The Quilter Cheviot Retirement Benefits 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 Trustees ("Trustees") of the Quilter Cheviot Retirement Benefits Scheme (the "Scheme") has been followed during the year to 31 December 2025. This Statement has been produced in accordance with The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 and subsequent amendments; and the statutory and non-statutory guidance from the Department of Work and Pensions.

Investment Objectives of the Scheme

The Trustees' objective is for all member benefits to be paid in full by a regulated insurance company to allow the Scheme to be wound up. Bulk Annuity Policies have been purchased with Aviva Life & Pensions UK Limited ("Aviva"). These insure all the liabilities with the exception of the five members whose pensions are paid from separately insured Aviva and Scottish Widows policies.

Additional payments or expenses will be met from cash balances and/or payments from the Employer.

Although the Scheme's pension liabilities are long term in nature, its time horizon is expected to be relatively short-term as the Trustees triggered wind up on 17 December 2024 and are working towards a buy-out.

Policy on ESG, Stewardship and Climate Change

The Scheme's most recent SIP is dated 29 September 2023 and is available online at:
https://www.quiltercheviot.com/4ad66c/globalassets/important-information/ots-mk-trustee-sip.pdf

The Scheme's SIP includes the Trustees' policy on Environmental, Social and Governance ("ESG") factors, stewardship and climate change and also the processes followed by the Trustees in relation to stewardship. The policies are set out in the Appendix to this Statement.

Given the nature of the bulk annuity arrangement, the financial risks in relation to ESG factors, including climate change, rest with Aviva, rather than the Trustees.

Scheme's Investment Structure

The Trustees' buy-in policy with Aviva pays an amount to the Scheme equal to the contractual payments specified under the policy. The Trustees have no ability to influence how Aviva invests the assets underlying the policy.

Following the decision to trigger wind-up, the Trustees are in the process of converting the policy to a buy-out policy written in the names of the individual members.

Engagement and Voting Activity over the Period

The Scheme's assets are solely invested in annuity contracts, primarily held with Aviva.

The Trustees are reliant on Aviva's policies on responsible investment and corporate governance. To the extent that it is applicable, they have delegated to Aviva consideration of ESG issues (including climate change), engagement and stewardship obligations (including the exercise of voting rights attached to the investments).

The Trustees did not review Aviva's policies on responsible investment and corporate governance during the year to 31 December 2025. As the Scheme does not control the underlying assets in which Aviva invests, the Trustees are unable to influence its engagement or voting policy.

Assessment of how the Engagement and Voting Policies in the SIP have been followed for the year to 31 December 2025

The Trustees are satisfied that the SIP's engagement and voting policies, which were in place over the year have been followed.

Appendix – Trustees' Policies on ESG factors, stewardship and climate change

ESG, Stewardship and Climate Change

The Trustees believe that ESG factors, including climate change, can have a material financial impact on risk and return outcomes over the Scheme's investment time horizon and that good stewardship can create and preserve value for companies and markets as a whole.

As the Scheme's assets are primarily invested in bulk annuity contracts with Aviva, the Trustees are reliant on the insurer's policies on responsible investment and corporate governance and took this into consideration when selecting Aviva.

- Aviva's policies on responsible investment are available online at: https://www.avivainvestors.com/en-gb/about/responsible-investment/policies-and-documents/

The Trustees are satisfied that responsible investment is embedded appropriately into Aviva's investment decision-making process.

Non-Financial Matters

Members' views on "non-financial matters" (where these include ethical views such as financially material ESG issues) are not explicitly taken into account in the selection, retention and realisation of investments.