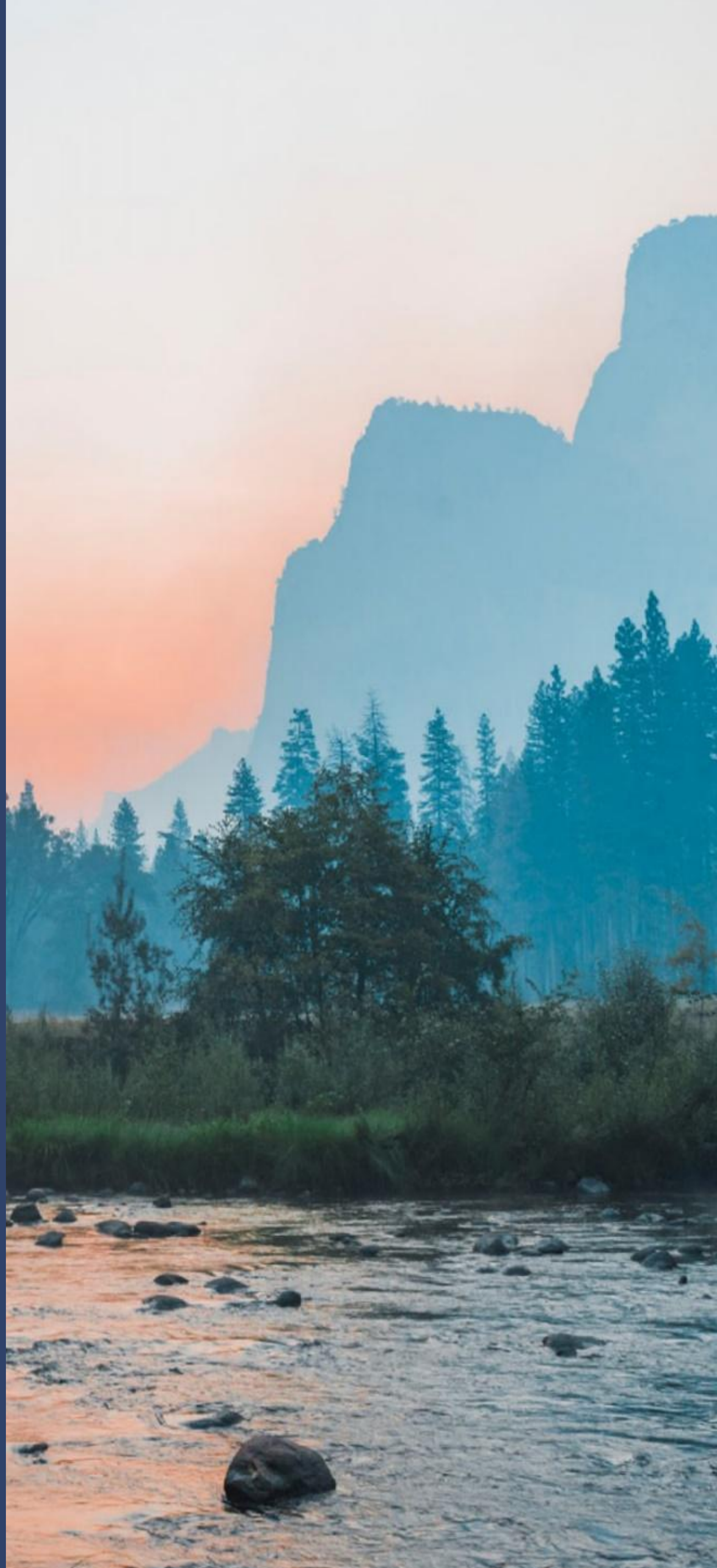
Addendum to the Statement of Investment Principles

For the Eaton UK Pension Plan

Effective from: 19 March 2026

This addendum to the Statement of Investment Principles ("SIP") for the Eaton UK Pension Plan (the "Plan") has been produced by the Trustee of the Plan ("we, our"). It sets out a description of various matters which are not required to be included in the SIP, but which are relevant to the Plan's investment arrangements.



Part 1:
Investment governance, responsibilities, decision-making and fees

We have decided on the following division of responsibilities and decision making for the Plan. This division is based upon our understanding of the various legal requirements placed upon us and it is our view that the division of responsibility allows for efficient operation and governance of the Plan overall with access to an appropriate level of expert advice. Our investment powers are set out within the Plan's governing documentation.

1. Trustee

Our responsibilities include:

- setting the investment strategy of the DB Section, in consultation with the employer and in conjunction with the actuarial funding strategy;
- developing a mutual understanding of investment and risk issues with the employer;
- formulating a policy in relation to financially material considerations, such as those relating to Environmental, Social and Governance ("ESG") (including but not limited to climate change);
- setting the policy for rebalancing between asset classes and asset managers;
- setting a policy on the exercise of rights (including voting rights) and undertaking engagement activities in respect of the investments;
- appointing, monitoring, reviewing, engaging with and replacing investment managers, investment advisers, actuary and other service providers;
- monitoring the exercise of the investment powers we have delegated to the investment managers and monitoring compliance with Section 36 of the Pensions Act 1995;
- communicating with members as appropriate on investment matters, such as our assessment of our effectiveness as a decision-making body, the policies regarding responsible ownership and how such responsibilities have been discharged;
- reviewing the investment policy as part of any review of the investment strategy;
- putting effective governance arrangements in place and documenting these arrangements in a suitable form;
- reviewing the content of this SIP from time to time and modifying it if deemed appropriate;
- consulting with the employer when reviewing the SIP; and
- setting the strategies for the lifestyle investment options and reviewing the investment options for Additional Voluntary Contributions ("AVCs"), Money Purchase Agreements ("MPAs") and the Individual Member Account ("IMA") Sections.

2. Platform provider

The investment platform provider is responsible for:

- providing access to a range of funds managed by various investment managers; and
- providing us with regular information concerning the management and performance of the assets.

3. Investment managers

The investment managers' responsibilities include:

- managing the portfolios of assets according to their stated objectives, and within the guidelines and restrictions set out in their respective investment manager agreements and/or other relevant governing documentation;
- taking account of financially material considerations (including climate change, net zero alignment and other ESG considerations) as appropriate in managing the assets;
- exercising rights (including voting rights) attaching to investments and

undertaking engagement activities in respect of investments;

- providing regular information concerning the management and performance of their respective portfolios, including information on voting and engagement undertaken; and
- having regard to the provisions of Section 36 of the Act insofar as it is necessary to do so.

4. Custodians

The custodians of the portfolios (whether there is a direct relationship between the custodian and the Trustee or not) are responsible for safe keeping of the assets and facilitating all transactions within the portfolios.

5. Actuary and Investment adviser

In broad terms, the actuary and investment adviser will be responsible, in respect of investment matters, as requested by us:

- for the DB Section, advising on how material changes within the Plan's benefits, membership, and funding position may affect the manner in which the assets should be invested;
- for the DB Section advising on and monitoring liability hedging and collateral management;
- for the DC and Hybrid Section, advising on a suitable fund range and lifestyle strategy for the Plan, and how material changes to legislation or within the Plan's DC and Hybrid Section's benefits and membership may impact this;
- advising on the selection, and review, of the investment managers, incorporating its assessment of the nature and effectiveness of the managers' approaches to financially material considerations (including climate change and other ESG considerations);
- supporting us in achieving the Plan's net zero ambition, including through manager selection, monitoring and engagement;
- participating with us in reviews of this SIP; and
- supporting the Trustee on discussions with the employer.

6. Fee structures

We recognise that the provision of investment management and advisory services to the Plan results in a range of charges to be met, directly or indirectly, by deduction from the Plan's assets.

We have agreed Terms of Business with the Plan's actuarial and investment advisers, under which work undertaken is charged for by an agreed fixed fee or on a "time-cost" basis.

The investment managers and platform providers receive fees calculated by reference to the market value of assets under management. The fee rates are believed to be consistent with the managers' general terms for institutional clients and are considered by us to be reasonable when compared with those of other similar providers.

The fee structure used in each case has been selected with regard to existing custom and practice, and our view as to the most appropriate arrangements for the Plan. However, we keep the fee structures under review.

7. Performance assessment

We are satisfied, taking into account the external expertise available, that there are sufficient resources to support our investment responsibilities. We believe that we have sufficient expertise and appropriate training to carry out our role effectively.

It is our policy to assess the performance of the Plan's investments, investment providers and professional advisers from time to time. We will also periodically assess the effectiveness of our decision-making and investment governance processes and will decide how this may then be reported to members.

8. Working with the sponsoring employer

When reviewing matters regarding the Plan's investment arrangements, such as the SIP, we seek to give due consideration to the employer's perspective. Whilst the requirement to consult does not mean that we need to reach agreement with the employer, we believe that better outcomes will generally be achieved if we work with the employer collaboratively.

As part of the 2019 actuarial valuation the sponsor agreed to provide a guarantee which was designed to cover the full insurance cost to secure the DB benefits if required. To avoid the risk of the losing the guarantee we are required to obtain the sponsor's approval to make changes to the investment strategy and SIP.

Part 2:
Policy towards risk

1. Risk capacity and appetite

Risk appetite is a measure of how much risk we are willing to bear within the Plan in order to meet its investment objectives. Taking more risk is expected to mean that those objectives can be achieved more quickly, but it also means that there is a greater likelihood that the objectives are missed, in the absence of remedial action. Risk capacity is a measure of the extent to which we can tolerate deviation from the Plan's long-term objectives before attainment of those objectives is seriously impaired. We aim to strike the right balance between risk appetite and risk capacity.

When assessing risk and reviewing the investment strategy, we consider a range of qualitative and quantitative factors, including:

- the strength of the employer's covenant and how this may change in the near/medium future;
- the agreed employer contributions;
- the Plan's liability profile, its interest rate and inflation sensitivities, and the extent to which these are hedged;
- the Plan's cash flow and target return requirements; and
- the level of expected return and expected level of risk (as measured by Value at Risk ("VaR")), now and as the strategy evolves.

2. Approach to managing and monitoring risks

There are different types of investment risk that are important to manage, and we monitor these on a regular basis. These include, but are not limited to:

2.1. Strategic risk

This is the risk that the performance of the Plan's assets and liabilities diverges in certain financial and economic conditions. This risk is taken into account when we review and monitor investment strategy.

We will review the Plan's investment strategy at least every three years in light of the various risks faced by the Plan.

2.2. Risk of inadequate long-term returns

For the DB Section, a key objective of ours is that, over the long-term, the Plan should generate its target return so that it has adequate assets to meet its liabilities as they fall due. We therefore invest the assets of the Plan to produce a sufficient long-term return in excess of the liabilities. There is also a risk that the performance of the Plan's assets and liabilities diverge in certain financial and economic conditions in the short term. This risk has been taken into account in setting the investment strategy and is monitored by us on a regular basis.

For the DC Sections, as members' benefits are dependent on the investment returns achieved, it is important that investment options are available which can be expected to produce adequate real returns over the longer term. Accordingly, equity and diversified growth funds, which are expected to provide positive returns above inflation over the long term, have been made available to members and feature throughout the lifestyle investment options. To reduce the chance of a sharp deterioration in members' benefits close to retirement, we have provided members with the option of investing in a lifestyle investment option.

2.3. Risk from lack of diversification

This is the risk that failure of a particular investment, or the general poor performance of a given investment type, could materially adversely affect our ability to meet their investment objectives. We believe that the DB Section's assets are adequately diversified between different asset classes and within each asset class. In addition, we have a written policy on self-investment which stipulates that no direct investment is permitted in securities issued by the employer, nor any of its subsidiary companies. The Plan may be exposed to employer related investments via its pooled fund arrangements, however given the numbers of securities held in these arrangements any exposure is likely to be minimal.

The IMA, AVC and MPA investment options provide a suitably diversified range for members to choose from. Within each fund available to members, the holdings should be adequately diversified. To achieve this, we have selected investment vehicles which, subject to their objectives, will be suitably diversified.

2.4. Investment manager risk

This is the risk that an investment manager fails to meet its investment objectives. Prior to appointing an investment manager, we usually undertake investment manager selection exercises and receive written advice from a suitably qualified individual. We monitor the investment managers on a regular basis to ensure they remain appropriate for their selected mandates.

2.5. Counterparty risk

This is the risk that one party to a contract (such as a derivative instrument) causes a financial loss to the other party by failing to discharge a contractual obligation. This risk applies in particular for those contracts that are traded directly between parties, rather than traded on a central exchange.

In particular, CTI makes use of derivative and gilt repo contracts in the Liability Driven Investment ("LDI") arrangement to efficiently match a portion of the Plan's liabilities. Insight also makes use of derivative contracts to hedge foreign currency exposure in the Plan's credit portfolio and ensure the portfolio's duration of the does not diverge from its benchmark's duration by more than 1 year.

Counterparty risk is managed by CTI and Insight through careful initial selection and ongoing monitoring of trading counterparties, counterparty diversification and a robust process of daily collateralisation of each contract, to ensure that counterparty risk is limited, as far as possible, to one day's market movements.

2.6. Liquidity/marketability risk

This is the risk that the Plan is unable to realise assets to meet benefit cash flows as they fall due, or that the Plan will become a forced seller of assets in order to meet benefit payments. We are aware of the Plan's cash flow requirements and believe that this risk is managed by maintaining an appropriate degree of liquidity across the Plan's investments and by investing in income generating assets, where appropriate.

For the DC Section, this is the risk that core financial transactions, such as investing, switching or disinvestment of members' investment options, are not processed promptly due to lack of liquidity in the investments. We manage this risk by only using pooled funds with daily dealing within the investment options and diversifying the lifestyle strategies across different types of investment.

Our policy for the IMA, AVC and MPA sections is to make available to members funds which, in normal conditions, should prove easy to buy and sell.

2.7. Environmental, social and governance risks

ESG factors are sources of risk to the Plan's investments, some of which could be financially significant, over both the short and longer term. These potentially include risks relating to factors such as climate change, unsustainable business practices, and unsound corporate governance. We seek to appoint investment managers who will manage these risks appropriately on their behalf and from time to time review how these risks are being managed in practice.

2.8. Climate related risks

Climate change is a source of risk, which is financially material over both the short and longer term. This risk relates to the transition to a low carbon economy, and the physical risks associated with climate change (eg extreme weather). We seek to appoint investment managers who will manage this risk appropriately and monitor how this risk is being managed in practice.

2.9. Collateral adequacy risk

The Plan is invested in leveraged LDI arrangements to provide protection ("hedging") against adverse changes in interest rates and inflation expectations. The LDI manager may from time to time call for additional cash to be paid to the LDI portfolio in order to support a given level of leverage. Collateral adequacy risk is the risk, when requested to do so, we will not be able to post additional cash to the LDI fund within the required timeframe. A potential consequence of this risk is that the Plan's interest rate and inflation hedging could be reduced and that the Plan's funding level could suffer subsequently as a result. In order to manage this risk, we ensure that the Plan has a sufficient allocation to cash and other highly liquid assets which can be readily realised, so that cash can be posted to the LDI manager at short notice.

2.10. Risk from excessive charges

Within the DC and Hybrid Sections, if the investment management charges together with other charges levied on, for example, transfers or early retirement are excessive, then the value of a member's account will be reduced unnecessarily. We are comfortable that the charges applicable to the Plan are in line with market practice and assess regularly whether these represent good value for members.

2.11. Credit risk

The Plan is subject to credit risk because it invests in bonds and related assets via pooled funds, bespoke pooled funds and segregated mandates. We manage exposure to credit risk in pooled and bespoke pooled funds by only investing in funds that have a diversified exposure to different credit issuers. The segregated credit portfolio's guidelines require the investment manager to invest in a diversified range of fixed income instruments and individual issuers and restrict the amount of the portfolio that can be invested in sub-investment grade debt, including restrictions on investing in instruments with credit ratings at the lower end of the sub-investment grade universe (B- or less). The portfolio's guidelines also include restrictions on the amount that can be invested in emerging market debt.

2.12. Asset backed security risk

The Plan is exposed to asset backed security ("ABS") risk because it invests in ABS via its segregated credit portfolio. In addition to credit risk (as covered above). ABS assets are exposed to pre-payment risk because payments on ABS instruments typically include both an interest payment and a partial payment of principal. It is possible for borrowers to repay principal early, for example when refinancing. Principal repaid early may have to be reinvested at less attractive terms and yields in the prevailing market environment. ABS investments may also be subject to higher liquidity risk than traditional bond investments. The risk of this is minimised by the fact that Insight only invests in investment grade ABS assets.

2.13. Emerging market debt

The Plan is exposed to emerging market debt risk because it invests in emerging market debt instruments via its segregated credit portfolio. Investments in emerging market securities may carry the risks of less publicly available information, more volatile markets, less strict securities market regulation, less favourable tax provisions, and a greater likelihood of severe inflation, unstable or not freely convertible currency, war and expropriation of personal property than investments in securities of issuers based in developed countries. In addition, the investment opportunities of the portfolio in certain emerging markets may be restricted by legal limits on foreign investment in local securities.

2.14. High yield debt

The Plan is exposed to high yield debt risk because it invests in high yield debt instruments via its segregated credit portfolio. High yield debt securities are issued by companies that are less credit worthy traditional investment standards. As a result high yield debt securities are subject to the increased risk of an issuer's inability to meet principal and interest obligations (which is compensated for with a higher expected return). This risk is reduced by the portfolio's guidelines, which include restrictions on investing in in instruments with credit ratings at the lower end of the sub-investment grade universe (B- or less).

2.15. Equity risk

Equity represents (part) ownership of a company. Equity risk is the risk that the value of this holding falls in value.

We believe that equity risk is a rewarded investment risk, over the long term.

We consider exposure to equity risk in the context of the Plan's overall investment strategy and believes that the level of exposure to this risk is appropriate.

2.16. Currency risk

Whilst the majority of the currency exposure of the Plan's assets is to Sterling, the Plan is subject to currency risk because some of the Plan's investments are held in overseas markets. We consider the overseas currency exposure in the context of the overall investment strategy and believe that the currency exposure that exists diversifies the strategy and is appropriate. Furthermore, we manage the amount of currency risk by investing in pooled funds that hedge currency exposure or implement separate currency hedging arrangements.

The DB Section's infrastructure holdings with IFM and 50% of its developed market overseas equity holdings are held in hedged share classes. Insight hedges 100% of the of the foreign currency exposure in the DB section's credit portfolio.

2.17. Interest rate and inflation risk

The Plan's assets are subject to interest rate and inflation risk because some of the Plan's assets are held in bonds via pooled funds and segregated mandates. However, the interest rate and inflation exposures of the Plan's assets hedge part of the corresponding risks associated with the Plan's liabilities.

We consider interest rate and inflation risks to be generally unrewarded investment risks. As a result, we currently aim to hedge around 90% of the DB Section's exposure to interest rate and inflation risk (on a Technical Provisions basis), by investing in leveraged LDI arrangements. However, the degree of hedging will be reviewed over time and may be changed. It will also fluctuate with changes in the Plan's liabilities and market movements.

The net effect of our approach to interest and inflation risk will be to reduce the volatility of the funding level, and so we believe that it is appropriate to manage exposures to these risks in this manner and to review them on a regular basis.

2.18. Risk of deterioration in investment conditions near retirement

Within the DC and Hybrid Sections, for a given amount of money the level of pension secured will depend upon investment conditions at retirement. A sharp deterioration in these conditions in the period just prior to retirement will have a substantial impact on the benefits provided. To protect against this, we have made a lifestyle investment option available for members.

2.19. Valuation risk

Some of the Plan's assets (such as listed equities) can be valued regularly based upon observable market prices. For other assets such as property and infrastructure, prices may only be estimated relatively infrequently using one or more of a range of approximate methods – eg mathematical models or recent sales prices achieved for equivalents.

At times of market stress, there is a risk for all assets that the valuations provided by investment managers do not reflect the actual sale proceeds which could be achieved if the assets were liquidated at short notice.

We consider exposure to valuation risk in the context of the Plan's overall investment strategy and believe that the level of exposure to this risk is appropriate.

2.20. Other non-investment risks

We recognise that there are other, non-investment, risks faced by the Plan, and takes these into consideration as far as practical in setting the Plan's investment arrangements as part of their assessment of the other aspects of the Plan's Integrated Risk Management framework.

Examples include:

- longevity risk (the risk that members live, on average, longer than expected); and
- sponsor covenant risk (the risk that, for whatever reason, the sponsoring employer is unable to support the Plan as anticipated).

Both, investment and non-investment risks can lead to the funding position materially worsening. We regularly review progress towards the DB Section's funding target.

By understanding, considering and monitoring the key risks that contribute to funding risk, we believe that they have appropriately addressed and are positioned to manage this general risk.

Part 3:
Investment manager arrangements

Details of the investment managers are set out below.

Defined Benefit Section

Legal and General Asset Management

We have selected Legal and General Asset Management ("L&G AM") as the investment manager for its equity assets. L&G AM's benchmark for the equity portfolio is as follows:

Asset class	Benchmark allocation (%)	Benchmark index
Low Carbon UK equities	20%	Solactive L&G Low Carbon Transition UK Index
Low carbon overseas developed equities (50% of developed market exposure hedged back to pounds Sterling)	60%	10.0% Solactive L&G Low Carbon Transition North America Index 10.0% Solactive L&G Low Carbon Transition North America Index (GBP Hedged) 10.0% Solactive L&G Low Carbon Transition Europe ex UK Index 10.0% Solactive L&G Low Carbon Transition Europe ex UK Index (GBP Hedged) 6.5% Solactive L&G Low Carbon Transition Japan Index 6.5% Solactive L&G Low Carbon Transition Japan Index (GBP Hedged) 3.5% Solactive L&G Low Carbon Transition APAC ex Japan Index 3.5% Solactive L&G Low Carbon Transition APAC ex Japan Index (GBP Hedged)
Low carbon emerging market equities	20%	Solactive L&G Low Carbon Transition Emerging Markets Index

The objectives of the low carbon equity funds are to produce returns consistent with their respective index.

The UK index aims to reduce carbon intensity by 60% at the outset on a de-carbonisation path to achieve net zero by 2050, whilst also significantly reducing the level of carbon reserves and improving green revenues. The other indices aim to reduce carbon intensity by 70% at the outset on a de-carbonisation path to achieve net zero by 2050, whilst also significantly reducing the level of carbon reserves and improving green revenues.

The target reduction in carbon intensity is relative to a corresponding regional market capitalisation weighted index.

Additionally, the funds will not invest in companies on L&G AM's Future World Protection List.

L&G AM may also disinvest from companies that are held in the index that do not meet L&G AM's minimum standards on areas such as climate, governance, reputation and public policy.

Rebalancing

In normal conditions, L&G Asset Management will review the asset allocation position for the equity portfolio monthly and when this is outside the control ranges will rebalance back to that benchmark. From time to time, we may decide to suspend this rebalancing. The control ranges are +/-1.5% for each of the regional allocations shown in the table on the next page.

Name of fund	Benchmark allocation (%)	Range (%)
Low Carbon Transition UK Equity Index Fund	20.0	+/-1.5
Low Carbon Transition North America Equity Index Fund	10.0	+/-1.5
Low Carbon Transition Europe (ex UK) Equity Index Fund	10.0	+/-1.5
Low Carbon Transition Japan Equity Index Fund	6.5	+/-1.5
Low Carbon Transition Asia Pacific (ex Japan) Equity Index Fund	3.5	+/-1.5
Low Carbon Transition North America Equity Index Fund (GBP Hedged)	10.0	+/-1.5
Low Carbon Transition Europe (ex UK) Equity Index Fund (GBP Hedged)	10.0	+/-1.5
Low Carbon Transition Japan Equity Index Fund (GBP Hedged)	6.5	+/-1.5
Low Carbon Transition Asia Pacific (ex Japan) Equity Index Fund (GBP Hedged)	3.5	+/-1.5
Low Carbon Emerging Markets Equity Index Fund	20.0	+/-1.5
Total	**100.0**	

Columbia Threadneedle Investments

We have selected Columbia Threadneedle Investments ("CTI") as the Plan's liability-driven investment ("LDI") manager. The Plan is invested in an LDI Private-Sub Fund, where CTI invests in a variety of LDI instruments to provide hedging in line with the Plan's LDI benchmark and cash and fixed income instruments to provide the liquidity required to cover any future collateral calls.

J.P. Morgan Asset Management

We have selected J.P. Morgan Asset Management ("JPM") as one of the Plan's infrastructure managers. We invested £37m (~5% of the Plan's assets at 30 October 2018) in the Infrastructure Investment Fund ("IIF"). IIF's target total return to investors is 8-12% pa after management fees and expenses. The fund aims to achieve this objective predominantly through investment in global unlisted infrastructure equity.

IFM Investors

We have selected IFM Investors ("IFM") as one of the Plan's infrastructure managers. We invested £37m (~5% of the Plan's assets at 30 October 2018) in the Global Infrastructure Fund ("GIF"). The absolute return target for GIF is 10% p.a. net of all fees, ranging from 8-12% depending on the stage of the market cycle. The fund aims to achieve this objective predominantly through investment in global unlisted infrastructure equity.

Insight Investment Management (Global) Limited

We have selected Insight Investment Management (Global) Limited ("Insight") as the investment manager for the Plan's segregated credit portfolio. The portfolio invests in a 50:50 split between "matching" credit (investment grade corporate bonds) and "growth" credit (asset backed securities ("ABS"), emerging market debt and high yield debt). Insight manages the portfolio in line with a composite benchmark rebalanced monthly as follows:

Asset class	Benchmark allocation (%)	Benchmark index
Corporate bonds	50%	iBoxx Sterling Corporate & Collateralised (25% Level 3 constrained) Index
ABS	20%	GBP SONIA
Emerging market debt	15%	JP Morgan Emerging Markets Bond Index (EMBI), hedged to GBP
High yield debt	15%	ICE Global High Yield Index, hedged to GBP[1]

Insight's objective is to achieve a return greater than the index over the long-term.

The portfolio's guidelines contain restrictions to ensure the allocations to each component of the credit portfolio do not deviate beyond appropriate tolerance levels.

[1] The benchmark is a custom index calculated for Insight by Rimes. It has been calculated by hedging the ICE Global High Yield Index back to GBP.

The minimum allocation to investment grade corporate bonds is 40%, which is designed to avoid excessive portfolio turnover if growth assets exceed 50% of the total mandate due to outperformance (which is expected to happen).

Insight also has the objective of investing in a 'sustainable manner' as prescribed by the sustainability guidelines outlined in the investment management agreement as well as investing in a manner consistent with achieving net zero by 2050.

The sustainability guidelines were agreed following conversations with our investment adviser and Insight to broadly reflect our beliefs around responsible investment. The guidelines include exclusions on socially sensitive industries, governments and companies failing to adhere to minimum standards of practice, and companies engaging in specific climate practices deemed to be especially harmful. Should a holding in the portfolio breach these guidelines, Insight's preference is to engage with issuers. Positions will only be removed from the portfolio without engagement if Insight believe that engagement would not have an impact on the sustainability criteria that were being violated.

The portfolio's net zero objective is consistent with our own net zero objective. The objective includes interim targets based on a maximum weighted average carbon intensity for scope 1 & 2 emissions and a maximum exposure to issuers that have not made a commitment to achieve net zero emissions by 2050.

Due to a lack of available data, emerging market debt and ABS assets are not included in the portfolio's net zero objective.

Scope 3 emissions are not included within the above targets as data availability is currently limited. However, the guidelines require Insight to "have regard" to Scope 3 emissions and our desire for this metric to come down over time.

Defined Contribution Section (AVC and MPA)

We have selected Aegon as the Plan's main AVC provider, although some members hold historic AVCs within the Standard Life With Profits funds. Members in the MPA and AVC section are not able to make AVC contributions.

Members previously held all of their AVC and MPA assets with Standard Life up until November 2024 when the unit-linked assets were switched to Aegon.

With Aegon there is a range of seven passively and actively managed funds available for members to select, including a lifestyle investment option. The relevant members are provided with clear information on the investment options and their characteristics that will allow the members to make an informed choice.

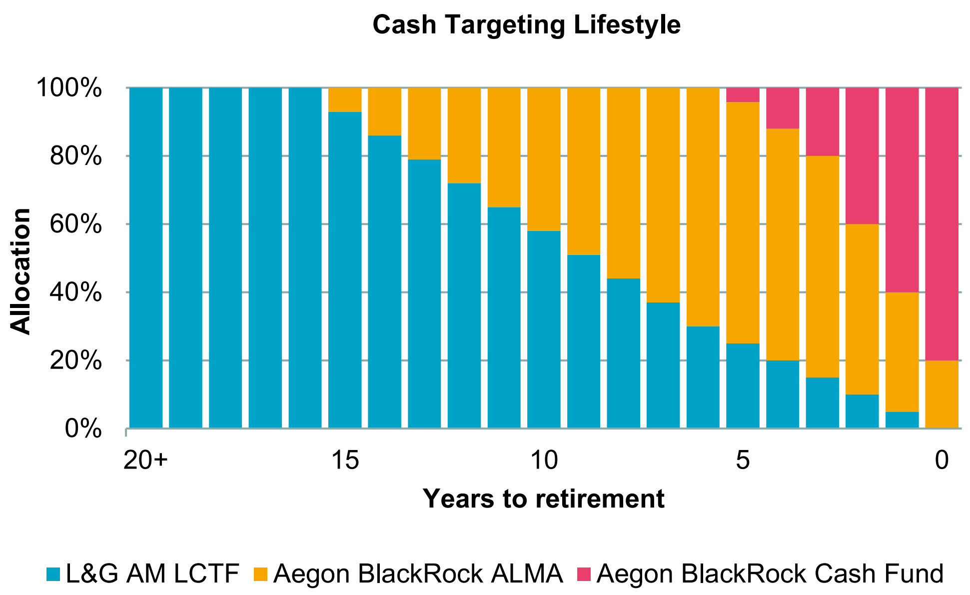
We have selected BlackRock and L&G Asset Management to manage the funds that are available to members. These funds are also available within the IMA Section. The range of passively and actively managed funds and benchmarks for each fund are as follows:

Fund	Benchmark	Performance objective
LGIM Low Carbon Transition Developed Markets Equity Fund ("LCTF")	Solactive L&G Low Carbon Transition Developed Markets Index	To achieve a tracking error of within 0.6% pa relative to the benchmark.
BlackRock MSCI World Index Fund	MSCI World Net Total Return GBP	To achieve a return in line with the benchmark
BlackRock UK Equity Index Fund	FTSE All-Share Custom ESG Screened Index	To provide a return which closely tracks the benchmark.
Blackrock Aquila Life Market Advantage ("ALMA") Fund	30% MSCI All Country World Index (GBP hedged) / 70% Bloomberg Global Aggregate Index (GBP hedged)1	To outperform the benchmark (gross of fees) over the long term (5 consecutive years). [1]
BlackRock Aquila Life All Stocks UK Gilt Index Fund	FTSE Actuaries UK Conventional Gilts All Stocks Index	To achieve a tracking error of within 0.2% pa relative to the benchmark.
BlackRock iShares Corporate Bond All Stocks Index Fund	iBoxx Sterling Non-Gilt All Stocks Index	To achieve a tracking error of within 0.3% pa relative to the benchmark.
BlackRock Cash Fund	7 day SONIA[2]	To match the benchmark before fees.

The DC Section (MPA and AVC) also has a lifestyle investment option which has been designed to be appropriate for a member taking their pension savings as cash at retirement (subject to applicable tax deductions). We reviewed the lifestyle investment option as part of the transition from Standard Life to Aegon where a new lifestyle investment option was created using the funds available on the Aegon platform.

This is summarised in the following table and chart:

1 Prior to 28 August 2025, the benchmark was SONIA + 3.5% p.a. The performance objective has changed to target the new benchmark. [2] Benchmark adjusted from LIBOR/LIBID to SONIA following the cessation of LIBOR. New benchmark effective from 1 October 2021 for BlackRock Cash Fund.



Term to retirement (years)	LGIM LCTF (%)	BlackRock ALMA (%)	BlackRock Cash (%)
16+	100.0	0.0	0.0
15	93.0	7.0	0.0
14	86.0	14.0	0.0
13	79.0	21.0	0.0
12	72.0	28.0	0.0
11	65.0	35.0	0.0
10	58.0	42.0	0.0
9	51.0	49.0	0.0
8	44.0	56.0	0.0
7	37.0	63.0	0.0
6	30.0	70.0	0.0
5	25.0	70.8	4.2
4	20.0	68.0	12.0
3	15.0	65.0	20.0
2	10.0	50.0	40.0
1	5.0	35.0	60.0
0	0.0	20.0	80.0

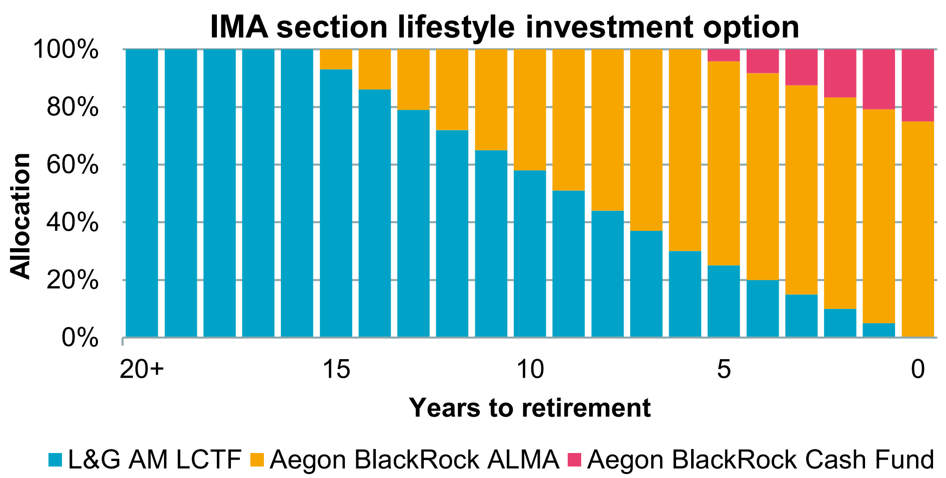
The Hybrid (IMA) Section

Like the AVC and MPA Section, we have selected BlackRock and L&G AM to manage the funds that are available to members. The range of passively and actively managed funds and benchmarks for each fund are as follows:

Fund	Benchmark	Performance objective
BlackRock Aquila Life Global Equities (60:40) Index Fund[2]	Aquila Life (60:40) Global Equity Benchmark	The fund aims to provide returns consistent with the markets in which it invests.
LGIM Low Carbon Transition Developed Markets Equity Fund ("LCTF")	Solactive L&G Low Carbon Transition Developed Markets Index	To achieve a tracking error of within 0.6% pa relative to the benchmark.
BlackRock MSCI World Index Fund	MSCI World Net Total Return GBP	To achieve a return in line with the benchmark
BlackRock UK Equity Index Fund	FTSE All-Share Custom ESG Screened Index	To provide a return which closely tracks the benchmark.
Blackrock Aquila Life Market Advantage ("ALMA") Fund[1]	30% MSCI All Country World Index (GBP hedged) / 70% Bloomberg Global Aggregate Index (GBP hedged)	To outperform the benchmark (gross of fees) over the long term (5 consecutive years).
BlackRock Aquila Life All Stocks UK Gilt Index Fund	FTSE Actuaries UK Conventional Gilts All Stocks Index	To achieve a tracking error of within 0.2% pa relative to the benchmark.
BlackRock Aquila Life Over 15 Years UK Gilt Index Fund[2]	FTSE Actuaries UK Conventional Gilts Over 15 Years Index	To achieve a tracking error of within 0.2% pa relative to the benchmark.
BlackRock Index Linked Gilt Index Fund[2,3]	FTSE Actuaries Over 5 Year Index Linked Gilt Index	To achieve a tracking error of within 0.2% pa relative to the benchmark.
BlackRock iShares Corporate Bond All Stocks Index Fund	iBoxx Sterling Non-Gilt All Stocks Index	To achieve a tracking error of within 0.3% pa relative to the benchmark.
BlackRock Cash Fund[1]	7 day SONIA	To match the benchmark before fees.

The relevant members are provided with clear information on the investment options and their characteristics that will allow the members to make an informed choice.

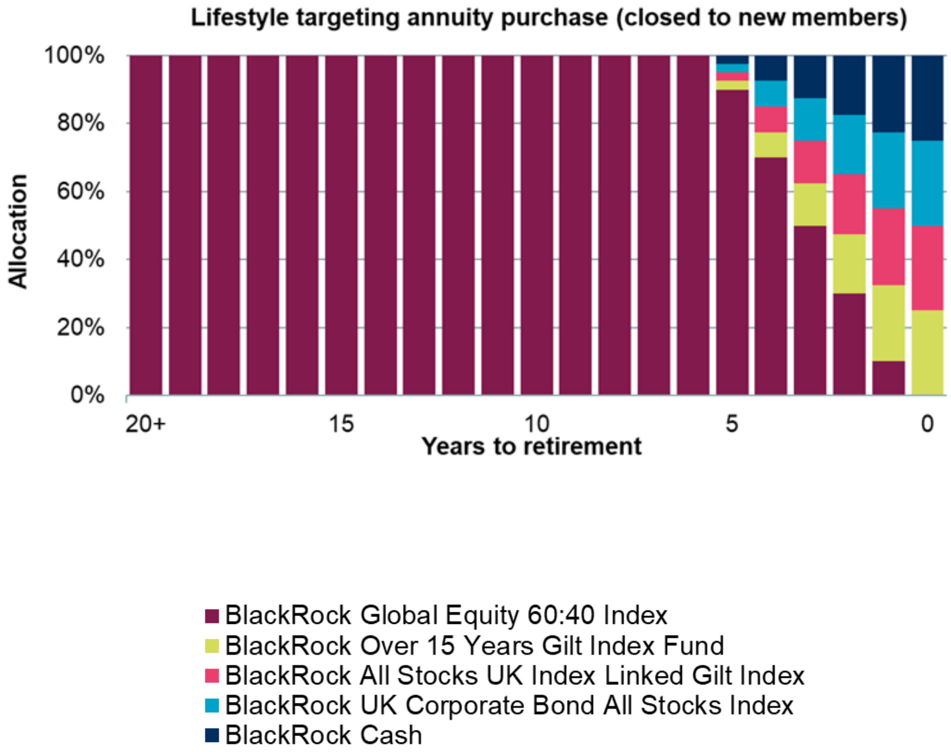
The IMA Section also has a lifestyle investment option which has been designed to have risk and return characteristics similar to a lifestyle targeting flexible drawdown which is summarised in the following table and chart. We reviewed the lifestyle investment option between January 2023 and June 2023 and the changes to this lifestyle were implemented in February 2024.



[1] Benchmark adjusted from LIBOR/LIBID to SONIA following the cessation of LIBOR. New benchmark effective from 1 October 2021 for BlackRock Cash Fund and 28 August 2025 for BlackRock ALMA.
[2] These funds are only available for members to invest in as part of the annuity lifestyle investment option. Only those members who were invested in this lifestyle, and within one year of their target retirement date at the date of the transition in April 2021, can remain invested in this lifestyle.
[3] On 31 May 2023 assets in the Aegon BlackRock All Stocks UK Index Linked Gilt Index Fund were moved to the Aegon BlackRock Index-Linked Gilt Fund as the fund closed.

Term to retirement (years)	L&G AM LCTF (%)	BlackRock ALMA (%)	BlackRock Cash Fund (%)
16+	100.0	0.0	0.0
15	93.0	7.0	0.0
14	86.0	14.0	0.0
13	79.0	21.0	0.0
12	72.0	28.0	0.0
11	65.0	35.0	0.0
10	58.0	42.0	0.0
9	51.0	49.0	0.0
8	44.0	56.0	0.0
7	37.0	63.0	0.0
6	30.0	70.0	0.0
5	25.0	70.8	4.2
4	20.0	71.7	8.3
3	15.0	72.5	12.5
2	10.0	73.3	16.7
1	5.0	74.2	20.8
0	0.0	75.0	25.0

The lifestyle option targeting annuity purchase, that was available prior to 19 April 2021 remains open as an option for members who were within 1 year to retirement at the time of the transition who did not elect to move to the new lifestyle, however this lifestyle is now closed to all other members. Details of the closed lifestyle investment option targeting annuity purchase at retirement is summarised in the table and chart.



Term to retirement (years)	BlackRock Global Equity 60:40 Index Fund (%)	BlackRock Over 15 years Gilt Index Fund (%)	BlackRock Index-linked Gilt Index Fund (%)	BlackRock UK Corporate Bond Index Fund (%)	BlackRock Cash Fund (%)
More than 5	100.0	0.0	0.0	0.0	0.0
5	90.0	2.5	2.5	2.5	2.5
4.5	80.0	5.0	5.0	5.0	5.0
4	70.0	7.5	7.5	7.5	7.5
3.5	60.0	10.0	10.0	10.0	10.0
3	50.0	12.5	12.5	12.5	12.5
2.5	40.0	15.0	15.0	15.0	15.0
2	30.0	17.5	17.5	17.5	17.5
1.5	20.0	20.0	20.0	20.0	20.0
1	10.0	22.5	22.5	22.5	22.5
0.5	0.0	25.0	25.0	25.0	25.0

Part 4:
Monitoring and engaging with managers on voting and engagement

This section sets out our effective system of governance ("ESOG") in relation to stewardship. This includes monitoring the voting and engagement activities that our investment managers undertake on our behalf, engaging with them regarding our expectations in relation to stewardship, and encouraging improvements in their stewardship practices. We will review this ESOG periodically, and at least triennially.

On a triennial basis, we will also undertake an own risk assessment ("ORA") which assesses how well our ESOG is working and whether any changes should be made.

Stewardship priorities

We have selected some priority themes to provide a focus for our monitoring of investment managers' voting and engagement activities. We will review them regularly and update them if appropriate. Our current priorities are climate change, human rights, and business ethics.

We chose these priorities because they are market-wide areas of risk that are financially material for the investments and can be addressed by good stewardship. Therefore, we believe it is in its members' best interests that the Plan's managers adopt strong practices in these areas.

We will write to our investment managers regularly to notify them of our stewardship priorities and remind them of our expectations of them in relation to ESG considerations.

Manager selection

We aim to appoint investment managers that have strong responsible investment skills and processes and have a preference for managers and funds with net zero targets and credible plans to meet them. We therefore favour investment managers who are signatories to the Principles for Responsible Investment, the UK Stewardship Code as well as the Net Zero Asset Managers Initiative.

When selecting new managers, we consider our investment consultant's assessment of potential managers' capabilities in this area. If we meet prospective managers, we ask questions about responsible investment, focusing on our stewardship priorities.

Manager monitoring

We receive information regularly to enable us to monitor our managers' responsible investment practices and check how effective they're being.

This information includes metrics such as our investment consultant's responsible investment grades for each manager, whether they are signatories to responsible investment initiatives, and (where available) carbon emissions data for our mandates. On an ad-hoc basis we consider a selection of voting and engagement examples relating to our stewardship priorities. The examples are chosen to reflect our stewardship priorities and material mandates over the course of the Plan year (although not necessarily every priority for every mandate).

Ongoing cycle of manager engagement

Given that responsible investment is rapidly evolving, we expect most managers will have areas where they could improve. We therefore aim to have an ongoing dialogue with our managers to clarify our expectations and encourage improvements.

We review the information outlined above to identify any concerns, for example where the managers' actions are not aligned with our views. Where there are concerns, we typically seek further information through our investment consultants. If a concern is confirmed, we will consider what further action is appropriate/intend to take the following steps:

1. We define clearly what the issue is, the objective(s) for the engagement and the target date(s) for achieving those objective(s).
2. We contact the manager to raise the concern and set out our expectations in relation to the issue
3. We aim to agree an improvement plan with the manager with target date(s) for achieving engagement objectives
4. We review periodic progress reports as the plan is implemented. This may include inviting the manager to one of our regular meetings to discuss the issue
5. As appropriate we may seek to escalate the concern with a more senior individual at the manager

6. If our concerns are not addressed, we might reduce the allocation to that mandate or replace the manager.

We review progress on the engagements on a regular basis and agrees any next steps.

Implementation statement including most significant votes

Following the end of each Plan year, we prepare a statement which explains how we have implemented our Statement of Investment Principles and voting and engagement policies during the year. We publish it online for our members to read.

In the statement, we describe how our managers have voted on our behalf during the year, including the most significant votes cast. We select these votes from a set of significant votes compiled by our investment consultant from those provided by our managers. In doing so, we have regard to:

- whether it relates to one of our stewardship priorities;
- the potential financial impact of the vote;
- any potential impact of the vote on our investor rights or influence;
- the size of our holding; and
- whether the vote was high-profile or controversial.