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 2026

This statement summarises the voting and engagement activities of the Group Trustee in managing the Group’s investments during the year ending 31 March 2026. It includes:

1. How, and the extent to which, the Group Trustee's policies relating to stewardship, including voting and engagement, have been followed during the year; and
2. How voting rights have been exercised, or exercised on the Group Trustee's behalf, including the use of any proxy voting advisory services and an overview of the most significant votes cast during the year.

Executive Summary

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 policies relating to stewardship, including voting and engagement, have been followed during the year.

The Group Trustee notes that:

- The Group’s investment managers were able to disclose good 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 stewardship policies have been followed

The Group Trustee last reviewed the Statements of Investment Principles (SIP) for each Section in July 2026, after the reporting year end. No changes were made to the stewardship policies, including the voting and engagement policies, which remain consistent across all Sections. The SIP for each Section is available on the Group's website.

https://www.my-magnox-pension.com/knowledge-hub/about-the-scheme/scheme-documents

The Group is invested mostly in pooled funds, and so the responsibility for voting and engagement is delegated to the Group's investment managers, which is in line with the policies set out in our SIP. 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 quarterly, with reports provided to the Group Trustee by its investment adviser. The Group Trustee expects its investment adviser to proactively identify any areas of concern and provide clear recommendations where action is required. This includes matters relating to the effective stewardship of assets, including voting and engagement activities.

The Group Trustee regularly invites its investment managers to provide updates at trustee meetings. These updates typically cover investment performance, stewardship activities and Environmental, Social and Governance ("ESG") considerations. During the reporting year, the Group Trustee agreed a standard set of four responsible investment questions to be discussed with managers at its twice-yearly manager day meetings.

Based on its ongoing monitoring and engagement with investment managers, the Group Trustee did not identify any material concerns requiring escalation or changes to manager appointments during the reporting year.

Climate risk management

The Group Trustee continues to monitor how climate-related risks and opportunities are considered within manager stewardship and engagement activities. Further detail on the Group Trustee's monitoring can be found in its most recent Task Force on Climate-related Financial Disclosures (TCFD) report (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 good 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

Manager's 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.

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

Voting statistics

The table below shows the voting statistics for the Group's only fund with voting rights for the year to 31 March 2026.

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	17,412	95.7%	10.2%	0.2%

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 tenor 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 recommendations from proxy voting advisers.

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

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(s)** ***(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 requested a number of significant voting examples from Schroders covering themes including climate reporting, remuneration, human rights and governance matters. An example of one of these significant votes has been included in the appendix.

Our 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 2026)	Number of engagements*		Themes engaged on at a fund level
		Fund level	Firm level	
BGO - UK Secured Lending III	2.4	15	*Not provided*	• **Environment** - Climate Change; Natural Resource Use/Impact • **Social** - Human Capital Management; Human and Labour Rights
Chorus - Capital Credit Fund IV**	2.2	26	26	• **Environment** - Antimicrobial Resistance; Climate Change; Natural Resource Use/Impact • **Social** - Inequality; Public health
Invesco - Real Estate UK Residential Fund**	2.7	*Not provided*	127	• **Environment** - Climate Change; Natural Resource Use/Impact • **Social** - Conduct, culture and ethics; Human and labour rights • **Governance** - Strategy, Financial and Reporting; Remuneration
L&G - UK Build to Rent Fund**	3.6	*260*	3,762	• **Environment** - Climate Change; Natural Resource Use/Impact • **Social** - Human capital management; Human and Labour Rights • **Governance** - Strategy, Financial and Reporting; Remuneration
M&G - Inflation Opportunities Fund**	8.0	*Not provided*	533	• **Environment** - Climate Change; Natural Resource Use/Impact • **Social** - Human and Labour Rights; Public health • **Governance** - Remuneration; Strategy, Financial and Reporting
Robeco - Global Credits	6.9	35	304	• **Environment** - Climate Change; Natural Resource Use/Impact • **Social** - Human and Labour Rights, Conduct, culture and ethics • **Governance** - Board effectiveness – Other; Shareholder rights • **Other** - Sustainable Development Goals ("SDG") Engagement
Schroder - Diversified Growth Fund**	0.4	565***	956***	• **Environment** - Climate mitigation; Climate Oversight • **Social** - Customers and Consumers; Health, Safety, Wellbeing • **Governance** - Boards and Management; Executive Remuneration

CBRE - UK Property	5.3	*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	3.8	*Not provided*		
IFM - Global Infrastructure Fund	5.8	*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	2.2	*Not provided*		*InfraRed does not collate statistics on the number of individual engagements undertaken. However, InfraRed has engaged with the entire portfolio on climate change and community wellbeing over the course of the period.*
Innisfree - PFI Secondary Fund**	5.7	*Not provided*	160	• **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.*
***The following managers did not provide fund level themes; themes provided are at a firm-level.*
****The number of engagements reported by Schroders at both firm and fund level is substantially lower than last year. Schroders has confirmed that the decrease is due to a change in its engagement methodology, with "Pre-AGM letters" now no longer included within its engagement statistics.*

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 2026 on the grounds of materiality, except for the investments held with Schroders given the investment manager has exposure to listed equities; and
- The Group's LDI holdings with CTI (c.41% of total Group assets), annuity held with Canada Life (c.1% of total Group assets) and cash held with BlackRock (<3% of total Group assets) as the Group Trustee deems the scope for engagement to be very limited.

At the time of writing, BGO, Invesco, M&G, CBRE, IFM, InfraRed and Innisfree did not provide all the information requested in the required format. However, all investment managers did provide good 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 considers 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 (in the Schroders' own words):

Schroders - Diversified Growth Fund	**Company name**	Mattel, Inc.
	Date of vote	28 May 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	*Not provided*
	Summary of the resolution	Shareholder Proposal Regarding Reducing Contribution to Climate Change
	How you voted?	Votes supporting 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	Support for this proposal is warranted as shareholders would benefit from more disclosure around how the company is managing and mitigating risks relating to climate. We believe that how we voted is in the best financial interest of our clients' investments.
	Outcome of the vote	Fail
	Implications of the outcome e.g. 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 reporting and reducing Greenhouse Gas Emissions.

Source: Schroders