

Engagement Policy Implementation Statement (“EPIS”)

Magnox Electric Group of the Electric Supply Pension Scheme
(the “Group”)

Magnox Electric Group Trustee Company Limited
(the “Group Trustee”)

Group Year End – 31 March 2025

This statement summarises the voting and engagement activities of the Group Trustee in managing the Group’s investments during the year ending 31 March 2025. It includes:

1. How the Group Trustee’s voting and engagement policies have been followed during the year; and
2. How voting rights have been exercised or how these rights have been exercised on behalf of the Group Trustee, including the use of any proxy voting advisory services and an overview of the ‘most significant’ votes cast during the year.

Our conclusion

Based on the activity carried out over the year by the Group Trustee, its investment advisers, and its investment managers, the Group Trustee believes that its voting and engagement policies have been followed during the year.

The Group Trustee notes that:

- The Group’s investment managers were able to disclose adequate evidence of voting and/or engagement activity; and
- The activities disclosed by investment managers were aligned with its voting and engagement policies.

The Group Trustee will continue to use its influence to drive positive behaviour and change across the investment managers that it has invested with and other third parties that the Group Trustee relies on such as its investment adviser. The Group Trustee will monitor, assess and ultimately hold them to account to ensure that its policies are appropriately carried out.

How voting and engagement policies have been followed

The Group Trustee last reviewed the policies set out in the Statement of Investment Principles (SIP) for each Section in 2023. The policies in relation to voting and engagement are identical for each Section within the Group.

No changes were made to the SIPs over the reporting year and the latest policies can be found on the Group's website.

<https://my-magnox-pension.com/library/scheme-documents>

The Group is invested in mostly pooled funds, and so the responsibility for voting and engagement is delegated to the Group's investment managers. The Group has a single segregated mandate which is managed by Robeco. This mandate is comprised of corporate bonds and cash, which have no voting rights attached.

In addition to preparing this statement, the following stewardship activities have been completed over the reporting year:

Ongoing monitoring

Investment monitoring takes place on a quarterly basis with monitoring reports being provided to the Group Trustee by its investment adviser. The Group Trustee expects its investment adviser to proactively highlight any areas of concern and provide clear advice where action is required – this includes, but is not limited to, matters in relation to the effective stewardship of assets (including voting and engagement).

The Group Trustee regularly invites its investment managers to provide updates at its meetings. These updates will include, among other things, information on performance, stewardship and Environmental, Social and Governance ("ESG") factors.

The ongoing monitoring has not identified any material voting and engagement issues during the reporting year.

Climate risk management

The Group Trustee continues to meet the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

The Group Trustee will continue to publish a report annually within seven months of the Group year end. The Group's most recent report is available on the Group's website (see link above).

Conclusion

The Group Trustee has reviewed the voting and engagement activity of the Group's investment managers over the reporting year. The Group Trustee believes its investment managers have been able to disclose adequate evidence of activity and is comfortable that the activities undertaken were aligned with its voting and engagement policies.

More information on the voting and engagement activity carried out by the Group's investment managers can be found in the following sections of this report.

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental Social Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

Managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. The Group Trustee believes that good stewardship is in the members' best interests. This means promoting best practice, encouraging investee companies to access opportunities, managing risk appropriately, and protecting shareholders' interests. Understanding and monitoring the stewardship that investment managers practice is an important factor in deciding whether an investment manager remains the right choice for the Group.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. The Group Trustee expects its equity-owning investment managers to responsibly exercise their voting rights.

Voting statistics

The table below shows the voting statistics for the Group's only fund with voting rights for the year to 31 March 2025.

Fund	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
Schroder Investment Management ("Schroders") - Diversified Growth Fund	16,606	96.4%	10.5%	0.1%

Source: Schroders. Please note that the 'abstain' votes noted above are a specific category of vote that has been cast, and are distinct from a non-vote.

Schroders votes against management proposals were typically due to reasons such as excessive auditor tenure and concerns in relation to board diversity as well as to encourage better performance-based targets. While Schroders attempted to vote on all resolutions, it was not always able to due to share blocking (trading of shares around meeting dates) and issues with power of attorney / other paperwork.

Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table on the following page describes how Schroders uses proxy voting advisers.

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues.

Source: UN PRI

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

Manager	Description of use of proxy voting adviser (in the managers' own words)
Schroders	Glass Lewis ("GL") act as our one service provider for the processing of all proxy votes in all markets. GL delivers vote processing through its Internet-based platform Viewpoint. Schroders receives recommendations from GL in line with our own bespoke guidelines, in addition, we receive GL's Benchmark research. This is complemented with analysis by our in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers

Source: Schroders

Significant voting examples

The Group Trustee asked Schroders to provide a selection of significant votes cast. The significant votes provided were in relation to remuneration policies, climate reporting, human rights risks and the assessment of AI used in targeted advertising.

An example of one of these significant votes has been included in the appendix.

Managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Group's investment managers. The investment managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e. is not necessarily specific to the funds invested in by the Group.

Funds	Group Exposure (% of assets at 31 March 2025)	Number of engagements*		Themes engaged on at a fund/firm level
		Fund Level	Firm Level	
Chorus - Capital Credit Fund IV	4.5	17	17	Environment - Climate Change; Natural Resource Use/Impact; Pollution, Waste Social - Conduct, Culture and Ethics; Human and Labour Rights; Human capital management Governance – Board effectiveness, leadership – Chair/CEO and independence and oversight
Invesco - Real Estate UK Residential Fund	3.3	<i>Not provided</i>	134	Environment - Climate Change; Natural resource use/impact; Pollution, Waste Social - Human and Labour Rights; Conduct, culture and ethics; Human capital management; Public health Governance - Remuneration; Board effectiveness – Diversity; Shareholder rights; Strategy, Financial & Reporting
L&G - UK Build to Rent Fund	3.6	30	4,399	Environment - Climate Change; Natural Resource Use/Impact; Pollution, Waste Social - Human and Labour Rights; Human capital management Governance - Leadership - Chair/CEO Strategy, Financial and Reporting - Capital allocation; Reporting; Financial performance; Strategy/purpose
M&G - Inflation Opportunities Fund	8.2	<i>Not provided</i>	406	Environment - Climate Change; Natural Resource Use/Impact; Social - Human and Labour Rights; Human capital management Governance* - Leadership - Chair/CEO; Board effectiveness – Diversity Strategy, Financial and Reporting* - Capital allocation; Financial performance; Strategy/purpose
Robeco - Global Credits	7.5	33	324	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights; Human capital management Governance - Shareholder Rights Other - Sustainable Development Goals ("SDG") Engagement
Schroders - Diversified Growth Fund	0.3	1,550	4,713	Environment - Climate alignment (decarbonising and minimising emissions), Climate risk and oversight, Nature-related risk and management Social - Customers and consumers Governance - Executive remuneration, Boards and management Strategy, Financial & Reporting - Purpose, strategy and capital allocation

Funds	Group Exposure (% of assets at 31 March 2025)	Number of engagements*		Themes engaged on at a fund/firm level
		Fund Level	Firm Level	
Arcmont - European Direct Lending Fund III	2.1	5	30	Environment - Climate change Social - Human capital management Strategy, Financial and Reporting - Reporting; Risk management
CBRE - Global Investors UK Property	5.1	Not provided		CBRE does not collate statistics on the number of individual engagements undertaken. However, CBRE has provided some engagement case studies, mostly in relation to ESG and climate change risks.
CBRE - Long Income Investment Fund	3.7	Not provided		
IFM - Global Infrastructure Fund	5.4	Not provided		IFM does not collate statistics on the number of individual engagements undertaken. However, IFM has provided some engagement case studies, mostly in relation to climate change and improved safety performance.
InfraRed – Infrastructure Yield Fund	2.1	Not provided		InfraRed does not collate statistics on the number of individual engagements undertaken. However, InfraRed has engaged with the entire portfolio on key environmental themes like climate risk, sustainability governance, decarbonisation etc over the course of the period.
Innisfree - PFI Secondary Fund	6.1	Not provided		Environment - Climate change; Social - Conduct, culture and ethics; Human Capital Management Governance - Strategy, Financial and Reporting.
Innisfree - PFI Continuation Fund	2.1	Not provided		Environment - Climate change; Social - Conduct, culture and ethics; Human Capital Management Governance - Strategy, Financial and Reporting.

Source: Managers.

*As defined by the respective investment manager.

Data limitations

The Group Trustee has concentrated on summarising the stewardship activities of material holdings where there is meaningful scope for engagement. With this in mind, the EPIS does not disclose stewardship information in relation to:

- Funds representing less than 2% of the Group's total assets and any AVC investments held at 31 March 2025 on the grounds of materiality, except for the investments held with Schroders given the investment manager has allocations to listed equities; and
- The Group's LDI holdings with CTI (c.37% of total Group assets), annuity held with Canada Life (c.1% of total Group assets) and cash held with BlackRock (<2% of total Group assets) as the Group Trustee deems the scope for engagement to be very limited.

At the time of writing, Invesco, M&G, CBRE, IFM, InfraRed and Innisfree did not provide all the information requested in the required format. However, all investment managers written to did provide adequate evidence of engagement activity.

Appendix – Significant Voting Examples

In the table below is a significant vote example provided by the Group's manager with equity exposure. The Group Trustee consider a significant vote to be one which the manager considers significant. Investment managers use a wide variety of criteria to determine what they consider a significant vote, an example of one of Schroders' significant votes is outlined below:

Schroders - Diversified Growth Fund	Company name	Berkshire Hathaway Inc.
	Date of vote	4 May 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	<i>Not provided</i>
	Summary of the resolution	Shareholder Proposal Regarding Climate Report
	How you voted?	Votes For Resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We may tell the company of our intention to vote against the recommendations of the board before voting, in particular if we are large shareholders or if we have an active engagement on the issue. We always inform companies after voting against any of the board's recommendations.
	Rationale for the voting decision	We are keen to see the company develop their emission reduction targets and publish a climate transition action plan to help shareholders better understand their progress towards a net zero transition. We believe how we have voted is in the best financial interests of our clients' investments.
	Outcome of the vote	Failed
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	We monitor voting outcomes particularly if we are large shareholders or if we have an active engagement on the issue. If we think that the company is not sufficiently responsive to a vote or our other engagement work, we may escalate our concerns by starting, continuing or intensifying an engagement. As part of this activity, we may also vote against other resolutions at future shareholder meetings, such as voting against the election of targeted directors.
	On which criteria have you assessed this vote to be most significant?	Shareholder Proposal Regarding Report/Action on Climate Change.

Source: Schroders