Implementation statement

The Trustee of the Stena (2016) Retirement Benefits Scheme (the "Scheme") is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed the voting and engagement policies in its Statement of Investment Principles ("SIP") during the Scheme Year. This is provided in Section 1 below.

The Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, the Trustee (including the most significant votes cast by the Trustee or on its behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 3 below.

In preparing the Statement, the Trustee has had regard to the guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions ("DWP's guidance") in June 2022.

1. Introduction

No changes were made to the voting and engagement policies in the SIP during the Scheme Year. The last time these policies were reviewed was October 2025 when the SIP was updated.

The Trustee has, in its opinion, followed the Scheme's voting and engagement policies during the Scheme Year.

2. Voting and engagement

The Trustee has delegated to its investment managers the exercise of rights attaching to investments, including voting rights, and engagement. The Trustee does not monitor or engage directly with issuers or other holders of debt or equity. However, the Trustee takes ownership of the Scheme's stewardship by monitoring and engaging with managers as detailed below.

As part of its advice on the selection and ongoing review of the investment managers, the Scheme's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to financially material considerations (including climate change and other ESG considerations), as well as their approaches to voting and engagement.

During the Scheme Year, the Trustee reviewed LCP's responsible investment (RI) scores for the Scheme's existing funds on an ongoing basis in the quarterly investment monitoring reports provided by LCP. These scores cover the managers' approach to ESG factors, voting and engagement. The fund scores are based on LCP's ongoing manager research programme, and these, along with LCP's qualitative RI assessments, directly affect LCP's manager and fund recommendations.

LCP meets with the Scheme's managers as part of its ongoing manager research programme, and provides regular updates to the Trustee on its funds and managers, an aspect of which often includes an update on managers' responsible investment practices, in their quarterly investment monitoring reports and at Investment Sub-Committee meetings.

Additionally, the Trustee receives quarterly updates on ESG and stewardship related issues from LCP.

Implementation statement (cont)

Following the introduction of DWP's guidance, the Trustee agreed to set stewardship priorities to focus engagement with their investment managers on specific ESG factors. The Trustee has agreed the following stewardship priorities for the Scheme:

- Climate change;
- Diversity, equity and inclusion; and
- Board remuneration.

These priorities were selected because they represent one priority each from environmental, social and governance areas and remained in place over the Scheme Year ending 31 December 2025.

The Trustee aims to appoint managers that have strong responsible investment skills and processes, and therefore favours managers who are signatories to the Principles for Responsible Investment and UK Stewardship Code. This view was communicated to the Scheme's managers in writing in February 2023. This communication also set out the Trustee's expectation for the Scheme's managers to:

- take account of financially material factors (including climate change and other ESG factors) when investing the Scheme's assets, and to improve their ESG practices over time, within the parameters of their mandates;
- undertake voting and engagement on the Trustee's behalf in line with their stewardship policies, considering the long-term financial interests of the Trustee; and
- provide information on their stewardship policies, activities and outcomes, as requested by LCP from time to time.

The Trustee is conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustee aims to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

During the Scheme Year, the Trustee received LCP's 2025/26 Stewardship Assessment Report, which provides an independent evaluation of the stewardship practices of L&G, which manages the majority of the Scheme's assets. The assessment also covered 11 other leading asset managers. LCP assessed each manager across six areas: engagement quality, voting practices, resourcing, use of technology and date, record-keeping and reporting, and policy advocacy. It found that while L&G's approach to voting and policy advocacy was strong – with its voting score improving from the prior year – it was weaker than peers in engaging with companies on a broad range of topics. LCP has made three specific asks of L&G, aimed at improving these practices. LCP also gathered direct feedback from the assessed managers, the majority of whom agreed that LCP's engagement had encouraged them to improve their stewardship practices. The Trustee is satisfied that this programme of independent assessment and targeted engagement with their managers, conducted by LCP on their behalf, constitutes effective stewardship oversight consistent with the policies set out in their SIP and supports the Trustee's governance obligations under the Scheme's effective system of governance. The Trustee will continue to monitor progress against LCP's asks and will receive the next annual assessment in Q1 2027.

3. Description of voting behaviour during the Scheme Year

The Scheme did not hold any listed equities either directly or via pooled funds over the period in question. Therefore, there is no data to include on voting behaviour in this section of the Statement.

Implementation statement (cont)

In addition to the above, the Trustee contacted the Scheme's asset managers that do not hold listed equities, to ask if any of the assets held by the Scheme had voting opportunities over the Scheme Year. Commentary provided from these managers is set out in Section 3.4.

3.1 Description of the voting processes

For assets with voting rights, the Trustee relies on the voting policies which their managers have in place.

Janus Henderson

In formulating its approach to corporate governance, Janus Henderson is conscious that a 'one size fits all' policy is not appropriate. Corporate governance regimes vary significantly as a function of factors such as the relevant legal system, extent of shareholder rights, and level of dispersed ownership. It varies its voting and engagement activities according to the market and pay close attention to local market codes of best practice.

However, Janus Henderson considers certain core principles to be universal:

- Disclosure and transparency
- Board responsibilities
- Shareholder rights
- Audit and internal controls

A key element of Janus Henderson's approach to proxy voting is to support these principles and to foster the long-term interests of their clients. It also recognises that in some instances, joint action by shareholders has the potential to be more effective than acting alone. This is especially true when shareholders have a clear common interest. Where appropriate, Janus Henderson pro-actively collaborates with other investors on governance and wider environmental and social engagement issues, directly and through industry bodies.

Aegon

Aegon's policy is to vote in line with the mandate restrictions and in the best economic interest of the client. Investment decisions within the limits of the mandate restrictions are not consulted with clients beforehand. Aegon has not made use of proxy voting services, as voting for asset-backed securities is rare and technical in nature.

3.2 Summary of voting behaviour

No listed equities were held over the Scheme Year.

3.3 Most significant votes

Given none of the funds the Scheme invested in over the Scheme Year held listed equities, there are no significant votes to report on.

3.4 Votes in relation to assets other than listed equity

For the Scheme's funds which don't hold listed equities but invest in assets that had voting and/or engagement opportunities during the Scheme Year, the managers provided the commentary below.

Implementation statement (cont)

Janus Henderson – Multi Asset Credit Fund

With regards to voting, as creditors Janus Henderson is occasionally asked to vote on operational matters. Over the Scheme Year, there were two resolutions on which Janus Henderson was eligible to vote. For both resolutions, Janus Henderson voted with management.

Janus Henderson engages with credit issuers and provided the following example of an engagement related to the Multi-Asset Credit Fund which took place in 2025.

- **Nobian**

  Summary of engagement: Environmental – sustainability-linked bonds

  Rationale and actions taken: Nobian is a European leader in salt, essential chemicals and energy storage for industry. The company hosted a call to provide an update on its sustainability-linked financing strategy, which was followed by a consent process to update its sustainability-linked key performance indicators (“KPI”s) targets and introduce a new target around low carbon sales measured relative to revenues excluding energy revenues.

  Nobian updated its sustainability-linked KPIs with a target date of 2029 to align with the Loan Syndications and Trading Association’s (“LSTA”) Sustainability-Linked Loan Principles including: a 57% reduction in absolute CO_2 emissions; 63% use of renewable energy; and a new KPI for 18% of sales to be certified low carbon products.

  Nobian benefits from a lower interest rate on the bonds if at least two of these targets are met or is penalised by incurring a higher rate of interest on the bonds if one or no KPIs are achieved.. The KPIs are independently auditable and transparently tracked.

  Outcome of the engagement and next steps: Janus Henderson was neutral on the updated absolute CO_2 emissions and renewable energy KPIs, citing it feels these are within Nobian’s control and represent a solid trajectory.

  Janus Henderson abstained from voting for the new low carbon product KPI. While it supports targets related to product sales, it suggested the proposed updates make it easier for Nobian to hit this target, potentially reducing its incentive for action and the benefit to investors from the payout.

Aegon - European ABS Fund

With regards to voting for the European ABS Fund, Aegon informed us that voting is very rare and in principle always related to technical adjustments of the transaction documentation, such as cash flows or trigger dates or necessary language to comply with changing regulation. Aegon’s policy is to vote in line with the mandate restrictions and in the best economic interest on the client. Investment decisions within the limits of the mandate restrictions are not consulted with clients beforehand. Aegon confirmed there were 12 resolutions that it was eligible to vote on over the Scheme Year. All were voted in line with management.

Implementation statement (cont)

Aegon provided the following example of an engagement related to the European ABS Fund which took place in 2025.

- **ArcelorMittal**

  Summary of engagement: Climate change

  Rationale and actions taken: The company was flagged for engagement due to being one of the highest emitters and is among the CA100+ companies we are leading engagement on. Aegon regularly reaches out to the company to engage on comprehensive emission reduction targets and other relevant items of its decarbonisation strategy. Since the company has not published comprehensive updates to its climate action report or lobbying review, motivating it to do so has been in scope for a while.

  While the company reacted positively to climate related engagement some years ago, it has faced significant criticism for its climate transition strategy for a while. Despite announcing five major Direct Reduced Iron (DRI) projects in Europe and Canada, ArcelorMittal has not made final investment decisions on any of them.

  In Aegon's view, ArcelorMittal's decarbonisation spending is minimal: from 2021 to 2024, only $800 million was spent on decarbonisation. On the other hand, ArcelorMittal has continued to invest in coal-based blast furnace projects, particularly in India. In addition, the company has postponed any updating of its climate strategy and is not transparent about its decarbonisation trajectory.

  Outcome of the engagement and next steps: Aegon states that in their latest call, ArcelorMittal confirmed it was finally publishing a Climate Action Report in 2026, is considering an updated Advocacy Report in 2026, is open to reflecting on its approach towards a "Just Transition" and will report against the CA100+ benchmark indicator going forward.

  Aegon's view is that this is good progress; however, the company remains on Aegon's watchlist until the reports are published.