Accent Group Pension 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. In particular, it confirms how the investment principles, objectives and policies of the Trustee's Statements of Investment Principles (SIP) dated August 2023 and July 2024 have been implemented.

It also includes the Trustee's voting and engagement policies, as well as details of any review of the SIP during the year, subsequent changes made and the reasons for the changes (if any). A description of the voting behaviour during the year, either by or on behalf of the Trustee, or if a proxy voter was used, is also included within this Statement.

This Statement covers the period 6 April 2024 to 5 April 2025.

Investment objectives of the Scheme

The Trustee's objectives for setting the investment strategy of the Scheme have been set broadly with regard to the Scheme's Statutory Funding Objective set out in the Statement of Funding Principles.

The Trustee's primary investment objectives are set out on page 4 of the SIPs and are as follows:

- To achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due.
- In doing so, to aim to maximise the expected returns at an acceptable level of risk, taking into consideration the circumstances of the Scheme.

The Trustee appreciates that these objectives are not necessarily mutually exclusive.

The Trustee also recognises that it is currently necessary to accept some risk in the investment strategy to achieve the long-term funding objective.

Review of the SIP

The SIP was last reviewed in July 2024, during the Scheme year. The Trustee updated the SIP to reflect changes in the Scheme's investment strategy that were made during the year.

Prior to this, the SIP had last been updated in August 2023 to take account of changes to the Scheme's investment strategy that were implemented in the prior Scheme year.

The Trustee has 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 Trustee has 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 Trustee's latest SIP.

The Trustee's policies on financially and non-financially material considerations, and engagement and voting rights, did not change in the SIP coming into force during the year.

The Trustee further revised the Scheme's investment strategy towards the end of the Scheme year, as shown below. The Trustee will revise its SIP to reflect the investment arrangements in place as at the end of the Scheme year in due course.

Investment managers and funds in use

The Trustee's investment strategy in place at the start of the Scheme year was as shown in the below table, which is reflected in the August 2023 SIP.

Asset Class	Fund	Target Asset Allocation
Diversified Growth	BNY Mellon Real Return Fund	12.5%
	Pictet Multi Asset Portfolio	13.0%
Emerging Market Equities	L&G World Emerging Markets Equity Index Fund	6.0%
Infrastructure	JP Morgan Infrastructure Investments Fund	8.0%
Multi-Asset Credit	Bluebay Total Return Diversified Credit Fund	8.0%
	Ninety One Multi Asset Credit Fund	8.0%
LDI Solution	Columbia Threadneedle Dynamic LDI Funds	44.5%
	Columbia Threadneedle Equity-Linked Dynamic LDI Funds*	
	Columbia Threadneedle Net Zero Transition Low Duration Credit Fund**	
	Columbia Threadneedle Sterling Liquidity Fund	
Total		**100.0%**

*Within the LDI Solution, the Scheme targeted an additional 26% of equity asset exposure provided via the equity-linked LDI funds.
**The August 2023 SIP refers to this fund by its former name, the 'Columbia Threadneedle Global Low Duration Credit Fund'.

The Trustee reviewed the Scheme's investment strategy over the year, following which it decided to make various changes to the Scheme's Target Asset Allocation in order to protect the improved funding position subsequent to the Scheme's 2023 actuarial valuation. The changes were primarily made to reduce the level of market risk within the Scheme's investment strategy, alongside increasing the levels of hedging against interest rate risk and inflation risk to target 100% hedging of these risks associated with the Scheme's total liabilities calculated on a Technical Provisions basis (based on the results of the 2023 actuarial valuation).

As at the Scheme year end, the Trustee's investment strategy was as shown in the table below.

Asset Class	Fund	Target Asset Allocation
Diversified Growth	BNY Mellon Real Return Fund	10.0%
Emerging Market Equities	L&G Low Carbon Transition Emerging Markets Equity Index Fund	5.0%
Infrastructure	JP Morgan Infrastructure Investments Fund	13.4%
Multi-Asset Credit	Bluebay Total Return Diversified Credit Fund	9.0%

Secured Finance	Insight Global Asset Backed Securities Fund	15.0%
LDI Solution	Columbia Threadneedle Dynamic LDI Funds	47.6%
	Columbia Threadneedle Equity-Linked Dynamic LDI Funds*	
	Columbia Threadneedle Net Zero Transition Low Duration Credit Fund	
	Columbia Threadneedle Sterling Liquidity Fund	
Total		**100.0%**

*Within the LDI Solution, the Scheme targeted an additional 18% of equity asset exposure provided via the equity-linked LDI funds.

This strategy is not reflected in the July 2024 SIP in force at the year end, as towards the end of the Scheme year the Trustee switched its allocation to emerging market equities from being fulfilled using the L&G World Emerging Markets Equity Index Fund to the L&G Low Carbon Transition Emerging Markets Equity Index Fund. This change was made in order to better-align the Scheme's investment strategy with the Trustee's ESG beliefs.

Legal & General Investment Management ('LGIM') rebranded to Legal & General – Asset Management ('L&G') towards the end of the Scheme year. This change is not reflected in the latest SIP, but is reflected in this Statement and will be reflected in the SIP when the Trustee next revises it.

Investment governance

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

The Trustee does not actively obtain views of the membership of the Scheme to help form its policies set out in the SIP as the Trustee's primary objective is to meet the benefits of the Scheme as they fall due, and the current investment strategy in place is intended to meet this objective. In addition, the Trustee notes that the Scheme is comprised of a diverse membership, which the Trustee expects to hold a broad range of views on ethical, political, social, environmental, and quality of life issues.

The Trustee has put in place strategic objectives for Broadstone, as the Trustee's investment consultant, as required by the Occupational Pension Schemes (Governance and Registration) (Amendment) Regulations 2022, which were last reviewed by the Trustee in January 2024. These objectives cover demonstration of adding value, delivery of specialist investment consultancy services, proactivity of investment consultancy advice, support with scheme management, compliance and service standards.

Monitoring of investment arrangements

In addition to any reviews of investment managers or approaches, and direct engagement with investment managers (as detailed above), the Trustee receives performance reports on a quarterly basis from the Investment Managers, together with performance reports from Broadstone on a quarterly basis to ensure the investment objectives set out in its SIP are being met.

Trustee's policies

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

Requirement	Policy	Implementation of Policy
Selection of Investments	The Trustee may select investments from a wide range of asset classes from time to time, including, but not restricted to, UK equities, overseas equities, government bonds, corporate bonds, commercial property, and alternative asset classes, such as hedge funds, private equity, and infrastructure. The investments selected will generally be traded on regulated markets and, where this is not the case, any such investments will be kept to a prudent level. The Trustee may also: • Invest in products that use derivatives where this is for the purpose of risk management or to improve the efficiency of the management of the Scheme's investments. • Hold insurance policies such as deferred or immediate annuities which provide income to the Scheme, matching part, or all, of the future liabilities due from it. • Hold a working cash balance for the purpose of meeting benefit payments due to members and the expenses of running the Scheme.	No deviation from this policy over the year to 5 April 2025.
Target Asset Allocation	The Trustee will set a Target Asset Allocation from time to time, determined with the intention of meeting its investment objectives. The Target Asset Allocation will be set taking account of the characteristics of different asset classes available and will be reviewed in light of any changes to the Trustee's view of the Principal Employer's covenant, the nature of the Scheme's liabilities or relevant regulations governing pension scheme investment. The Trustee has agreed the range of funds to be used in the investment strategy, taking into account the maturity of the Scheme's liabilities, and to ensure the range is sufficiently robust to allow relatively easy adjustment between the funds as the Trustee's risk appetite changes and the Scheme matures.	No deviation from this policy over the year to 5 April 2025. The Trustee's target investment strategy allocations as at the year end are reflected in the July 2024 SIP, with the exception of the change of fund used to fulfil the emerging markets equity allocation as noted above.
Delegation to Investment Managers	The Trustee will delegate the day-to-day management of the Scheme's assets to professional investment managers and will not be involved in the buying or selling of investments.	No deviation from this policy over the year to 5 April 2025.

Requirement	Policy	Implementation of Policy
Maintaining the Target Asset Allocation and Target Hedging Ratios	The Trustee has responsibility for maintaining the overall balance of the asset allocation relative to the Target Asset Allocation and Target Hedging Ratios. The Trustee monitors the asset allocation and hedging ratios on a regular basis with the assistance of its adviser, Broadstone, and will consider switching assets between funds should the allocation move significantly away from the respective targets. The Trustee has no automatic rebalancing process in place.	No deviation from this policy over the year to 5 April 2025. The asset allocation and level of hedging exposure provided by the assets at the year end were broadly in line with their targets.
Realising Investments	Income distributions are received from some of the Investment Managers into the Trustee bank account. The Trustee also makes disinvestments from the Investment Managers as required, with the assistance of its adviser, Broadstone, to meet the Scheme's cashflow requirements. Due to the illiquid nature of the infrastructure fund, this fund will not normally be used for cashflow management purposes or included in target asset allocation rebalancing exercises. New money will be invested (or disinvestments required for cash flow purposes) to bring the asset allocation back to the Target Asset Allocation, as far as possible.	No deviation from this policy over the year to 5 April 2025.
Performance Benchmarks and Objectives	The multi-asset, multi-asset credit, secured finance, low duration credit, and cash funds used during the year are actively managed, and the Investment Managers have been set performance objectives to achieve returns in-line with, or in excess of, a benchmark. The infrastructure fund is actively managed, and has an absolute return target. The emerging markets equity funds used during the year are passively managed index-tracking funds, and have objectives to track the performance of their respective market benchmarks, within a specified margin of error over a specified timeframe. The leveraged LDI funds have an objective to provide a prescribed level of hedging against changes in the value of liabilities for a typical defined benefit pension scheme caused by interest rate risk and inflation risk. The practical method of implementing this level of hedging is delegated to the LDI manager, with the expectation that the Investment Manager will choose the most cost-effective method. In addition, the equity-linked LDI funds have an objective to provide £1 of equity market exposure for each £1 invested in the funds.	The funds' performance benchmarks and objectives were reviewed on a quarterly basis over the year to 5 April 2025. There were no changes to the funds' performance benchmarks and objectives over the year.
Investment Management Charges	The annual investment management charges of the funds used during the Scheme year are set out on page 15 of the SIPs and are as follows: • BNY Mellon Real Return Fund: 0.75% • Pictet Multi Asset Portfolio: 0.88% • L&G World Emerging Markets Equity Index Fund: 0.45% • L&G LCT Emerging Markets Equity Index Fund*: 0.46% • JP Morgan Infrastructure Investments Fund: 0.82%	Following the fund crossing a threshold level of assets under management, the infrastructure fund's management charge reduced from 0.86% p.a. to 0.82% p.a. during the Scheme year. This change will be reflected in the

Requirement	Policy	Implementation of Policy
	• Bluebay Total Return Diversified Credit Fund: 0.50% • Ninety One Multi Asset Credit Fund: 0.45% • Insight Global Asset Backed Securities Fund: 0.35% • CT Dynamic LDI Funds: 0.29% • CT Equity-Linked Dynamic LDI Funds: 0.30% • CT Net Zero Transition Low Duration Credit Fund: 0.15% • CT Sterling Liquidity Fund: 0.10% *The fee shown Includes a variable 'on fund charge', which is expected to be around 0.04% p.a. L&G also charge a flat fee of £1,500 p.a., which falls to £1,000 p.a. should the asset value exceed £10 million. JP Morgan also apply a performance fee, subject to a hard net hurdle rate, with a high-water mark and a net return cap, in addition to the standard management charge. The performance fee levied is 15% of annual returns based on an individual investor's experience, applying to returns only in excess of 7% and capped at 13.5% over the year. 'Returns' for this purpose are calculated net of the annual management charge and exclude the impact of exchange rate movements.	Trustee's next SIP. The annual charge for the new emerging markets equity fund will be reflected in the Trustee's next SIP. The charges for the Scheme's other investments as at the year end were in line with the July 2024 SIP.
Financially and Non-Financially Material Considerations	The Trustee's policy on financially and non-financially material considerations is set out on pages 9-10 of the August 2023 SIP and page 9 of the July 2024 SIP, and in full below. The policy wording shown below includes a slight deviation from the SIP in order to account for the ESG focus of the emerging markets equity fund that the Scheme entered towards the end of the Scheme year.	No deviation from this policy over the year to 5 April 2025 (see below).
Engagement and Voting Rights	The Trustee's voting and engagement policy is to use its investments to improve the ESG behaviours of the underlying investee companies. These ESG topics encompass a range of priorities, which may over time include climate change, biodiversity, the remuneration and composition of company boards, as well as poor working practices. The Trustee believes that having this policy and aiming to improve how companies behave in the medium and long term will protect and enhance the value of its investments and is in the members' best interests. The Trustee will aim to monitor the actions taken by the Investment Managers on its behalf and if there are significant differences from the policy detailed above, it will escalate its concerns which could ultimately lead to disinvesting its assets from the Investment Manager(s).	No deviation from this policy over the year to 5 April 2025 (see below).
Additional Voluntary Contributions ('AVCs')	Members are not currently permitted to make AVCs to the Scheme. Existing assets in respect of AVCs previously made by members are currently invested in individual member accounts in insurance policies operated by the AVC Providers, Utmost Life and Pensions Limited and ReAssure Limited.	No deviation from this policy over the year to 5 April 2025.

Financially and non-financially material considerations

The Trustee considers many risks which it anticipates could have an impact on the financial performance of the Scheme's investments over the Scheme's expected lifetime.

The Trustee recognises that ESG factors, including but not limited to climate change, can influence risk and return outcomes of the Scheme's portfolio and it is therefore in members' and the Scheme's best interests that these factors are taken into account within the investment process.

The Trustee further recognises that investing with a manager which approaches investments in a responsible way and takes account of ESG-related risks may lead to better risk-adjusted performance as omitting these risks in investment analysis could skew the results and underestimate the level of overall risk being taken. Therefore, other factors being equal, the Trustee would seek to invest in funds which incorporate ESG principles.

In setting its investment strategy, the Trustee has prioritised funds which provide leveraged protection against movements in the Scheme's liability value (including some funds which also provide synthetic equity exposure through regional indices) and also funds which provide actively managed diversification across a wide range of investment markets and consider the financially significant benefits of these factors to be paramount.

The Trustee notes that ESG considerations are not paramount to the first level decision-making process within the funds which provide either actively managed diversification or leveraged liability protection. However, in the actively managed Diversified Growth and Secured Finance Funds in which the Scheme invests, whilst the managers typically do not put ESG considerations at the heart of the asset allocation decision, they will embed ESG considerations into the management of the underlying asset classes where the managers deem it is appropriate to do so.

In addition, the Scheme invests in a passively managed Emerging Market Equity fund, which tracks a bespoke index that has been adjusted from an underlying reference index by the Investment Manager, based on ESG criteria. This fund explicitly considers ESG metrics within security selection, where the investment manager can screen securities from the portfolio and tilt the portfolio based on their ESG assessments (in favour of underlying issuers expected to provide preferable ESG outcomes). The Trustee has selected a manager with a strong stewardship team which actively engages with companies on all ESG aspects.

The Trustee expects the importance of ESG considerations will increase over time and has therefore added this as a standing agenda item to its Investment Sub-Committee meetings to ensure that its policy evolves in line with emerging trends and developments.

The Trustee is therefore satisfied that ESG factors are appropriately reflected in the overall investment approach.

The Trustee's views on how ESG are taken account of in each asset class used are set out below:

Asset Class	Actively or Passively Managed?	Comments
Diversified Growth, Infrastructure, Multi-Asset Credit, Secured Finance, Low Duration Credit, Cash	Active	The Trustee expects the Investment Managers to take financially material ESG factors into account, given the active management style of the funds and the ability of the managers to use their discretion to generate higher risk-adjusted returns. The Trustee also expects its Investment Managers to engage with the underlying investee companies, where possible, although it appreciates that fixed income assets, including cash, within the portfolio do not typically attract voting rights.

Emerging Markets Equity	Passive	The Trustee acknowledges that the Investment Manager must invest in line with the specified benchmark index, and notes that this has been adjusted from an underlying reference index following consideration of ESG criteria. The Trustee notes that the manager may further apply security exclusions and tilts within a permitted level of tracking error, should they have concerns relating to ESG issues within benchmark securities. The Trustee also expects the Investment Manager to take account of ESG considerations by engaging with companies that form the index, and by exercising voting rights on these companies.
LDI (including synthetic equity exposure)	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 Trustee believes 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. That said, the Trustee does expect the manager to apply ESG factors in determining appropriate counterparties in derivative based instruments.

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 Trustee believes these should not drive investment decisions. The Trustee expects 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.

Voting rights

The Trustee currently invests in pooled investment funds with the Investment Managers, and it acknowledges that this limits its ability to directly influence each Investment Manager. In particular, all voting activities have been delegated to the Investment Managers, as the Trustee is unable to cast a vote in line with its views on the underlying holdings, given the pooled nature of the Scheme's investments. Where the Trustee is specifically invited to vote on a matter relating to the corporate policy, it will exercise its right in accordance with what it believes to be the best interests of the majority of the Scheme's members.

However, the Trustee will meet with its Investment Managers, to engage with them on how they have taken ESG issues and voting rights into account for the investment approaches they manage on behalf of the Trustee as required. As part of this, the Trustee will seek to challenge its Investment Managers on these matters where it thinks this is in the best interests of members.

Out of the funds held by the Trustee over the year, the BNY Mellon Real Return Fund, Pictet Multi Asset Portfolio, L&G World Emerging Markets Equity Index Fund, and L&G Low Carbon Transition Emerging Markets Equity Index Fund contain publicly listed equity holdings. These funds have voting rights attached to the underlying equities held within the funds, and the Trustee has delegated these voting rights to the managers, where each manager sets its own voting policy. The Columbia Threadneedle Equity-Linked Dynamic LDI Funds have no voting rights attached given the manager gains equity exposure through use of equity derivatives, rather than purchase of the underlying equities which would provide voting rights.

A summary of the votes made by the managers from 1 April 2024 to 31 March 2025 on behalf of the Trustee for each fund used by the Trustee during the year was requested from the respective managers. It was requested that the managers provide voting data broken down into Environmental, Social, and Governance categories. However, the managers advised that the data is not yet available in this format. This breakdown will continue to be requested in future periods. The data in the table below is therefore provided at total fund level.

Fund	Resolutions Voted On	Resolutions Voted:		
		For	Against	Abstained
BNY Mellon Real Return Fund	1,067	95%	5%	-
Pictet Dynamic Asset Allocation Fund*	8,160	93%	7%	-
L&G World Emerging Markets Equity Index Fund	34,768	80%	17%	3%
L&G Low Carbon Transition Emerging Markets Equity Index Fund	25,629	81%	17%	2%

*The Scheme invested in the Pictet Multi Asset Portfolio during the year. This fund was closed in November 2024 and any holdings were merged into the Pictet Dynamic Asset Allocation Fund, which is shown in order to provide a full Scheme year of voting history. The investment management philosophy of the funds is similar and we would expect Pictet to have voted on resolutions in the same way, regardless of which fund underlying holdings were assigned to.

Information regarding proxy voting, for managers where the Scheme invests in a fund which has voting rights, is detailed below:

- BNY Mellon utilises an independent voting service provider for the purposes of managing upcoming meetings and instructing voting decisions via its electronic platform, and for providing research. Its voting recommendations are not routinely followed; it is only in the event that BNY Mellon recognise a potential material conflict of interest that the recommendation of their external voting service provider will be applied.
- Pictet use the Institutional Shareholders' Service (ISS) to provide research and to facilitate the execution of voting decisions at all relevant company meetings worldwide. ISS are tasked with collecting meeting notices for all holdings and researching the implications of every resolution according to voting guidelines as defined by Pictet.
- L&G do not use a proxy voting service to determine their voting policy, which is formed in-house. L&G do, however, use ISS's ProxyExchange voting platform to vote on resolutions electronically.

Significant votes

The Trustee has requested details of the significant votes made on behalf of the Trustee by each manager of a fund in which the Scheme invests which has voting rights. In determining significant votes, each manager's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile votes which have 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 the manager's annual Stakeholder roundtable event, or where the manager notes a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an any manager engagement campaign, for example in line with L&G Investment Stewardship's 5-year ESG priority engagement themes.

The Trustee believes the following are the most significant votes undertaken on its behalf over the scheme year:

Significant Vote 1	
Investment Manager	BNY Mellon
Company	Shell plc
Date of vote	21 May 2024
Percentage of portfolio invested in Company at date of vote	BNY Mellon Real Return Fund: 1.8%
Resolution	Advise shell to align its medium-term emissions reduction targets covering the greenhouse gas emissions of the use of its energy products with the goal of the Paris Climate Agreement
Why significant	BNY Mellon have deemed this vote to be significant as, due to Shell plc being a large greenhouse gas emitter, they believe the company needs to have a credible transition plan.
Voting decision	Voted Against
Manager comments	*"We did not support a shareholder proposal for a report on greenhouse gas emission-reduction targets aligned with the Paris Agreement as we believed the company has disclosed enough information for shareholders to assess the related risks."*
Vote outcome	Resolution Failed

Significant Vote 2	
Investment Manager	Pictet
Company	Amazon.com Inc.
Date of vote	22 May 2024
Percentage of portfolio invested in Company at date of vote	Pictet Multi Asset Portfolio: 1.2%
Resolution	Report on Impact of Climate Change Strategy Consistent with Just Transition Guidelines
Why significant	Pictet consider this resolution to be significant due to the subject matter of the vote, the size of the holding in the portfolio, and because they deem it to be an important shareholder resolution.
Voting decision	Voted For

Manager comments	*"A vote For this proposal is warranted, as shareholders would benefit from more disclosure on whether and how the company considers human capital management and community relations issues related to the transition to a low-carbon economy as part of its climate strategy.* *We noted the outcome of the vote. Where we believe the subject of the vote could present a material concern from an ESG perspective, we will continue to monitor and engage with the company, and are doing so in this case. If warranted, we will consider actions as part of our escalation strategy, including future voting decisions."*
Vote outcome	Resolution Failed

Significant Vote 3	
Investment Manager	L&G
Company	Tencent Holdings Limited
Date of vote	14 May 2024
Percentage of portfolio invested in Company at date of vote	L&G World Emerging Markets Equity Index Fund: 3.9% L&G Low Carbon Transition Emerging Markets Equity Index Fund: 3.9%
Resolution	Elect Charles St Leger Searle as Director
Why significant	L&G considers this vote to be significant because it is applied under their Climate Impact Pledge, their flagship engagement programme targeting companies in climate-critical sectors and they expect a firm's Audit Committee to be comprised of independent directors.
Voting decision	Voted Against
Manager comments	*"L&G will continue to engage with our investee companies, publicly advocate our position on this issue, and monitor company and market-level progress."*
Vote outcome	Resolution Passed

Engagement activities

The Trustee has also delegated engagement activities to the Investment Managers. Examples of notable engagement activities of the Investment Managers the Scheme held assets which contain voting rights with over the year are provided below:

- **BNY Mellon** met with Barclays Bank plc with the objective of having the company strengthen disclosures regarding its engagement process with clients on their climate transition plan, and about the key metrics used in clients' transition framework. BNY Mellon believe that robust disclosure on the bank's client engagement process, including major topics of discussion and expectations around best-in-class practices is useful for investors to understand how the bank's client transition framework is working in practice. BNY Mellon note the transition of high-emitting clients is important for the bank because it helps to wind down financing fossil fuels in a phased approach, whilst balancing the current energy needs.

BNY Mellon believe that Barclays has improved its transition framework considerably over the years by providing information on its overall scoring methodology, governance structure, and the broad parameters it uses to assess clients. Whilst the bank has highlighted that it engages with its clients, BNY Mellon believe more disclosure around its engagement process, with a focus on key topics of discussion and expectations around best-in-class practice, would provide investors greater comfort.

Barclays highlighted that it regularly reviews their clients' disclosures and actions on climate transition, and engages with them where it feels it can add value. The company seeks to work with its clients and help them transition over the long-term. BNY Mellon emphasised that the best-in-class practices or key topics it discusses with clients (without disclosing competitive information), would be beneficial for shareholders to assess the bank's actions.

BNY Mellon remained comfortable with the bank's overall approach to climate transition, and their feedback to provide further disclosure on its overall engagement process under the transition framework was acknowledged by the bank.

- **Pictet** engaged with Roche Holding AG, a Swiss healthcare company, to discuss how biodiversity loss and ecosystem degradation threaten future drug discovery, supply chain stability, and long-term business resilience. Pictet note that whilst Roche has initiatives to address nature-related risks, they believe there is room for improvement in the company's ambition, risk assessment, and disclosure. Pictet's objective is to improve management of risks and opportunities from nature-related impacts.

  Pictet joined the engagement team for Roche as part of a Nature Action 100 (NA100) industry group collaboration. In 2023, Pictet introduced NA100 and investor expectations through an initial letter, followed by a first call with Roche in 2024. Throughout 2024, Pictet maintained written exchanges and met with the company again in January 2025. The engagement has focused on the potential adverse impact of active pharmaceutical ingredient residues in the environment.

  In early 2025, Roche announced a new sustainability strategy, identifying biodiversity and water protection as one of three core environmental priorities, which Pictet expect to lead to improved practices across Roche's value chain. Pictet intend to continue their dialogue with Roche, aiming to influence the development of biodiversity and water roadmaps aligned with global ambitions to protect and restore biodiversity.

- **L&G** engaged with Colgate-Palmolive, an American multinational consumer products company, focusing on the company's deforestation approach as well as challenges and opportunities in meeting their deforestation management commitments. L&G met with the company's Chief Sustainability Officer, and explored how the company is ensuring supplier compliance and increased traceability across commodities in their supply chain, as well as the suitability of the company's escalation procedures for non-compliance.

  L&G also sought to encourage increased oversight from the Board of Directors, and prioritisation of the issue of deforestation within the company's risk management agenda. L&G noted that the company have demonstrated progress in appreciating responsible sourcing as a critical issue, whilst building relationships and furthering engagement with their suppliers and ending relationships with those found to be non-compliant. L&G note that, overall, the company meets their minimum expectations on deforestation management.

  L&G note that Colgate-Palmolive have introduced satellite imaging for monitoring purposes, and are undertaking the complex process of mapping palm oil derivatives. L&G also note that the frequency of Board-level updates on deforestation has increased. L&G will further engage with the company in 2025, with a focus on traceability progress across key commodities, along with collaborative efforts with their peers to eliminate net deforestation. L&G will also look to further discuss the company's work on mapping and addressing deforestation risks in their supply chain.

The Trustee also considers an investment manager's policies on stewardship and engagement when selecting and reviewing investment managers.

Signed: **Date:**

On behalf of the Trustee of the Accent Group Pension Scheme