Implementation Statement

SABIC UK Petrochemicals Pension Scheme

June 2026

isio.

Document classification: Public

Background

This statement demonstrates that SABIC UK Petrochemicals Pension Scheme ("the Scheme") 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 in regard to voting rights and engagement activity. As stated within the SIP, the Trustee has acknowledged responsibility for the voting and engagement policies undertaken by the Scheme's investment managers on their behalf.

The SIP can be found online at the web address: Teesside - Pension

Voting

The Trustee has acknowledged responsibility for the voting policies that are implemented by the Scheme'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.

Voting behaviour covering the reporting year up to 31 December 2025 for and on behalf of the Scheme has been provided on pages 28 - 30. This includes the most significant votes cast by the Scheme or on its behalf. The policies are in place to ensure the default strategy remains in the best interest of its members. This is relevant to DC only.

Engagement

The Trustee has acknowledged responsibility for engagement activity that is conducted by the Scheme'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 (DB and DC) undertaken over the Scheme reporting year

DB

Over the reporting period, the SIP and Investment Implementation Document ("IID") have been updated to reflect the new strategic benchmark following changes to the strategic asset allocation in 2025.

During the reporting period, the Trustee agreed and implemented a Cashflow Management Policy proposing a £3m minimum buffer, £6m target balance, and £9m maximum limit for the Trustee Bank Account ("TBA").

Throughout 2025, excess monies in the TBA were reinvested into the Scheme's investment funds including the Aegon Asset Backed Securities and L&G Unconstrained Bond funds. These investments were a consequence of ongoing Company contributions, Aegon distributions and distributions received from the Scheme's illiquid mandates (Alcentra, Ares, and Oaktree) that had settled in the TBA.

With the aim of moving towards a potential insurance transaction, in November 2025, the Trustee, in consultation with the Employer agreed to proceed with an LDI Review and increase the target hedge ratio to 95% on a more prudent / stronger basis (compared to the 100% target hedge ratio on the 2021 Technical Provisions ("TP") basis). This increased the level of protection for the Scheme's assets against potential adverse movements in the Scheme's liabilities (on an estimated insurance/buy-in basis). The review was completed post reporting period and implementation of the new target hedge ratio was completed in February 2026. Looking ahead, the Scheme's investment strategy will continue to be reviewed.

DC

During the 2024 Scheme year, the Trustee completed a triennial review of the default strategy, SABIC Balanced (cash or drawdown) lifestyle, and alternative lifestyle options. Following this review, changes were made to the growth phase, which is the name given to the period that members are invested more than 10 years from retirement, to increase allocations to growth assets with the aim of improving retirement outcomes.

Key changes included increasing equity exposure within the Balanced and Cautious lifestyles, and the corresponding alternative options, while no changes were made to the Adventurous lifestyles. The Trustee also renamed the lifestyle options from Higher Risk, Moderate Risk and Lower Risk to Adventurous, Balanced and Cautious, respectively, to improve clarity for members.

These changes were implemented between January and February 2025.

Signed: SABIC UK Pension Trustee Limited (The Trustee) on behalf of the SABIC UK Petrochemicals Pension Scheme

Date: July 2026

Managing risks and policy actions (DB)

The table below summarises the Scheme's identified risks, the related policies set out in the Statement of Investment Principles, and any associated actions taken during the year.

Risk / Policy	Definition	Policy	Actions and details on changes to policy
Interest rates and inflation	The risk of mismatch between the value of the Scheme's assets and present value of liabilities from changes in interest rates and inflation expectations.	To hedge 100% of these risks on a Technical Provisions ("TP") basis.	Reflecting the direction of travel towards a potential insurance transaction, post reporting period, the Scheme's target hedge ratio was updated to 95% on a more prudent (stronger) TP basis (compared to the previous 100% target hedge ratio on the 2021 TP basis). This policy change will be reflected at the next SIP update.
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), and to provide collateral to the LDI mandate.	The Trustee and Isio monitor liquidity of the portfolio on a quarterly basis through the Investment Performance Report. The Scheme has a collateral waterfall arrangement with L&G, which allows L&G to automatically disinvest from liquid funds to meet capital calls (if required). In line with Trustee agreement, the Scheme maintains

			sufficient assets to withstand at least two capital calls in the collateral waterfall to support the LDI mandate.
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 Trustee has undertaken investment strategy changes over time, including for the 12 months to 31 December 2025, which are outlined on page 2.
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 manage this risk by seeking to invest only in debt securities where the yield available sufficiently compensates the Scheme for the risk of default.	This is considered as part of the investment strategy work, including the Trustee's decision to have credit asset classes in the strategic benchmark.
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 Scheme's investments.	To appoint managers who satisfy the following criteria, unless there is a good reason why the manager does not satisfy each criteria: 1. Responsible Investment ('RI') Policy / Framework 2. Implemented via Investment Process 3. A track record of using engagement	More details on the ESG policy are presented on pages 13 and 14.

		and any voting rights to manage ESG factors 4. ESG specific reporting 5. UN PRI Signatory The Trustee monitor the managers on an ongoing basis.	
Non - Financial	Any factor that is not expected to have a financial impact on the Scheme’s investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments.	The Trustee consults with the Company on potential endgame options, including an insurance transaction.

Managing risks and policy actions (DC)

The table below summarises the Scheme's identified risks, the related policies set out in the Statement of Investment Principles, and any associated actions taken during the year.

Risk / Policy	Definition	Policy	Actions and details on changes to policy
Expectations	Risk of not meeting the reasonable expectations of members, bearing in mind members' contributions and fund choices.	Trustee offers a default, alternative lifestyles and self-select fund options to meet the varied requirements of members.	The Trustee reviewed the default investment strategy during the year, as part of the triennial review completed in Q3 2024. Following that review, the Trustee increased equity exposure during the growth phase for the Balanced and Cautious lifestyles (for cash, drawdown and annuity) to support improved long-term member outcomes. The Trustee also renamed the lifestyle options on 7 February 2025 to improve clarity for members. In addition, the Trustee continued to monitor the default strategy quarterly, with support from its investment adviser, to assess performance and ongoing suitability.

Diverse membership	Risk of the default fund being unsuitable for the requirements of some members.	The Trustee offers alternative lifestyles and self-select fund options for those members who the default may not be appropriate for.	The Trustee formally reviews the ongoing suitability of the investment arrangements on a triennial basis as well as monitoring performance of the funds on a quarterly basis. Following the triennial review, the Trustee decided to increase equity exposure to the Cautious cash or drawdown and annuity lifestyles. This change occurred on 7th February 2025 for both Cautious lifestyles, changing allocation from 0% equity / 100% DGF to 50% equity / 50% DGF. The Trustee continues to offer alternative lifestyles and self-select funds for members for whom the default may not be appropriate.
Loss aversion	Risk of loss to a member's fund value from period to period and the subsequent impact on their behaviour.	The default has automatic de-risking for members as they get closer to retirement.	Following the triennial review in 2024, the Trustee decided to keep the de-risking period unchanged across all lifestyles in the Scheme. There were no changes to this policy over the reporting period.
Fund Manager	The risk a fund manager may not achieve their objectives.	The Trustee receives quarterly investment performance reporting from their investment advisors to assess how the Scheme's investment managers are	The Trustee continues to monitor all funds on a quarterly basis through performance reporting. This monitoring was used to assess whether managers were

		performing relative to their objectives.	performing in line with their objectives and whether any action was required during the reporting period. No changes to manager arrangements were made as a result over the year.
Operational	The risk of fraud, poor advice or acts of negligence.	The Trustee's Scheme administrator, custodian and fund managers have internal controls in place in order to reduce the risk of fraud.	The Trustee continued to rely on the internal control frameworks of the Scheme administrator, custodian and fund managers during the reporting period, and reviewed its advisers annually, including setting objectives for the investment adviser. No operational concerns were raised, and there were no changes to this policy over the year.
Political	The legislative and tax environment could change from the environment in which the investment strategy was designed.	The Trustee receives regular updates and advice from its legal advisors on regulatory and legislative changes. The Scheme is a UK pension Scheme and therefore is tax exempt with regards to its investments.	The Trustee continued to receive updates and advice from its legal advisers on relevant regulatory and legislative developments during the reporting period. There have been no changes to the policy and no concerns were raised over the reporting period.
Cost	The costs of administering and investing the assets exceeds the anticipated cost.	On an annual basis the Trustee produces a Chair's Statement and carries out a Value for Member assessment that looks	The Trustee reviewed member-borne charges and costs during the reporting period as part of the Chair's Statement and

		to review charges and ensure they remain appropriate for members.	the annual Value for Members assessment, to ensure that they remained appropriate for members. There have been no changes to the policy and no material concerns were raised over the reporting period.
Interest rates and inflation	Some of the Scheme's assets are held in bonds via pooled investment vehicles.	Offering members a variety of options to invest and diversifying in the default.	The Trustee continued to make a range of asset classes available to members within the wider fund range to allow flexibility for members. The Trustee monitored the range of available options as part of its regular review of the DC investment arrangements, and no changes to this policy were made over the year.
Liquidity	Being able to offer daily pricing for members.	Offering funds that limit this risk.	There have been no changes to the policy and no liquidity concerns were raised over the reporting period. All funds available are daily dealt.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified to hedge away any unrewarded risks, where practicable in the default. Allowing for a suitable range of self select options for members to cater for their individual risk and return targets.	The Trustee reviews the performance of the DC Section on a quarterly basis and reviewed the suitability of the default strategy and wider investment range as part of the triennial review in Q3 2024. Following that review, changes were

			made to the growth phase of the Balanced and Cautious lifestyles to maintain an appropriate balance between diversification and expected long-term returns.
Environmental, Social and Governance	Management of the Scheme assets with regards to Environmental, Social and Governance factors, including but not limited to, climate change which can impact the performance of the Scheme's investments.	To appoint managers who account for ESG factors as part of their investment process. The Trustee monitors the managers in this regard on an ongoing basis.	The Trustee continued to monitor managers' approaches to ESG during the reporting period. Further detail on the Trustee's ESG policy and how it was implemented during the year is provided later in this report.
Non-financial	Any factor that is not expected to have a financial impact on the Scheme's investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments.	There have been no changes to this policy over the reporting year.

Changes to the SIP

Over the period to 31 December 2025, the Trustee made changes to the SIP to ensure it remained compliant with evolving regulatory guidance and the Scheme's investment strategy and policies.

Please see the table below:

Updates to the SIP	
Date Updated: June 2025	
DB - Liquidity	New wording was added to the Scheme's SIP: "The Trustee is cognisant of the overall liquidity of the portfolio and keep this under regular review. A formal Cashflow Management Policy for transfers of money into and out of the Trustee Bank Account ("TBA") was established. This considers both the potential cash drag of having a high cash balance and the need to meet benefit payments. The Trustee also considers the impact on liquidity when making any investment decisions and will balance any liquidity in view of the extra return or the greater security it provides".
DB – Investment Strategy	During 2025, the Trustee also updated the SIP and Investment Implementation Document ("IID") to reflect a new strategic benchmark which included the allocation to Asset Backed Securities.
DC – Changes to default lifestyles	During the Scheme year, the Trustee updated the SIP to reflect the changes to the growth phase for the default and alternative lifestyle options. These changes are expected to improve member outcomes by increasing the allocation to growth assets in the earlier years, with the aim of improving long-term returns, albeit with a higher level of risk. The changes include: • The Moderate Risk lifestyle (now Balanced Lifestyle) changed from 50% equity / 50% Diversified Growth Fund (DGF) to 75% equity / 25% DGF. The same change was made to the alternative annuity lifestyle. • The Lower Risk lifestyle (now Cautious Lifestyle) changed from 0% equity / 100% DGF to 50% equity / 50% DGF. The same changes applied to the alternative annuity lifestyle. • No changes were made to the allocation of the Higher Risk lifestyles (now Adventurous lifestyles). The Trustee also renamed the lifestyle options to reduce member confusion and help members select the most appropriate lifestyle for their needs. This naming convention applies to both the cash or drawdown lifestyle and annuity lifestyles.

- The SABIC Higher Risk Lifestyle was renamed the 'SABIC Adventurous Lifestyle'
- The SABIC Moderate Risk Lifestyle was renamed the 'SABIC Balanced Lifestyle'
- The SABIC Lower Risk Lifestyle was renamed the 'SABIC Cautious Lifestyle'

The changes to the default strategy and alternative lifestyle options were implemented in January and February 2025.

Current ESG policy and approach

ESG as a financially material risk

The SIP describes the Scheme's policy with regards to ESG factors as a financially material risk. The Scheme agreed a detailed ESG policy in 2022 which describes how it monitors and engages with the investment managers. This page details the Scheme's ESG policy. The next page details the Trustee's view of the managers, the actions for engagement and an evaluation of the engagement activity.

The Trustee's ESG beliefs

The Trustee has considered and discussed ESG issues to establish their own beliefs to help underpin investment decision-making with consideration of an appropriate time horizon for the Scheme.

The Trustee defines Responsible Investment ("RI") in line with the UN-backed Principles for Responsible Investing ("PRI"), which states that RI is an approach to investing that aims to incorporate ESG factors into investment decisions, to better manage risk and generate sustainable, long-term returns.

The following statements summarise the ESG beliefs held by the Trustee:

Risk Management	1. ESG factors are important for risk management and can be financially material. Managing these risks forms part of the fiduciary duty of the Trustee. 2. The Trustee believes that ESG integration leads to better risk-adjusted outcomes and will look for opportunities to reflect this in the investment strategy. 3. The Trustee will continue to consider the ESG values and priority areas of the sponsoring employer.
Approach / Framework	4. The Trustee should understand how investment managers integrate ESG considerations into their investment process and in their stewardship activities. 5. The Trustee believes that sectors which demonstrate particularly bad ESG characteristics may underperform and will consider this as needed. 6. The Trustee believes that where investment managers are underperforming in relation to ESG, it is not necessarily the best option to terminate their appointment. Where possible, engaging with the manager(s) to initiate change is a more effective option.
Reporting & Monitoring	7. ESG factors are dynamic and continually evolving, therefore the Trustee should receive training as required to develop their knowledge.

	8. The Trustee will seek to monitor key ESG metrics within their investment portfolio to understand the impact of their investments.
Voting & Engagement	9. ESG factors are relevant to all asset classes and, whether equity or debt investments, managers have a responsibility to engage with companies on ESG factors. 10. The Trustee should understand the impact of voting & engagement activity within their investment mandates.
Collaboration	11. Investment managers should be actively engaging and collaborating with other market participants to raise ESG investment standards and facilitate best practices as well as sign up and comply with common codes such as UNPRI, TCFD and Stewardship Code. 12. The Trustee could consider signing up to a recognised ESG framework to collaborate with other investors on key issues in due course.

Engagement (DB)

The Trustee has delegated all engagement responsibilities to the investment managers, who engage with investee companies on behalf of the Trustee. The investment managers have provided engagement data covering the period to 31 December 2025 using industry standard templates, with the results reported below.

Please note, the Scheme is in the process of disinvesting from the Corbin Fund of Hedge Funds, and the Ares Secured Income Fund is currently in wind-down phase. Due to this, both mandates have been excluded. Please note that not all categories sum to the number of total engagements, as some engagements covered multiple ESG areas simultaneously.

Manager 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 December 2025, as well as specific examples that cover engagement topic, the actions undertaken and the engagement outcome.

Aegon – Aegon European ABS Fund

Engagement summary	
Total number of engagements :	**100**
Total number of entities :	**79**
Total environmental engagements :	**4**
Total engagements on climate change :	4
Total engagements on nature, water and biodiversity :	0
Total engagements on pollution, waste, and antimicrobial resistance :	0
Total social engagements :	**1**

Total engagements on conduct, culture and ethics :	1
Total engagements on human rights, labour rights, human capital :	0
Total engagements on inequality ad public health :	0
Total governance engagements :	**18**
Total engagements on board diversity, effectiveness (other) :	0
Total engagements on remuneration and shareholder rights :	0
Total engagements on strategy and financial reporting :	18
Total engagements on any other topic :	**77**

Commentary

Aegon, as active members of initiatives such as the UK Stewardship Code, and NZAMI, engages directly or collaboratively with issuers, regulators, and relevant stakeholders.

As part of Aegon's bottom-up research process, they actively engage with companies identified as facing specific ESG risks. Aegon systematically engage on ESG themes that are of immediate concern to long-term investment value such as climate change and corporate governance. Before investing in ABS assets, Aegon's investment team actively engages with the relevant transaction parties such as sellers, sponsors, originators, and other transaction parties.

An example of a significant engagement includes:

LGT - New CLO Manager - Collateralised Loan Obligations ("CLOs") are business loans that are pooled and the money that the businesses pay back is distributed to CLO investors. Such pools are, by design, a diversified mix of companies. Aegon's portfolio managers engaged with LGT (a newly established CLO manager based in Switzerland) to discuss their ESG approach and requested for completion of Aegon's CLO ESG questionnaire. When LGT's first CLO was priced at the end of July 2025, LGT has not sufficiently addressed Aegon's ESG enquiries and as such Aegon decided not to participate in their inaugural CLO transaction. Given that LGT is in their early stage, Aegon aims to re-engage ahead of their next issuance to assess ESG progress and alignment with Aegon's ESG standards.

Alcentra – European Direct Lending ("EDL") (covering EDL II and EDL III)

Engagement summary	
Total number of engagements :	**52**
Total number of entities :	**37**
Total environmental engagements :	**13**
Total engagements on climate change :	9
Total engagements on nature, water and biodiversity :	3
Total engagements on pollution, waste, and antimicrobial resistance :	1
Total social engagements :	**12**
Total engagements on conduct, culture and ethics :	3
Total engagements on human rights, labour rights, human capital :	6
Total engagements on inequality and public health :	3
Total governance engagements :	**27**
Total engagements on board diversity, effectiveness (other) :	2
Total engagements on remuneration and shareholder rights :	1
Total engagements on strategy and financial reporting :	24
Total engagements on any other topic :	**0**
Commentary	

Alcentra, as a signatory to the UK Stewardship Code, follows stewardship standards for asset owners and asset managers. Alcentra's stewardship activities are intended to deliver strong, long-term investment returns for clients.

Alcentra actively engages with companies and stakeholders to promote their ESG expectations. However, it is important to note that the ability to make retrospective ESG improvements is limited for the EDL fund range, given the Funds have invested a large portion of capital and are closed-ended in nature.

An example of a significant engagement includes:

Motorcycle Accessories Manufacturer – Alcentra engaged with this portfolio company as part of their transition from ESG-linked lending towards a more robust Sustainability-Linked Loan ("SLL") framework. Initial Key Performance Indicators ("KPIs") proposed by the company were broad and not aligned with SLL principles. Through continued discussions, Alcentra supported the company in structuring more robust and stretching KPIs linked to baseline emissions reduction targets, executive remunerations and eco-design practices. The revised structure was incorporated into the company's loan documentation which ensures the loan mechanics aligns with market best practice.

IFM – Global Infrastructure Fund ("GIF")

Engagement summary

IFM does not disclose information about the number of engagements related to the Fund. However, IFM is actively engaged, where appropriate, with its underlying portfolio assets, working closely with management to establish specific ESG action plans. IFM also puts in place governance structures that have responsible investment controls to ensure responsible investment practices are followed.

Commentary

IFM's Infrastructure Team actively engages with assets held in the Fund, focusing on various ESG matters including inclusion, diversity, employee terms, safety, and climate change.

Examples of significant engagements include:

Mersin International Port – IFM continued its engagement with Mersin International Port, focusing on improving safety performance and supporting with the delivery of its Safety Remedial Actions. The company has also been developing a longer-term Safety Culture Transformation Programme to strengthen safety standards across operations. Throughout 2024 and 2025, following the engagements, the Port improved its safety culture, as evidenced by reductions in "Lost Time Injury Frequency" rates.

Naturgy – IFM continued to engage with Naturgy through board-level involvement and regular direct discussions with the management team. Naturgy is targeting a 48% reduction in Scope 1 and 2 emissions from a 2017 baseline and a shift to 60% renewable generation by

2025. As part of its long term climate strategy, the company is seeking to increase the installed capacity of renewable generation, supporting the development of biomethane and green hydrogen as new products, developing storage systems and improving value chain energy efficiency. Supported by the engagements, in Q3 2025, the company had reached 1.2 GW of operational renewable capacity and initiated an EU-funded upgrade of its wind energy infrastructure in Spain.

L&G – Unconstrained Bond Fund ("UBF") Fund

Engagement summary	
Total number of engagements :	**300**
Total number of entities :	**193**
Total environmental engagements :	**307**
Total engagements on climate change :	266
Total engagements on nature, water and biodiversity :	39
Total engagements on pollution, waste, and antimicrobial resistance :	2
Total social engagements :	**25**
Total engagements on conduct, culture and ethics :	5
Total engagements on human rights, labour rights, human capital :	17
Total engagements on inequality ad public health :	3
Total governance engagements :	**143**
Total engagements on board diversity, effectiveness (other) :	42
Total engagements on remuneration and shareholder rights :	43

Total engagements on strategy and financial reporting :	58
Total engagements on any other topic :	**19**
Commentary	

L&G aspire to drive long-term value by addressing financially material and systemic risks and opportunities across climate and nature, social resilience and corporate governance. Guided by their universal ownership approach, L&G leverage their expertise in markets, sectors and companies to effectively partner with investee companies, holding them to account, while facilitating a supportive policy environment.

An example of a significant engagement includes:

BP plc ("BP") – L&G believe integrated oil and gas companies have a critical role to play in the global transition to net zero. Given BP's position as one of the world's largest energy producers, L&G has identified the company as a priority target for in-depth engagements under its Climate Impact Pledge.

Throughout 2025, L&G undertook 12 engagements with BP to assess progress against its climate strategy and alignment with net zero objectives. These discussions focused on key areas including the resilience of BP's business model under net zero scenarios, alignment of the strategy with 1.5°C climate pathways, responsible divestment practices, and the transparency and consistency of climate-related targets and disclosures. Whilst L&G recognise the significant steps BP have taken for climate related commitments, they were deeply concerned regarding the strategic revisions and governance processes around Shareholder voting. As such, L&G voted against the re-election of the Chair at the 2025 AGM. Formal engagement has continued beyond the reporting period, with L&G maintaining close dialogue with BP to monitor progress across climate objectives.

L&G – Liability Driven Investment ("LDI") Fund

Engagement summary	
Total number of engagements :	**7**
Total number of entities :	**N/A**
Total environmental engagements :	**6**
Total engagements on climate change :	4

Total engagements on nature, water and biodiversity :	2
Total engagements on pollution, waste, and antimicrobial resistance :	0
Total social engagements :	**0**
Total engagements on conduct, culture and ethics :	0
Total engagements on human rights, labour rights, human capital :	0
Total engagements on inequality ad public health :	0
Total governance engagements :	**0**
Total engagements on board diversity, effectiveness (other) :	0
Total engagements on remuneration and shareholder rights :	0
Total engagements on strategy and financial reporting :	0
Total engagements on any other topic :	**1**
Commentary	

L&G consider ESG as a core component for all funds, including LDI. Alongside collaborating with regulators and industry peers to address systemic risks, L&G applies proprietary ESG tools to assess counterparties, ensuring alignment with long-term sustainability goals while managing liability-driven risks.

An example of a significant engagement includes:

Nestlé SA - L&G believes it is vital that companies proactively analyse, assess and address deforestation risks within their operations and supply chains, and that they pay attention to the rising expectations of corporations from investors and a broader set of stakeholders.

As part of its deforestation campaign, in 2025, L&G engaged with Nestlé to communicate their minimum expectations and the vote escalation that may be applied, should the company fail to meet them, and to direct the company to L&G's deforestation policy. L&G did not vote against the Chair at Nestlé’s most recent AGM. L&G will continue to monitor and engage with the company to progress towards L&G’s expectations.

L&G – Sterling Liquidity Fund

Engagement summary	
Total number of engagements :	**28**
Total number of entities :	**21**
Total environmental engagements :	**27**
Total engagements on climate change :	25
Total engagements on nature, water and biodiversity :	2
Total engagements on pollution, waste, and antimicrobial resistance :	0
Total social engagements :	**1**
Total engagements on conduct, culture and ethics :	0
Total engagements on human rights, labour rights, human capital :	1
Total engagements on inequality ad public health :	0
Total governance engagements :	**10**
Total engagements on board diversity, effectiveness (other) :	4
Total engagements on remuneration and shareholder rights :	3
Total engagements on strategy and financial reporting :	3

Total engagements on any other topic :	3

Commentary

L&G strives for effective stewardship through collaborations with companies, regulators, policymakers, peers, and other stakeholders. they integrate financially material sustainability criteria to create client value and drive positive change, focusing on key global stewardship themes such as climate, nature, human / social management and governance.

An example of a significant engagement includes:

Mizuho Financial Group Inc - L&G believe banks have a prominent role to play in financing the global transition to net zero. Under L&G's Climate Impact Pledge, they publish minimum expectations for companies in 20 climate-critical sectors. L&G's specific objectives for engagement with Mizuho are as follows:

- Improve disclosure of client progress and consequences

- Strengthen coal policy - reduce thermal coal threshold from 50%/majority

- Discuss internal set-up to promote funding of transition from brown to green

Over 2025, L&G engaged with Mizuho and focused on the bank's withdrawal from the Net Zero Banking Alliance, its approach to incorporating climate-related financial risks into audit and financial reporting, and its client engagement regarding the net zero transition. These discussions were directly related to shareholder proposals filed at the company's 2025 AGM.

L&G supported shareholder proposals in favour of requesting the amendment of articles to add a Provision on Disclosure of Financial Risk Audit and a Provision on Assessment of Clients' Climate Change Transition Plans. L&G's engagement remains ongoing post reporting period.

Oaktree – Opportunities Fund

Engagement summary

Given the Scheme is invested in an older vintage of the Global Opportunities Fund range, the Fund does not actively track the number of entities it engages with.

Commentary

Oaktree's engagement approach with portfolio companies is tailored based on factors such as level of influence, contractual commitments, investment time horizons and potential associated risks / opportunities. Oaktree views engagement as active dialogue with management teams to advocate for positive sustainability changes when Oaktree have significant influence or a control position. Some examples of engagement topics include climate disclosure, corporate governance, workforce management, diversity & inclusion, supply chain transparency, and human rights, among others.

Examples of a significant engagement includes:

Utmost – Utmost is owned wholly by the Fund and Oaktree worked with the company's management team to craft their targets. The company has committed to cutting greenhouse gas emissions from its shareholder investment portfolio by 50% by 2030 relative to a 2020 baseline and to achieving net-zero emissions across that portfolio by 2050. These targets guide its environmental, sustainability, and governance integration and investment oversight. Utmost's broader program focuses on maintaining high conduct standards, embedding sustainability in decision-making, and supporting employees and communities in a responsible, long-term way. Utmost frames sustainability around how it operates, how it treats people, and how it invests, supported by formal governance policies such as its Responsible Investment Policy and Code of Conduct.

Engagement (DC)

L&G – ACS Climate Transition Screened and Optimised World Equity / Market Advantage Fund

Engagement summary	
Total number of engagements :	158 / 245
Total number of entities :	102 / 168
Total environmental engagements :	46 / 79
Total social engagements :	64 / 104
Total governance engagements :	149 / 223
Total engagements on any other topic :	0 / 0

Commentary

BlackRock provided a firmwide policy document which sets out their engagement priorities. The five engagement priorities are: board quality and effectiveness; strategy, purpose, and financial resilience; incentives aligned with financial value creation; climate and natural capital; and company impacts on people. The BlackRock Investment Stewardship (BIS) engagement priorities reflect the themes on which the team most frequently engages companies, where they are relevant, as these can be a source of material business risk or opportunity.

Engagement example (Strategy, purpose and financial resilience):

BlackRock engaged with **Air Products and Chemicals Inc. (Air Products)**, a US-based industrial gases company that invests in large clean hydrogen projects.

Air Products faced pressure from an activist investor in 2024. The investor claimed the company was underperforming due to a flawed strategy, risky capital allocation and poor execution. They attributed these issues to poor oversight and governance, including a failure to replace the Chairman and CEO.

At Air Products' January 2025 AGM, the board backed the election of nine directors, including the Chairman and CEO, executive pay and auditor ratification. While opposing a shareholder proposal on bylaw amendments. The activist investor nominated four alternative directors and pushed to replace the Chairman and CEO. BIS held multiple engagements with both the company and the activist, focusing on Air Product's clean hydrogen strategy, the board's oversight of significant capital projects and CEO succession.

BIS believed change was needed at Air Products but did not support the activist investor gaining four board seats. While the company remained financially strong, its large clean hydrogen investments had weakened returns. BIS supported one activist nominee for their capital allocation expertise but backed management on all other proposals, noting recent board improvements. At the AGM, shareholders elected three activist nominees and did not re-elect the Chairman and CEO. Following the meeting, the company appointed a new CEO, restructured board leadership and refocused on its core industrial gas business.

Engagement example (Incentives aligned with financial value creation):

BlackRock engaged with **Unilever Plc. (Unilever)**, a UK-headquartered consumer goods company with global operations across four business segments.

BIS has engaged regularly with Unilever in recent years, discussing areas such as strategy, governance, board effectiveness, climate risks, and overall risk oversight. In 2025, at the company's request, BIS held several meetings with board members and executives focusing on updates to executive compensation. Ahead of the April 2025 AGM, the board explained how it determined the new CEO's pay package. The AGM included votes on director elections, including the new CEO, and approval of the 2024 remuneration report, which outlined how the policy was implemented and highlighted changes for 2025, including an increase in the CEO's base salary.

BIS supported all of management's proposals, including the remuneration report. It considered the new CEO's pay appropriate, given his extensive experience within the company and peer benchmarking and noted that strong company performance helped address concerns about pay alignment. Shareholders approved the remuneration report with around 72% support, while all other proposals received very high backing of 92% to 99%.

The Trustee is comfortable that the manager is aligned with the Scheme's climate stewardship focus, as the engagement example above relates to this focus area. The manager also notes climate as an engagement priority.

Schroders – Flexible Retirement Fund (Wealth Preservation)

Engagement summary
The Schroders Flexible Retirement Fund did not engage or vote on any underlying companies over the Scheme year.
Commentary

As the fund invests is only invested in index derivatives or physical government bonds, engagement activities cannot be performed for these securities as they are not physically invested in any companies, hence no engagement or voting data is available

Blackrock – ICS Sterling Liquidity

Engagement summary
Due to the nature of the BlackRock ICS Sterling Liquidity fund, no engagement or voting data is available.

Voting (for equity and multi-asset only – DC only)

The Trustee has acknowledged responsibility for the voting policies that are implemented by the Scheme's investment managers on their behalf.

The Scheme's fund managers have provided details on their voting actions including a summary of the activity covering the reporting year up to 31 December 2025. The Trustee has not set their own stewardship priorities but monitor the activities of managers in line with their ESG policy. The Trustee has adopted the managers definition of significant votes, examples of which are included below.

Only funds used within the SABIC Balanced Lifestyle have been included as this is where the majority of members are invested.

Manager and Fund	Voting summary	Examples of most significant votes	Commentary
BlackRock ACS Climate Transition Screened and Optimised World Equity	Votable Proposals : 6,694 Proposals Voted : 6,604 For 'management' votes : 6,385 Against 'management' votes : 219 Abstain votes : 24 Withhold votes : Not provided Non-proxy agent votes : n/a Proxy agent votes : n/a Use of proxy voter : Yes (ISS's ProxyExchange)	**Tesla Inc.** -Date of vote : 06 November 2025 -Reasoning for significant vote : n/a -Approx. holding size : n/a -AUM : n/a -Summary of resolution : Elect Director Ira Ehrenpreis -Manager vote : Against -Vote against management, was intent communicated ahead of the vote : n/a. -Voting rationale : BlackRock voted against the election of Director Ira Ehrenpreis because the board failed to adequately respond to a shareholder proposal that had received significant	BlackRock enacted over 154,000 proxy votes over 2025. Through their internal policies, they ensure their vote aligns with their stewardship policy. BlackRock provides details on votes that they abstained from or withheld from, [Investment Stewardship | BlackRock] Manager's voting policy : [BIS Global Principles (blackrock.com)] For further information on BlackRock's voting and engagement policies, please refer to the following

		support at the prior shareholder meeting. In addition, BlackRock believes that directors should be elected annually to discourage entrenchment and to ensure that shareholders have sufficient opportunity to exercise effective oversight of the board. Furthermore, as a member of the nomination committee, Director Ehrenpreis was held responsible for the committee's shortcomings regarding board independence. - Outcome of vote : Pass - Next steps : n/a	webpage which can be found here For more information on BlackRock's use on proxy services, please refer to the following documents available on their website here.
BlackRock - Market Advantage Fund	Votable Proposals : 21,974 Proposals Voted : 21,387 For 'management' votes : 20,132 Against 'management' votes : 1,255 Abstain votes : 210 Withhold votes : Not provided Non-proxy agent votes : n/a	**Agricultural Bank of China Limited** - Date of vote : 27 June 2025 - Reasoning for significant vote : n/a - Approx. holding size : n/a - AUM : n/a - Summary of resolution : Approve work report of the Board of Directors - Manager vote : Against - Vote against management, was intent communicated ahead of the vote : n/a. - Voting rationale : BlackRock voted	

	Proxy agent votes : n/a Use of proxy voter : Yes (ISS's ProxyExchange)	against the approval of the work report on the Board of Directors because greater climate related disclosure is necessary to enable investors to properly assess financially material climate related risks and opportunities. - Outcome of vote : Pass Next steps : BlackRock intend to provide feedback on go-forward and future executive compensation practices.	
Schroders - Flexible Retirement Fund	The Schroders Flexible Retirement Fund did not engage or vote on any underlying companies over the Scheme year as the fund invests is only invested in index derivatives or physical government bonds. Engagement activities cannot be performed for these securities as they are not physically invested in any companies, hence no engagement or voting data is available.		

Proxy voting:

BlackRock:
BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS). Voting decisions are made by members of the BIS team with input from investment colleagues as required, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines.

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, BlackRock work with proxy research firms, ISS and Glass Lewis, who apply our proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform our voting decision. However, BlackRock do not blindly follow their recommendations on how to vote. We primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial. Other sources of information we use include the company's own reporting (such as the proxy statement and the website), our engagement and voting history with the company, and the views of our active investors, public information and ESG research.

The information contained herein, and views expressed by Isio are based solely on information provided by the investment managers.
The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.