

Quartzelec Pension Scheme

Annual Engagement Policy Implementation Statement

Introduction

This statement sets out how, and the extent to which, the Engagement Policy in the Statement of Investment Principles ('SIP') produced by the Trustee has been followed during the year to 30 June 2025. This statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and the guidance published by the Pensions Regulator.

Policy on ESG and voting rights

The Scheme's SIP includes the Trustee's policy on Environmental, Social and Governance ('ESG') factors. This policy sets out the Trustee's beliefs on ESG and the processes followed by the Trustee in relation to voting rights and stewardship.

In endeavouring to invest in the best financial interests of the beneficiaries, the Trustee has elected to invest in pooled funds and cannot therefore directly influence the environmental, social, and governance policies and practices of the companies in which the pooled funds invest. The Trustee excludes non-financial matters in the selection, retention and realisation of investments. The Trustee has no formal policy on either Environmental, Social and Governance (ESG) or delegation of voting rights. Instead, they have delegated the responsibility for these matters to their investment managers, who report as follows:

L&G issue a general quarterly ESG report. RLAM issue a quarterly ESG report at the asset class level. Newton issue a fund-specific quarterly report.

As the Trustee use pooled funds, their asset managers are not incentivised to align their investment strategy and decisions with the Trustee's policies, nor are they incentivised to make decisions based on assessments about medium to long-term performance of an issuer of debt or equity, nor to engage with those issuers in order to improve their performance. However, the managers may make such decisions and/or engage of their own accord. As the Trustee use pooled funds, there is no targeted portfolio turnover or turnover range. As the Trustee use pooled funds, they do not need to have an engagement policy in relation to monitoring the capital structure of companies they invest in, or any associated potential conflicts of interest.