bonds	Active	The Trustees expect the investment managers to take financially material ESG factors into account, given the active management style of the fund and the ability of the manager to use its discretion to generate higher risk adjusted returns. The Trustees also expect the investment managers to engage with investee companies, where possible, although they appreciate that fixed income assets do not typically attract voting rights.
Nominal Gilts	Passive	The Trustees believe there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the securities.

Index-Linked Gilts	Passive	The Trustees believe there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the securities.
Securitised Finance	Active	The Trustees expect the Investment Manager to take financially material ESG factors into account, given the active management style of the fund and the ability of the Investment Manager to use its discretion to generate higher risk adjusted returns. The Trustees expect the Investment Manager to engage with investee companies, where possible, although they appreciate that fixed income assets do not typically attract voting rights.
Liability Driven Investments (LDI)	Active	The underlying assets of the LDI solution consist of government bond funds and derivative contracts, with no underlying investee companies as such. Therefore, the Trustees believe there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the securities.
Cash	Active	The Trustees believe there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the securities.

Voting rights and engagement activities

The Trustees currently invest in pooled investment funds with the investment managers, and they acknowledge that this limits their ability to directly influence the investment managers. In particular, all voting activities have been delegated to the investment managers, as the Trustees do not have any administrative mechanism to cast a vote in line with their views on the underlying holdings, given the pooled nature of the Scheme’s investments. The Trustees’ stewardship policy is detailed at the start of this document although this has not been shared with the investment managers to influence what they believe to be the most significant votes.

The Trustees have employed Broadstone to assist them in monitoring the voting and engagement activity of their investment managers. The Trustees, with the assistance of Broadstone, concluded that the voting and engagement activity of their investment managers is in line with their policy on voting and engagement.

Within the current investment arrangements, the Scheme invests in one fund that contains publicly listed equity holdings. This fund has voting rights attached to the underlying equities, and the Trustees have delegated these voting rights to the investment managers, where they will set their own voting policy. A summary of the votes made by the investment managers over the year to 31 October 2025 on behalf of the Trustees for the funds currently used by the Scheme bearing equities is provided in the table below:

Manager	Fund	Resolutions voted on	Total Resolutions Voted:		
			For	Against	Abstained
L&G	World Equity Index Fund	35,043	80%	20%	0%

Data provided for the period 1 October 2024 to 30 September 2025 as L&G produce voting reports quarterly.

Information regarding proxy voting is detailed below:

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

Significant votes

The Trustees have requested details of the significant votes made on behalf of the Trustees by the investment managers. In determining significant votes, the investment managers will take into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

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

The Trustees believe the following represents the significant vote undertaken on their behalf over the scheme year:

SIGNIFICANT VOTE – L&G	
Company	Mastercard Incorporated
Date	24 June 2025
% of portfolio invested in firm	0.62% of the L&G World Equity Index Fund
Resolution	Resolution 7: Oversee and Report on a Racial Equity Audit
Why significant	L&G's Asset Management business views diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.
How voted	VOTED FOR (against management recommendation)
Rationale	<i>"A vote in favour is applied as we support such information and risk management approach to Diversity. L&G's Asset Management business will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress."</i>
Vote outcome	Fail (11.5%)

Engagement activities

The notable engagement activities of the investment managers over the last 12 months are provided below:

- **L&G** met with Xcel Energy, amongst other US utilities, on a number of occasions to discuss the topics US utilities are facing pressure on. These include changes to coal retirement legislation, tax credit changes, customer affordability, and increasing wildfire frequency. These have potential reputational and economic impacts on the companies involved with the potential to derail capital expenditure plans and sustainability targets as a result. L&G met with Xcel Energy's CEO and Head of IR for their most recent meeting in May 2025. The topics discussed included the company's recent results, changes to their tax credits, affordability, the coal executive order, and wildfires. On affordability, L&G see it as crucial that the US utilities keep bill rises under control in order to reduce regulatory pressure on allowed returns and rate base growth. L&G believe maintaining affordability will permit companies to satisfy their capital expenditure plans for the future and enable them to decarbonise the grid. L&G will be continuing engagement with the US utilities, including Xcel Energy. At present, L&G see a motivational disconnect for the US utilities in bringing down load growth through demand-side response programmes as the spend is not currently compensated through rate base. As a result, L&G believe the US utilities can drive a more efficient, greener, and more customer-centric grid of the future through more appropriate targeted engagement with regulators at state and federal level. L&G will continue to engage with Xcel Energy and other US utilities on this topic moving forward.
- **Insight** engaged with NatWest Group PLC in Q3 2025 regarding the follow up of the UK bank's human rights practices and sustainable financing targets. Insight had learnt that the company has embedded human rights into its operations through a structured governance framework, including a Human Rights Action Group and a Modern Slavery Working Group. The company uses the UN Guiding Principles on Business and Human Rights (UNGPs) as a benchmark and has developed Risk Acceptance Criteria (RAC) for customers in high-risk sectors. Enhanced due diligence includes monitoring red flags (e.g. unusual transactions) and investigating potential violations. Relationship managers are being trained to identify and address human rights risks, and while the company confirmed it would terminate relationships if human rights abuses persist, the escalation process remains unclear in its public disclosures. There is a need for the company to update its Human Rights Position Statement (last updated in 2022) to clarify this, as well as disclose stakeholder engagement levels. Additionally, the company's BankTrack human rights assessment score indicates room for improvement regarding stakeholder consultation and transparency. The company also announced a new £200 billion climate and transition finance target for 2025–2030, expanding its focus to include transition finance. The bank is updating its GSS framework to reflect this shift, although challenges remain due to the lack of a European framework for transition finance. Insight's engagement with Natwest Group PLC through in-depth conversations with the leader of the company's human rights report, indicates to Insight that the company has put a lot of thought into how it manages human rights risks across different roles, though Insight believes it still isn't clear how concerns at the commercial bank level are governed and escalated.

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

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

The latest available UNPRI scores of the Investment Managers are outlined in the table below:


Manager	UNPRI Score
L&G	★★★★★
Insight	★★★★
<i>Median</i>	★★★★

The Trustees also consider the investment manager's policies on stewardship and engagement when selecting and reviewing an investment manager.

Monitoring of Investment Arrangements

In addition to any reviews of the investment managers or approaches, and direct engagement with investment manager (as detailed above), the Trustees receive valuation reports monthly from L&G and Insight, together with combined reporting from Broadstone commenting on performance and asset allocation, to ensure the investment objectives set out in their SIP are being met.

Signed:

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Date: 5/3/2026

On behalf of the Trustees of the Advance Tapes Group Limited Retirement Benefits Scheme