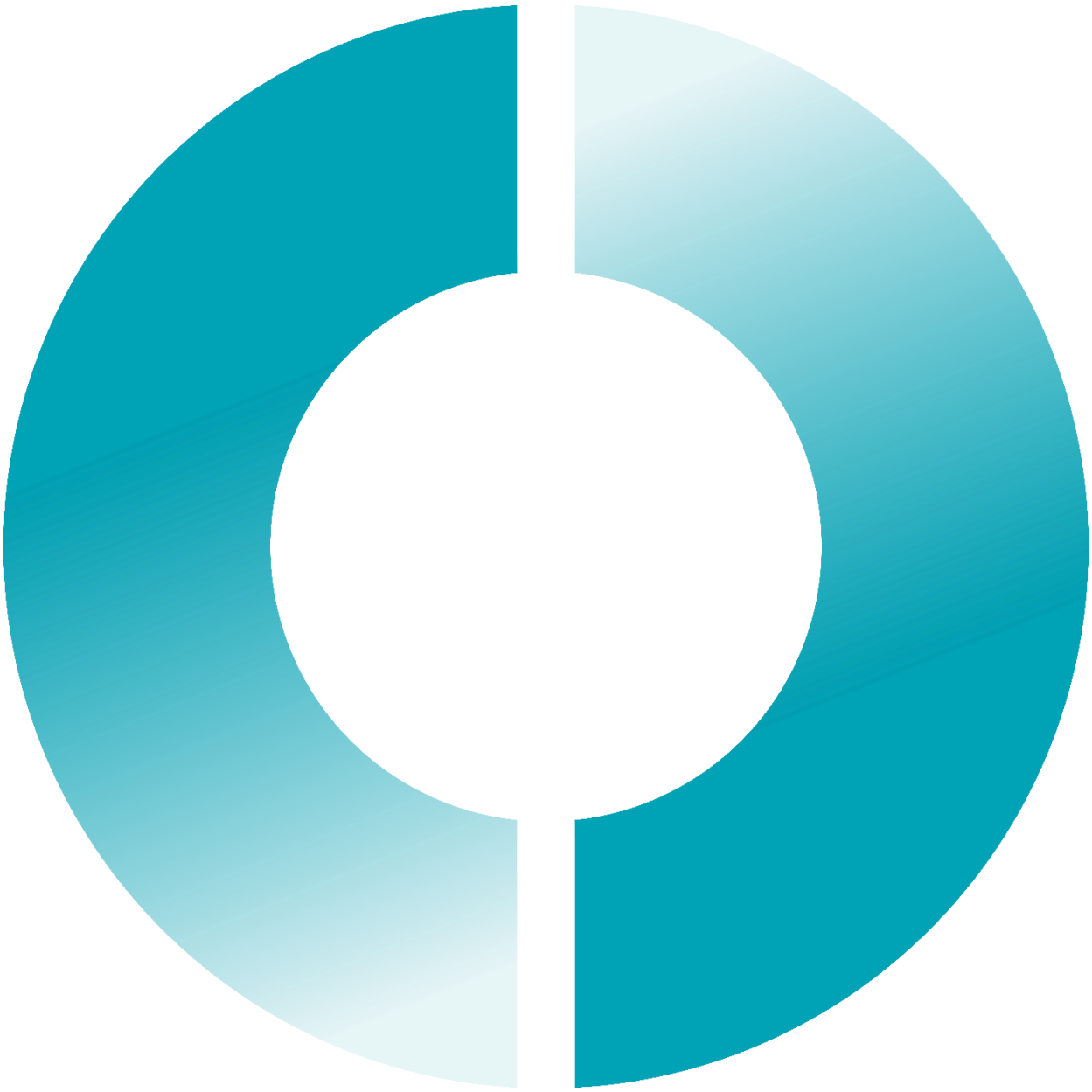
Nacro Staff Benefits Plan (‘Plan’)

31 March 2026 Suggested Implementation Statement

October 2026



Schroders solutions

1. Introduction

The Trustees are required to make publicly available online a statement ("the Implementation Statement") covering the Nacro Staff Benefits Plan (the 'Plan') in relation to the Plan's Statement of Investment Principles (the "SIP").

The SIP was amended during the year ending 31 March 2026, and the changes made were predominantly to reflect the transition to Delegated Structured Equity.

A copy of the current SIP signed and dated January 2026 can be found here: https://www.nacro.org.uk/about-us/governance-policies-and-procedures/

This Implementation Statement covers the period over the year to 31 March 2026 (the "Plan Year"). It sets out:

– How the Trustees' policies on stewardship have been followed over the Plan Year; and

– The voting by or on behalf of the Trustees during the Plan Year, including the most significant votes cast and any use of a proxy voter during the Plan Year

The latest guidance ("the **Guidance**") from the Department for Work and Pensions ('**DWP**') aims to encourage the Trustees of the Plan to properly exercise their stewardship policy including both voting and engagement which is documented in the Plan's SIP. With the help of the Plan's Fiduciary Manager, to whom the Trustees delegated the implementation of their Stewardship policy, this Implementation Statement has been prepared to provide the details on how the Trustees have complied with the DWP's statutory guidance.

The Trustees use the Fiduciary Management service of Schroders IS Limited as their Investment Manager and Adviser (referred to as the '**Fiduciary Manager**' in the Implementation Statement). The Fiduciary Manager can appoint other investment managers (referred to as '**Underlying Investment Managers**') to manage part of the Plan's assets, and investments with these managers are generally made via pooled funds, where the Plan's investments are pooled with those of other investors.

A copy of this Implementation Statement is available on the following website: https://www.nacro.org.uk/about-us/governance-policies-and-procedures/

2. How the Trustees' policies on stewardship have been followed over the Plan Year

As described in the SIP, the Trustees' approach to stewardship is to delegate the voting and engagement activities to the Fiduciary Manager. The Trustees take responsibility for regularly reviewing the approach and stewardship policies of the Fiduciary Manager to ensure they are aligned with the Trustees' priorities and objectives. A copy of the Plan's SIP has been provided to the Fiduciary Manager, who is expected to follow the Trustees' investment (including stewardship) policies when providing Fiduciary Management services.

The Fiduciary Manager aligns its own stewardship activities with Schroders' Engagement Blueprint, which identifies six broad themes for their active ownership: Climate Change, Natural Capital & Biodiversity, Human Rights, Corporate Governance, Human Capital Management, and Diversity & Inclusion. From these, the Fiduciary Manager has chosen **Climate Change**, **Natural Capital & Biodiversity**, and **Human Rights** as its focus for the stewardship actions it performs on behalf of the Plan. The Trustees expect that the Fiduciary Manager's stewardship activities will result in better management of ESG and climate related risks and opportunities, which is expected to improve the long-term financial outcomes of the Plan. While delegating stewardship activities to the Fiduciary Manager, the Trustees have their own priority themes of Climate Change, Natural Capital & Biodiversity, Human Rights, Corporate Governance. The Trustees will monitor and, where necessary, engage with the Fiduciary Manager to ensure alignment with these priorities.

The Fiduciary Manager is a signatory to the *UK Stewardship Code* which sets high standards for those investing money on behalf of UK pensioners and savers. The UK Stewardship Code describes stewardship as "*the responsible allocation, management and oversight of capital to create long-term value … leading to sustainable benefits for the economy, the environment and society."* Thus, the Fiduciary Manager's stewardship activities on behalf of the Trustees encompass a variety of tools, including portfolio ESG integration, manager research and selection, portfolio ESG metric monitoring and voting and engagement.

As part of ongoing monitoring of how the Fiduciary Manager (FM) has exercised the Trustees' stewardship policy, the Trustees reviewed quarterly FM ESG updates and the Annual FM ESG Report during the Plan Year. The quarterly ESG updates allow the Trustees to monitor the ESG characteristics of the Plan's portfolio and thereby assess the Fiduciary Manager's allocation, management and oversight of the Plan's capital. In addition, the quarterly report also details stewardship activities including both voting and engagement the Fiduciary Manager and Underlying Investment Managers carried out on behalf of the Trustees. The Annual FM ESG Report details various areas concerning the Fiduciary Manager's ESG integration within the investments and stewardship activities over the previous calendar year. The Trustees challenged and discussed stewardship outcomes with the Fiduciary Manager during the year and considered whether the Fiduciary Manager and Underlying Investment Managers were demonstrating effective use of voting rights and engagement. Following this review, the Trustees believe that the stewardship approach adopted by the Fiduciary Manager and Underlying Investment Managers remains consistent with the policies set out in the SIP.

Examples of how this has been evidenced include:

- The Fiduciary Manager continues to integrate ESG and climate factors via the incorporation of MSCI and SustainEx scores as well as applying exclusions to its core equity offering (BNY Mellon Equity Strategy) during the security selection process as per the Schroders Group criteria, which includes UNGC Global Norms Violators, controversial weapons and thermal coal. This ensures a closer alignment of the Plan's investments with the Trustees' stewardship priorities, as these excluded investments are generally viewed as causing significant harm to the environment and society.
- The Fiduciary Manager is also developing its investment process to integrate biodiversity and nature considerations, via its proprietary nature tool "NatCapEx". The NatCapEx metric has been introduced into the Fiduciary Manager's quarterly reporting for monitoring purposes, in addition to being leveraged as an engagement tool and to provide a greater understanding of exposure to nature related risks.
- ESG integration and engagement, including engagements with counterparties where relevant, was carried out in the Plan's Growth, Structured Equity and LDI portfolios.
- Enhanced monitoring of climate laggards, biodiversity scores and UNGC violator exposures of core strategies within the portfolio for potential future engagements.

- There were a number of strategies which integrate ESG factors, including stewardship and engagement, included in the Growth portfolio over the year
- Through dedicated engagements over the year, the Fiduciary Manager worked with one of the active credit managers in the Growth portfolio to implement a net zero target at the strategy level, to enhance their mandate to have a specific climate transition focus.
- Annual assessment of Underlying Investment Managers' ESG ratings against a comprehensive internal ESG assessment framework. Lower-rated managers are categorised as either Red-Engagement or Red-Exclusion, requiring further engagement to improve their rating, or exclusion on the grounds of poor ESG credentials. The ESG ratings were also used to identify the areas of engagement with Underlying Investment Managers across the engagement priorities.
- Regular investment and operational due diligence on the Underlying Investment Managers to monitor voting and engagement policies concerning the Plan's investments.
- Provision of quarterly voting and engagement examples to the Trustees, facilitating a more regular review throughout the year of the Fiduciary Manager and Underlying Investment Managers' stewardship activities. In addition, the quarterly ESG reporting also includes "spotlight" pages to provide Trustees with ESG related hot topics and educational material such as regulatory expectations on stewardship.

Considering the voting statistics and behaviour set out in this Implementation Statement, along with the engagement activity that took place on the Trustees' behalf during the Plan Year within the growth, Structured Equity and LDI portfolios, the Trustees are pleased to report that the Fiduciary Manager and the Underlying Investment Managers have demonstrated high levels of voting and engagement in line with their stewardship policy.

Specifically, the Trustees noted that:

- Each manager demonstrated high levels of voting rights being acted on, where voting is relevant.
- Where the holdings did not have voting rights attached, the Underlying Investment Managers showed they carried out a good level of engagement activity with the underlying companies over the Plan Year.
- Challenge to management was demonstrated through votes by the Underlying Investment Managers against management.
- The Fiduciary Manager has carried out a high level of engagement activities with the Underlying Investment Managers, focussing on laggards and material allocations across three different engagement priorities.
- The Fiduciary Manager has also carried out a high level of engagement with different governing bodies for the Liability Hedging mandate to ensure that the Plan's liability hedging programme remains robust. Moreover, the Fiduciary Manager provided inputs to those governing bodies to ensure they continue to deliver even better outcomes for their clients, including the Plan.

Given the activities carried out during the Plan Year and by preparing this Implementation Statement, the Trustees believe that they have acted in accordance with the DWP Guidance over the Plan Year.

3. Voting During the Plan Year

The Trustees have delegated responsibility for voting on their behalf to the Fiduciary Manager and Underlying Investment Managers. Most voting rights associated with the Plan's investments pertain to the underlying securities within the pooled funds managed by the Underlying Investment Managers. In a general meeting of a company issuing these securities, the Underlying Investment Managers exercise their voting rights according to their own policies, which the Fiduciary Manager may have influenced.

The pooled funds themselves often confer certain rights around voting or policies. These rights are exercised by the Fiduciary Manager on behalf of the Trustees, in line with the Trustees' stewardship policy.

Voting by the Fiduciary Manager

The Plan's investments in the growth portfolio are typically made via pooled funds and the Fiduciary Manager exercises the votes in relation to the management of those pooled funds. The voting statistics are shown below.

Over the year to 31 March 2026, regarding clients' pooled fund investments[1], the Fiduciary Manager voted on 181 resolutions across 23 meetings. The Fiduciary Manager voted against management on 73 resolutions (40.3% of total resolutions) and abstained on 59 resolutions (32.6% of the total resolutions). The voting topics covered a range of areas, including executive board composition, investment management processes, fund documentation, auditor tenure and fund costs. The number of resolutions that the Fiduciary Manager has voted on during the year has increased due to an increase in the number of funds in the Growth portfolio.

The Fiduciary Manager, via the Schroders Active Ownership team, also votes on behalf of the Trustees' in relation to the underlying securities where voting rights are attached. These voting statistics are relevant to the securities within the BNY Mellon Equity Strategy and are shown in the summary voting statistics section.

Voting by the Underlying Investment Managers

Most Significant Votes

The following criteria must be met for a vote to be considered 'significant':

1. Must relate to the **BNY Mellon (Schroder Solutions) Global Equity** Strategy
2. Must be defined as significant by the Fiduciary Manager; and
3. Must relate to the Trustees' stewardship priority themes

The **BNY Mellon (Schroder Solutions) Global Equity Strategy** is the only fund for which the Fiduciary Manager has responsibility over security selection within the growth portfolio. Given it is an equity fund with voting rights attached, this means that Schroders is responsible for exercising its right to vote on the underlying companies shareholder proposals. For these reasons, the voting activity associated with the securities in this fund holds particular significance for the Plan.

Schroders Active Ownership team exercises the voting rights, in line with the Schroder's Global Voting Guides (shown in the appendix), which is guided by the Schroders' **Engagement Blueprint**. The Fiduciary Manager believes that all resolutions voted against the board's recommendations should be classified as a significant vote. Generally, the Fiduciary Manager does not communicate their voting intentions to companies regarding shareholder resolutions. Regarding next steps after a vote, in the instance that votes are successful, the Schroders team will typically monitor progress closely. If the votes are unsuccessful, Schroders will typically look to engage with the companies before the next AGM takes place.

Of the votes that satisfy the above criteria, the Trustees have selected one vote relating to each of the priority themes that they deem most material to the long-term value of the investments. These votes are hereby defined as 'most significant votes', and as per DWP guidance, the Trustees have communicated this definition of 'most significant votes' to the Fiduciary Manager. All of the most significant votes over this Plan Year have been reported below.

---

[1]The voting statistics provided pertain to the Fiduciary Manager's Model Growth portfolio which we believe are a suitable proxy for the pooled fund investments held by the scheme.

CLIMATE CHANGE – At Meta Platforms Inc.'s AGM on 29 May 2025, Schroders supported a shareholder proposal calling for alignment of lobbying activities with the company's net zero emissions commitment by 2030. This vote, cast against management, reflected Schroders's belief that shareholders benefit from understanding how lobbying supports long-term climate goals. The proposal was not approved, consistent with other ESG proposals at Meta that have gained significant independent shareholder backing but failed due to the company's dual-class share structure, which grants Mark Zuckerberg majority voting control.

NATURAL CAPITAL AND BIODIVERSITY - At Amazon.com Inc.'s AGM on 21 May 2025, Schroders voted for a proposal requesting disclosure on the company's use of unrecyclable flexible plastic packaging, a material widely criticized for its environmental impact, especially on marine ecosystems. Amazon is believed to be one of the largest users of flexible plastic packaging globally, yet it does not disclose the tonnage used. Schroders viewed expanded reporting as beneficial for transparency and reducing environmental risks, particularly to marine ecosystems. Management opposed the proposal, arguing existing reporting was sufficient. While the resolution did not pass, Schroders noted Amazon has reported reduced plastic packaging by more than 25% in 2024.

HUMAN RIGHTS – At Johnson and Johnson's AGM on 24 May 2025, Schroders supported a shareholder resolution led by Mercy Investment Services, a socially responsible investor, calling for a human rights impact assessment (HRIA) on operations related to access to medicines. Although J&J has due diligence processes in place, concerns were raised that its lobbying activities may undermine commitments on access. Schroders supported the proposal, which is aligned to international human rights standards, believing it would improve transparency, reduce reputational and regulatory risks, and protect long-term shareholder value. Unfortunately, the resolution was not passed.

CORPORATE GOVERNANCE – At Meta Platforms Inc.'s AGM on 29 May 2025, Schroders co-filed a shareholder resolution requesting disclosure of voting results by share class. Given Meta's dual-class structure, with Class B shares carrying 10 times the voting power of class A shares and Zuckerberg controlling most of them, shareholder concerns are often obscured. Schroders believes that separating results by share class would improve accountability and more clearly delineate the concerns of independent shareholders. The proposal was not successful, however the proposal built support on the prior year.

Summary Voting Statistics

Only the Plan's equity and some alternative (hedge fund) holdings invest in assets with voting rights attached. Below are the voting statistics over the year to 31 March 2026 for the most material funds held on behalf of the Trustees that had voting rights during the period.

Some of the Plan's equity holdings are invested via Exchange Traded Funds (ETFs) where voting is also relevant. However, given the Trustees have little influence on the ETF providers' voting and engagement approach, the Trustees have elected to not include the voting statistics of the ETFs in this Implementation Statement. Instead, the ETF providers' voting and engagement policies are included in the Appendix. Finally, the proxy voting services used by the Fiduciary Manager and Underlying Investment Managers are Glass Lewis ("GL"), Institutional Shareholder Services ("ISS") and Broadridge Financial Solutions ("BFS").

Equity Funds	**BNY Mellon (Schroder Solutions) Global Equity Strategy**	**Artisan Global Value Fund**	**Egerton Capital Equity Fund**	**GMO Quality Investment Fund**	**JPM Europe Dynamic (ex-UK) Fund**	**Lazard US Small Cap Equity Fund**	**Morant Wright Fuji Yield Japanese Fund**	**Robeco EM Active Equity Fund**
Total meetings eligible to vote	**522.0**	37	39	46	72	457	58	701

Total resolutions eligible to vote	**7,241**	699	694	745	1,383	3,955	696	6,188
Of resolutions eligible to vote, % of resolutions voted on	**96%**	100%	100%	100%	93%	99%	100%	100%
Of voted resolutions, % vote with management	**88%**	96%	96%	95%	95%	84%	89%	82%
Of voted resolutions, % vote against management	**12%**	4%	3%	5%	4%	16%	11%	15%
Of voted resolutions, % abstained	**<1%**	0%	1%	0%	<1%	0%	0%	3%
Of voted resolutions, % vote contrary to the recommendation of proxy adviser (if applicable)	**10%**	9%	N/A	7%	2%	9%	N/A	8%
Proxy voting service used	GL & ISS	ISS & GL	BFS	ISS	ISS	GL & ISS	N/A	GL

Note:

- Managers also use their proxy voting service providers for research purposes and typically work with them to create bespoke voting guidelines, usually complemented with analysis of their in-house ESG specialists and where appropriate with reference to financial analysts and portfolio managers. However, Egerton uses the BFS platform for voting only, it does not utilise their third party proxy voting advisory services.
- Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of 'Abstain' is also considered a vote against management.
- Five new active equity funds, **Artisan Global Value Fund, Egerton Capital Equity Fund, GMO Quality Investment Fund, JPM Europe Dynamic (ex-UK) Fund and Robeco Emerging Markets (EM) Active Equity Fund**, were introduced to the Growth portfolio over the Plan Year, although the voting data is for the year to 31 March 2026, sourced from the investment managers per Pensions and Lifetime Savings Association ("PLSA") guidance.
- Morant Wright do not subscribe to any shareholder advisory services, and their portfolio managers are directly responsible for proxy voting decisions.

– Robeco do not provide the voting data in line with PLSA guidance and therefore we have manipulated the data for consistency across managers.

Alternative Funds	BlackRock Systematic Total Alpha Fund	JP Morgan Europe Equity Absolute Alpha Fund	Lumyna Marshall Wace - TOPS (Market Neutral) Fund	Lumyna Marshall Wace - TOPS Focus (Market Neutral) Fund	Lumyna Marshall Wace – TOPS Fund	NinetyOne Natural Resources Fund
Total meetings eligible to vote	1,849	172	396	174	2,005	65
Total resolutions eligible to vote	17,108	3,215	4,573	2,352	19,792	882
Of resolutions eligible to vote, % of resolutions voted on	95%	97%	88%	71%	90%	100%
Of voted resolutions, % vote with management	93%	95%	83%	67%	85%	97%
Of voted resolutions, % vote against management	9%	4%	5%	4%	5%	3%
Of voted resolutions, % abstained	<1%	<1%	12%	29%	10%	<1%
Of voted resolutions, % vote contrary to the recommendation of proxy adviser (if applicable)	2%	1%	5%	5%	5%	3%
Proxy voting service provider	BlackRock Investment Stewardship team (BIS) and ISS.	ISS	GL	GL	GL	ISS

Note:

- Figures have been rounded but may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of 'Abstain' is also considered a vote against management.
- One new commodity fund where voting is relevant, **NinetyOne Natural Resources Fund**, was introduced to the Growth portfolio over the Plan Year, although the voting data is for the year to 31 March 2026, sourced from the investment managers per Pensions and Lifetime Savings Association ("PLSA") guidance.
- Lumyna Marshall Wace voting statistics use a different format to the other managers report. The voting statistics provided have been translated into a comparable format.
- No voting data has been provided for the **AQR Apex Fund** and **AQR Alternative Trend Fund**, as AQR do not allow voting data to be publicly shared.

The Trustees are satisfied that the voting and engagement activities undertaken by both the Fiduciary Manager and the Underlying Investment Managers align with the stewardship priorities determined during the Plan Year, hence the Trustees believe that they have satisfactorily implemented the Stewardship Policy stated in the Plan's SIP.

Appendix 1 – ESG, Voting and Engagement Policies

Links to the ESG, voting and/or engagement policies (where applicable) for both the Fiduciary Manager and Underlying Investment Managers of the Plan's holdings can be found here:

Investment Manager	Voting & Engagement Policy
Amundi	Amundi Global Voting Policy 2025 Amundi 2024 Engagement Report
AQR	https://www.aqr.com/-/media/AQR/Documents/ESG/AQR-Proxy-Voting-Policy.pdf?sc_lang=en&hash=7FFEB296D71C2EE923DC5D1F3EC01024
Artisan	https://www.artisanpartners.com/content/dam/documents/legal/proxy-voting/Proxy-Voting-Policy.pdf Sustainability/ESG | Artisan Partners Asset Management Inc
BlackRock (including iShares ETFs)	https://www.blackrock.com/corporate/literature/publication/blackrock-active-investment-stewardship-engagement-and-voting-guidelines.pdf
DWS Group (Xtrackers ETFs)	https://www.dws.com/AssetDownload/Index?assetGuid=4f6b86d3-a8a8-42a0-b10c-a87585398cb7&consumer=E-Library https://download.dws.com/download?elib-assetguid=e609c46cc03148eead59178e865d9fed
Egerton Capital	ESG & Stewardship - Egerton Capital
GMO	https://www.gmo.com/globalassets/documents---manually-loaded/documents/legal/proxy-voting---gmo.pdf https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo-engagement-policy.pdf
Hudson Bay	hudsonbaycapital.com/esg
JP Morgan	https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/institutional/communications/lux-communication/corporate-governance-principles-and-voting-guidelines.pdf Engagement-and-proxy-voting-statement.pdf
Lazard	Sustainable Investment and ESG Integration Policy
Lumyna Marshall Wace	Microsoft Word - MW Engagement Policy Sept 2025
Man Group	Responsible investment | Man Group
Morant Wright	Voting-Policy.pdf
Neuberger Berman	https://www.nb.com/handlers/documents.ashx?id=aba155d6-e78e-4668-800f-fa69f05d45d0&name=Stewardship%20and%20Engagement%20Policy
NinetyOne	91-stewardship-policy-and-proxy-voting-guidelines-en.pdf
Oaktree	https://www.oaktreecapital.com/docs/default-source/default-document-library/esg-policy-2024.pdf

PIMCO	23d2d320682248b30f04e020abb291073152f182fac4a179482bbb994a349c61a01871832e020d7e98ffe91f9bad9a7965b4e51591ab43030b3ad2bf6a7f1dd6
Robeco	docu-robeco-stewardship-policy.pdf
Schroders	https://mybrand.schroders.com/m/6197143c263420f5/original/Schroders-Group-Sustainable-Investment-Policy.pdf https://mybrand.schroders.com/m/75fa1cd8dd188c3b/original/613798_SC_Listed-Assets-Blueprint-Report-_Digital_16_9_V12.pdf
SCOR	SCOR_IP_2025_Shareholder engagement policy_0.pdf
State Street	stewardship-report-2025.pdf
T Rowe Price	https://www.troweprice.com/content/dam/trowecorp/Pdfs/esg/proxy-voting-guidelines-TRPA.pdf
Vanguard (Vanguard ETFs)	Global Proxy Voting Policy Vanguard Investment Stewardship 2025 Annual Report