



Implementation Statement

The Henry Boot Staff Pension and Life Assurance Scheme

12 months to 31 December 2025

isio.

Document classification: Confidential

Background

Implementation Statement

This statement demonstrates that The Henry Boot Staff and Life Assurance Scheme has adhered to its voting and engagement policies, either through direct oversight or by delegation to their investment managers throughout the reporting year.

Statement of Investment Principles

The Statement of Investment Principles ('SIP') sets out the Trustee policies in regard to voting rights and engagement activity. As stated within the SIP, the Trustee has acknowledged responsibility for the voting and engagement policies undertaken by the Scheme's investment managers on their behalf.

The SIP can be found online at the web address - [Statement of Investment Principles 2025](#)

Voting

The Trustee has acknowledged responsibility for the voting policies that are implemented by the Scheme's investment managers on their behalf. The Trustee has adopted the investment managers' definition of significant votes and has not chosen to set stewardship priorities.

Voting behaviour covering the reporting year up to 31 December 2025 for and on behalf of the Scheme has been provided on page 17. This includes the most significant votes cast by the Scheme or on its behalf.

Engagement

The Trustee has acknowledged responsibility for engagement activity that is conducted by the Scheme's investment managers on their behalf. The Trustee, via their investment advisers, engage with managers about 'relevant matters' at least annually.

Summary of key actions undertaken to implement the SIP

During the year to 31 December 2025, following the conclusion of the actuarial valuation, the Trustee restructured the LDI portfolio to reflect updated liability cashflows and assumptions. This included transitioning from Legal & General's Matching Core Funds to the Matching Plus Funds, improving the effectiveness of the Scheme's hedging strategy. At the same time, the target hedge ratio for interest rates and inflation was increased from 90% to 95% on a Technical Provisions basis,

As the Alcentra EDL I Fund completed its wind-down and returned capital to the Scheme, the Trustee decided to increase allocations to liquid credit strategies, including the M&G Total Return Credit Fund and the Legal & General US Securitised Credit Fund. The increased investment in liquid strategies was also funded by capital returned from maturing illiquid investments and from redemptions in the PIMCO Tactical Opportunities Fund.

Annually, the Trustee undertakes an in-depth review of the investment managers' Environmental, Social and Governance (ESG) policies and practices during the reporting period. The Scheme's

investment managers are placing greater emphasis on integrating ESG factors into their investment decisions. To encourage best practices, the Trustee, through their investment adviser, has outlined several actions for the investment managers to enhance their ESG policies further. The Trustee will continuously monitor the investment managers' progress against these actions.

Signed.....

Position.....

Date.....

Managing risks and policy actions (DB)

The table below summarises the Scheme's identified risks, the related policies set out in the Statement of Investment Principles, and any associated actions taken during the year.

| Risk / Policy | Definition | Policy | Actions and details on changes to policy |
|-------------------------------------|---|--|--|
| Interest rates and inflation | The risk of mismatch between the value of the Scheme assets and present value of liabilities from changes in interest rates and inflation expectations. | To broadly achieve a target hedge of 95% of interest rate and inflation risk on a Technical Provisions basis | Following the completion of the actuarial valuation, the Trustee implemented a number of changes to the LDI portfolio during the reporting year. These changes reflected the updated liability assumptions, the transition into the Matching Plus Fund range, and an increase in the target interest rate and inflation hedge ratio from 90% to 95% on a Technical Provisions basis. |
| Liquidity | Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment. | To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members benefits as they fall due (including transfer values), and to provide collateral to the LDI manager. | The investment strategy distributes regular income to assist in paying benefits as they fall due. Maintaining liquidity is crucial for the Scheme. To ensure adequate funds to meet potential collateral calls from the LDI mandate, it is recommended to hold 50% of the LDI mandate's value in liquid and easily redeemable assets. |

| | | | |
|---------------|---|--|---|
| | | | <p>During the reporting period, the Trustee invested surplus cash, arising from distributions from illiquid investments, into a range of low-risk, liquid credit mandates. These included the M&G Total Return Credit Investment Fund, the L&G Global Unconstrained Bond Fund, and the Legal & General US Securitised Credit Fund. These investments enhanced the Scheme's overall liquidity position. The Trustee is satisfied with the current level of liquidity within the Scheme, as well as the adequacy of collateral supporting the Scheme's Liability Driven Investment mandate.</p> |
| Market | <p>Experiencing losses due to factors that affect the overall performance of the financial markets.</p> | <p>To remain appropriately diversified and hedge away any unrewarded risks, where practicable.</p> | <p>The Scheme reduces market risk by diversifying its assets across a range of asset classes and investment managers. The Trustee is satisfied that the Scheme's assets remain sufficiently diversified to appropriately address market risk. The Scheme's allocations are monitored on a</p> |

| | | | |
|---|--|--|---|
| | | | regular basis relative to the Strategic Asset Allocation. |
| Credit | Default on payments due as part of a financial security contract. | To diversify this risk by investing in a range of credit markets across different geographies and sectors. To appoint investment managers who actively manage this risk by seeking to invest only in debt securities where the yield available sufficiently compensates the Scheme for the risk of default. | The Scheme invests across a range of credit strategies, which provides exposure to several sectors and geographies. The Trustee maintained a diversified portfolio over the year to 31 December 2025. During the reporting period, capital returned from the Alcentra EDL I Fund and excess funds were reinvested in the M&G TRCI and L&G US Securitised Credit Funds. The Scheme's investment adviser meets with the Scheme's investment managers on a regular basis to monitor portfolio risk. The Trustee is satisfied with the degree of credit risk taken by the Scheme. |
| Environmental, Social and Governance | Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Scheme's investments. | ESG is taken into account as part of Isio's standard due diligence and ongoing research and as such is a consideration in the selection and monitoring of the Scheme's investment managers. | The Trustee monitors the managers on an ongoing basis via the sustainability impact report, which provides further details and proposed actions for the Scheme's investment managers improvements in ESG integration. ESG ratings are also shared in the |

| | | | |
|-----------------|---|--|---|
| | | | quarterly investment performance reports. |
| Currency | The potential for adverse currency movements to have an impact on the Scheme's investments. | To hedge currency risk where reasonably possible within the funds which the Scheme invests in. | There have been no changes to policy over the reporting year. |

Changes to the SIP

Over the period to 31 December 2025 the Trustee made changes to the SIP to ensure it remained compliant with evolving regulatory guidance and the Scheme's investment strategy and policies.

Please see the table below:

| Updates to the SIP | |
|-----------------------------|---|
| Date Updated: December 2025 | |
| Investment Strategy | Over the reporting period, the Scheme's SIP and Investment Implementation document were updated to reflect an increase in the Scheme's interest rate and inflation movement target hedge from 90% to 95%. |

Current ESG policy and approach

ESG as a financially material risk

The SIP describes the Scheme's policy with regards to ESG factors as a financially material risk. The Scheme has agreed a more detailed ESG policy which describes how it monitors and engages with the investment managers. This page details the Scheme's ESG policy. The next page details the Trustee's view of the managers, the actions for engagement and an evaluation of the engagement activity.

| | |
|----------------------------|--|
| Investment Approach | <ol style="list-style-type: none">1. The Trustee wants to understand how asset managers integrate ESG within their investment process and in their stewardship activities.2. The Trustee believes that sectors aiming for positive social and environmental impacts may outperform as countries transition to more sustainable economies. Where possible the investment strategy will seek to allocate to these sectors.3. The Trustee will consider the ESG values and priority areas of the stakeholders and sponsor and use these to set ESG targets. |
| Risk Management | <ol style="list-style-type: none">4. The Trustee believes ESG factors such as climate change are important for risk management and can be financially material. Therefore, managing these risks forms part of the fiduciary duty of the Trustee.5. The Trustee believes that ESG integration leads to better risk adjusted outcomes and want a positive ESG tilt to the investment strategy. |
| Stewardship | <ol style="list-style-type: none">6. The Trustee believes ESG factors are relevant to all asset classes and, whether equity or debt investments, managers have a responsibility to engage with companies on ESG factors.7. The Trustee believes that engaging with managers is more effective to initiate change than divesting and so will seek to communicate key ESG actions to the managers in the first instance.8. The Trustee wants to understand the impact of voting & engagement activity within their investment mandates. |
| Reporting | <ol style="list-style-type: none">9. ESG factors are dynamic and continually evolving, therefore the Trustee will receive training as required to develop their knowledge.10. The Trustee will seek to monitor key ESG metrics within their investment portfolio to understand the impact of their investments. |
| Collaboration | <ol style="list-style-type: none">11. Asset managers should be actively engaging and collaborating with other market participants to raise ESG investment standards and facilitate best practices as well as sign up and comply with common codes such as UNPRI and TCFD.12. The Trustee should seek to sign up to a recognised ESG framework to collaborate with other investors on key issues. |

Engagement

The Trustee reports on engagement at two levels: oversight of engagement with investment managers, and engagement undertaken by investment managers with investee companies. Responsibility for day-to-day engagement has been delegated to the Scheme's investment consultant and investment managers. More detail can be found within the following pages.

Engagement with investee companies

Investment managers are responsible for ongoing engagement with investee companies, on behalf of the Trustee. The investment managers have provided details on their engagement activities, including a summary of the engagements by category, for the 12-month period to 31 December 2025, as well as specific examples that cover engagement topic, the actions undertaken and the engagement outcome.

| Manager - Fund | Engagement Summary | Commentary |
|--|---|--|
| Walter Scott – Long Term Global Equity Fund | <p>Number of entities engaged: 15</p> <p>Environmental: 3 Of which relating to Climate change: 1</p> <p>Social: 2</p> <p>Governance: 16</p> <p>Financial: 1</p> | <p>In the 12 months to 31 December 2025, Walter Scott continued its thematic engagement activities across the portfolio, with members of the Research Team leading discussions on sustainability topics. Engagement responsibilities remain embedded within the research function, and the firm's approach continues to centre on its two objectives: Engagement for Information and Engagement for Change. The following example highlights a long-running engagement focused on climate transition planning.</p> <p>Example of engagement include:</p> <p>CLP Holdings – Walter Scott began engaging with CLP in 2022 with the objective of accelerating the company's decarbonisation pathway to align more closely with a 1.5°C scenario. In an August 2023 meeting with outgoing CEO Richard Lancaster and</p> |

his successor TK Chiang, discussions focused on Hong Kong’s long-term net-zero strategy, including switching from coal to gas and increasing imports of zero-carbon electricity from mainland China. This transition will require significant investment in transmission infrastructure, a new nuclear plant in Guangdong, and expanded offshore wind capacity. CLP intends to seek equity stakes in elements of the new nuclear project, following the blueprint of the Daya Bay facility. A subsequent meeting in September 2023 with independent director Betty Yuen reaffirmed board-level commitment to decarbonisation, noting Hong Kong's progress toward retiring coal assets by the mid-2030s and future plans to convert gas generation to hydrogen. Walter Scott will continue to monitor asset-level developments and use engagement to support the company’s long-term transition strategy.

PIMCO – Diversified Income Fund

Total Engagements: 320
 Number of entities engaged: 276

Environmental: 303
 Of which relating to
 Climate change: 253

Social: 89

Governance: 2,227

Other:
 - ESG Bonds (62),

As one of the largest bondholders in the world, PIMCO has a significant platform with which to engage issuers on factors that may be material to risk and return considerations – including ESG topics. PIMCO constructively engages with issuers to both uncover investment insight and seeks to influence outcomes which may reduce risks or capitalise on opportunities.

PIMCO aim to create value and promote positive change by working with companies still evolving in their sustainability practices, as well as those already demonstrating a deeply unified approach to sustainability. PIMCO seek to influence changes to benefit investors, which may also benefit additional

- Product Safety and Quality (11)

stakeholders, including a company's employees and the environment.

Example of engagement include:

UK Financial Services Firm - PIMCO continued its engagement with one of the UK's largest banking groups, following earlier discussions on sustainable financing, climate strategy and nature-related risks. In a recent call with the bank's ESG Investor Relations and Climate teams, PIMCO revisited previous recommendations, including enhancements to nature reporting and progress toward aligning sector-level climate pathways. The issuer confirmed it is reassessing these pathways in light of updated UK carbon budgets and noted that, while it met its sustainable finance target ahead of schedule, it has yet to provide detailed reporting against this achievement. The bank outlined plans to produce a future nature statement but has not committed to adopting TNFD-aligned disclosures. PIMCO shared best-practice examples to help shape their approach. The issuer has strengthened its physical climate risk assessments for commercial real estate and is updating its corporate modelling. While it has partially met PIMCO's recommendations by expanding nature-related disclosures using ENCORE, further progress is required. PIMCO will continue to monitor developments in financed emissions, carbon attribution and nature-related reporting and will follow up as necessary

| | | |
|--|---|---|
| <p>PIMCO – Tactical Opportunities Fund</p> <p>PIMCO - BRAVO III and BRAVO IV</p> | <p>PIMCO currently do not provide details of their engagement activities for the Tactical Opportunities Fund and BRAVO III and IV due to the nature of the Funds. While Tactical Opportunities Fund is open-ended, the Fund’s opportunistic nature limits the scope for ESG integration relative to traditional fixed income funds with broader opportunity sets. As the Bravo Funds are closed-ended and largely invested, it is unlikely any material ESG improvements will be made via credit selection.</p> | |
| <p>Alcentra – European Direct Lending (EDL) Fund II</p> | <p>Total Engagements: 287* Number of entities engaged: 37*</p> <p>Environmental: 13 Of which relating to Climate change: 9</p> <p>Social: 12 Of which relating to Human capital management: 6</p> <p>Governance: 3</p> <p>Financial: 24</p> <p>*The figures provided above is the engagement data for Alcentra’s Private Credit business over the reporting year</p> | <p>In the 12 months to 31 December 2025, Alcentra continued to engage actively with portfolio companies on ESG topics, with discussions led by the investment and ESG teams. These engagements aim to strengthen the credibility of sustainability-linked structures and ensure that ESG performance indicators support meaningful improvements across borrowers.</p> <p>Examples of engagement include:</p> <p>Company A (Motorcycle accessories manufacturer) – Alcentra worked with a portfolio company and its sponsor to develop ESG KPIs for a sustainability-linked loan. Initial proposals focused on broad CSR activity, which Alcentra considered insufficient to meet the Sustainability-Linked Loan (SLL) Principles. Through several discussions, Alcentra guided the company toward a set of material, data-driven KPIs that aligned with market best practice. These included establishing baseline emissions with SBTi submission,</p> |

linking senior leadership remuneration to defined ESG outcomes, and undertaking a structured review of eco-design practices with a clear roadmap for future improvements. Alcentra considers the engagement successful, having secured KPIs that are both credible and appropriately stretching.

Company B (Energy-based medical solutions) – Alcentra engaged with a portfolio company operating under an existing ESG margin ratchet, where the KPI had been set in June 2022. After missing the most recent target, the company sought to reset the baseline in Q2 2023. Alcentra reiterated that ESG KPIs must remain ambitious stretch targets rather than be revised to accommodate underperformance. Following a clear discussion with the sponsor, the KPI was left unchanged. This engagement helped preserve the integrity of the ESG-linked facility and avoided the risk of diluting standards or creating perceptions of greenwashing.

Partners Group – Private Markets Credit Strategies 2016

Partners Group no longer provides detailed ongoing engagement metrics or portfolio-level engagement reporting for these mandates, as they relate to older vintages. Notwithstanding this, Partners Group continues to integrate ESG considerations into its investment processes at the firm level, including during due diligence and, where applicable, ongoing portfolio monitoring.

Partners Group – Private Markets Credit Strategies 2018

L&G – Matching Plus LDI Range

L&G is unable disclose information about the number of engagements related to their Matching Plus LDI Range. However, LGIM embeds ESG within their counterparty review process for LDI funds via their Active ESG tool & are constantly engaging with counterparties.

L&G considers ESG to be a crucial aspect of LDI and integrates it into their LDI approach both from a top-down and bottom-up perspective. They engage with regulators, governments, and other industry participants to tackle long-term structural issues, while also using proprietary ESG tools to analyse ESG-related criteria in the assessment of counterparties.

L&G – Global Unconstrained Bond Fund

Total Engagements: 417

Environmental: 283

Social: 8

Governance: 75

Other:51

Examples of significant engagements at firm-level include:

Rio Tinto – L&G have been engaging with Rio Tinto to understand the company’s progress on climate transition planning, with a focus on strengthening emissions-reduction targets and improving disclosure on Scope 3 emissions. Recent discussions have assessed how the company’s updated climate strategy aligns with L&G’s expectations for mining companies. Following clearer long-term targets and improved transparency, L&G supported Rio Tinto’s latest Climate Action Plan and pre-declared voting intentions. L&G will continue to monitor the implementation of the plan and engage further to ensure ongoing progress on decarbonisation.

L&G US Securitised Credit Fund

Total Engagements: 7

Environmental: 4

Other: 3

Nippon Steel – L&G have engaged with Nippon Steel to assess progress on climate-related policy disclosures, following earlier concerns about limited transparency in the company’s lobbying activities. Recent discussions have focused on the company’s steps to enhance openness, including the publication of its first industry Association Review and updated policy positions ahead of the 2025 AGM. These

actions indicate early progress in aligning the company's policy engagement with its long-term climate and decarbonisation commitments. L&G will continue to engage with Nippon Steel to encourage further improvements and support greater transparency in its climate-related advocacy.

JP Morgan ('JPM') - Infrastructure Investments Fund ('IIF')

Number of entities engaged: 18

Due to Infrastructure Investment Fund's 100% ownership or majority governance controls, the IIF team manages each of the assets. This includes continuous engagement with portfolio companies which includes engagements with government entities, regulators, other stakeholders, lenders and industry bodies. IIF's focus is on managing the business and incorporating specific financially material sustainability factors in business plans and strategies.

Examples of engagements include:

North Stream Midstream Partners ("NSMP") – As part of its focus on climate change and carbon reduction, IIF engaged with NSMP, a UK-critical natural gas transportation and processing business, to demonstrate active asset management within a carbon-intensive, regulated asset. Since acquiring NSMP in 2019, IIF has worked closely with management to reduce emissions and support the energy transition. IIF continues to engage with NSMP's management to drive progress towards both NSMP's and the UK's climate objectives.

M&G – Total Return Credit Investment Fund ('TRCI')

Total Engagements: 86
Number of entities engaged: 19

M&G continues to view ESG integration as central to delivering value for clients. The firm maintains engagement objectives and assesses progress

Environmental: 69
Of which relating to
Climate change: 56

Social: 12

Governance: 5

Other:
Succession (2)

against these targets across markets. Engagement themes continue to focus on social responsibility, climate alignment and governance practices, with emphasis on understanding how companies are preparing for evolving regulatory expectations.

Examples of engagement include:

Stellantis NV – As part of a collaborative Climate Action 100+ engagement, M&G co-signed an investor letter raising concerns over misalignment between Stellantis' public climate commitments and lobbying positions of affiliated industry associations. The letter encouraged greater transparency on the EU 2025, 2030 and 2035 CO₂ targets, clarification of any inconsistencies with groups such as ACEA, and actions to address identified misalignments. M&G will review future company disclosures as the next stage of the ongoing engagement.


Source: Investment Managers

Voting (for equity only)


The Trustee has reviewed the voting activity undertaken on its behalf and is satisfied that, overall, voting was carried out in line with the Scheme's voting policies as set out in the Statement of Investment Principles.

The Scheme's investment managers have taken ownership of the voting process and have provided details on their voting behaviour using industry standard templates and guidance. The table below includes a summary of the activity covering the reporting year up to 31 December 2025. The investment managers have provided examples of votes they deem to be significant, and the Trustee has shown the votes relating to the greatest exposure within the Scheme's investment

| Manager - Fund | Voting Summary | Examples of significant votes | Commentary |
|--|---|---|---|
| Walter Scott – Long Term Global Equity Fund | Votable Proposals: 44 Resolutions Voted: 649 Proposals Voted: 100% For votes: 94.5% Against votes: 5.5% Abstain votes: 0.0% Proxy agent used: Yes | <p>Moody's Corporation – Walter Scott voted against the election of Director Jorge A. Bermudez due to concerns regarding his role as a non-independent committee chair. This vote was cast against management's recommendation. The resolution ultimately passed, receiving 92.5% support from shareholders. Walter Scott has informed Moody's of the rationale for the vote and will continue to monitor developments.</p> <p>LVMH – Walter Scott voted against the approval of the remuneration policy for the Chairman and CEO due to concerns regarding the structure and disclosure of the compensation and stock option</p> | While Walter Scott has voted with management on the majority of its resolutions, they have evidenced a series of significant votes in which they have voted against management if they believe it's against shareholders interest and benefits. |



plans. This vote was cast against management's recommendation. The resolution passed with 82.3% of shareholders voting in favour. Walter Scott has informed LVMH of the rationale for the vote and will continue to monitor developments.



The information contained herein, and views expressed by Isio are based solely on information provided by the investment managers. The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.