



**Abbey Life Trust Securities Limited
Trustee of the Abbey Life Assurance Company Limited
Staff Pension Scheme**

**Implementation Statement
For the year to 31st March 2025**

IMPLEMENTATION STATEMENT

Introduction

The purpose of the Implementation Statement is for us, the Trustee of the Abbey Life Assurance Company Limited Staff Pension Scheme, to explain what we have done during the year ending 31st March 2025 to achieve our objectives and implement our policies as set out in the Statement of Investment Principles ("SIP").

It includes:

1. A summary of any review and changes made to the SIP over the year;
2. How our policies in the SIP have been followed during the year; and
3. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

In our view, the Scheme's investment managers were able to disclose reasonable evidence of voting and/or engagement activity, and the activities completed by our managers align with our stewardship expectations. We believe that our voting rights have been implemented effectively on our behalf.

Changes to the SIP during the year

We reviewed the SIP during the year and updated it in April 2025. The changes made included ranges to the strategic asset allocations to allow for a temporarily de-risking, if necessary.

The Scheme's latest SIP can be found here:

https://www.thephoenixgroup.com/media/o2xhn0aq/abbeylifeassurancecompanylimitedstaffpension-scheme_statementofinvestmentprinciples_march2025.pdf

How the policies in the SIP have been followed – DB Investments

We have set out what we have done during the year to meet the policies in the SIP.

Objectives, responsibility for the Scheme's investment strategy and asset allocation

The Trustee started a review of the investment strategy in 2022, which was concluded in 2023, with assistance from Aon Investments Limited ("AIL"), its investment adviser. The Trustee agreed to set its investment manager, Aberdeen, risk and return objectives and a reference asset allocation to achieve its primary objectives set out in the SIP. The day-to-day management of the Scheme's assets has been delegated to Aberdeen.

The Trustee set Aberdeen an objective to outperform a proxy of the Scheme's liabilities by 1.8% per annum with volatility (risk) similar to the reference asset allocation. The Trustee receives quarterly investment reports from AIL and Aberdeen. The Trustee reviews the performance and risk of the asset allocation to ensure that it is in line with the objectives set out. The Trustee also receives quarterly funding updates and trigger alerts so that, when a certain level of funding is reached, the Scheme can plan its derisking strategy.

IMPLEMENTATION STATEMENT (continued)

Objectives, responsibility for the Scheme's investment strategy and asset allocation (continued)

The Investment Committee held a meeting in June 2023, in which the current investment strategy, the progression of the funding level against target, and the long-term objective was discussed. The Trustee agreed that the long-term objective was eventual buy-out. Over the course of the year, the Trustee had no concern over the appropriateness of the objectives, nor the investment strategy and asset allocation appropriateness to achieve the objectives.

Choosing investments

The Trustee appointed Aberdeen as its investment manager and has delegated investment management responsibility to Aberdeen within the investment guidelines set out by the Trustee.

Environmental, social and governance

The Trustee recognises that environmental, social and governance ("ESG") risk factors, including climate change, may negatively impact the value of investments held if not fully understood and evaluated.

The Trustee regularly receives updates from Aberdeen on how ESG is incorporated in the investment decision making process.

The Trustee has instructed Aberdeen to align exclusions with the parent company's (Phoenix Group's) exclusions. This includes exclusions to controversial weapons and companies that earn more than 20% of revenue from; thermal coal, oil sands and arctic drilling, and tobacco, from its direct investments. This is achieved by the periodic submission of an exclusions list supplied by Phoenix Group. These exclusions have been prioritised due to their likely financial materiality to the Scheme, to ensure alignment with the sponsor, and for alignment with some of the United Nations Global Compact principles.

Whilst not under the TCFD regulation, the Trustee collated a range of carbon metrics covering the portfolio, including Total GHG emissions, carbon footprint, weighted average carbon intensity and data coverage. The Trustee collects this data annually and received training on the risks and opportunities arising from climate change.

Risk, monitoring and arrangements with the manager

The Trustee receives quarterly investment reports from AIL, which include:

- Fund performance, both absolute and relative to their benchmarks over the quarter, one-year and three-year periods;
- Overall Scheme performance, both absolute and relative to the liability proxy over the quarter and one-year periods;
- Asset allocation relative to the reference portfolio;
- Monitoring of the funding level progression against target;
- Attribution of the changes in funding level;
- Monitoring of the expected return against the required return;
- Value at Risk analysis;
- Monitoring of Aberdeen's forward looking implementation metrics against its risk and return objectives;
- Monitoring of the LDI portfolio and liability proxy, including sensitivity to changes in interest rates and inflation expectations and scenario stress testing;
- Monitoring of the collateral position including headroom to yield rises in the LDI portfolio and including additional liquid assets; and
- Monitoring of the funding level against the Trustee's long-term objective of buy-out.

IMPLEMENTATION STATEMENT (continued)

Risk, monitoring and arrangements with the manager (continued)

The Trustee regularly receives presentations from Aberdeen regarding the market background, performance, market outlook, positioning and ESG integration in the investment philosophy. This includes monitoring the extent to which Aberdeen has made decisions based on assessments about medium- to long-term financial performance of an issuer of debt or equity; and how they have engaged with issuers of debt or equity in order to improve their performance in the medium- to long-term.

The Trustee believes that having appropriate governing documentation, setting clear expectations to Aberdeen, and the regular monitoring of Aberdeen's performance and investment strategy, has been sufficient to incentivise Aberdeen to make decisions that align with the Trustee's policies. The Trustee has engaged regularly with Aberdeen on its portfolio.

In the reporting year, Aon also presented Aberdeen's carbon metrics to the Trustee and will continue to do so annually. The Trustee also received training on behavioural biases and protections available to the Scheme.

Realisation of investments

The majority of the assets held are realisable at short notice (either through the sale of direct holdings of stocks, bonds etc. or the sale of units in pooled funds), although a meaningful proportion of assets are to be invested in private loans that are illiquid in nature.

The Trustee reviews the liquidity of the Scheme's investments regularly.

Stewardship – Voting and Engagement

The Trustee has a policy related to the regular review of its investment manager's stewardship activities. The Trustee has assessed, with the help of its investment adviser, and is comfortable with, the voting and engagement practises of Aberdeen.

The Trustee has included additional wording on stewardship following guidance from the Department for Work and Pensions (DWP). This includes accepting responsibility on how its investment manager stewards assets on its behalf and an escalation policy should the Trustee find that its investment managers' voting and engagement is not aligned with the Trustee's expectations.

Members' views and non-financial factors

In setting and implementing the Scheme's investment strategy, the Trustee does not explicitly take into account the views of Scheme Members and beneficiaries in relation to ethical considerations, social and environmental impact, or present and future quality of life matters (defined as "non-financial factors").

Cost monitoring

The Trustee gathers cost information on the DB investments annually to provide a consolidated summary of all of the investment costs incurred. The cost report includes a breakdown of the costs into their various component parts, including the costs of buying and selling assets (transaction costs) incurred by the underlying managers.

Governance

During the year, the Trustee met quarterly to discuss the investments as outlined above.

IMPLEMENTATION STATEMENT (continued)

How the policies in the SIP have been followed – AVC investments

Objectives in respect of the default arrangement

The Trustee's primary objectives for the default arrangement is to invest the assets held in respect of Members of the Scheme, for and from whom there is no current investment instruction, in an investment vehicle which has as its aims:

1. As far as possible to preserve capital value; and
2. To provide a return on investment similar to that which might be achieved on cash deposits in a bank or building society or money market funds.

The default arrangement is the Standard Life Deposit and Treasury Fund, and the fund's primary aim is to 'maintain capital and provide returns before charges in line with short-term money market instruments'.

The Trustee, with assistance from its investment advisor, reviewed the default arrangement during 2023 and concluded that it continues to meet the specific objectives as set and that it remains appropriate given its role within the wider strategy. Over the course of the year, the Trustee had no concern over the appropriateness of the default arrangement.

Over the Scheme year, no Members were invested in the default arrangement.

Environmental, Social and Governance considerations ('ESG')

Due to the limitations that exist in implementing ESG in the short-term instruments held within cash funds, the Trustee did not explicitly consider ESG factors in its assessment of the implementation vehicle as part of the review undertaken during 2023, as the Trustee is limited insofar that ESG can be considered as part of a money market instrument.

Through its policies with Standard Life and Scottish Widows, the Trustee has made available the Standard Life Ethical Pension Fund and the Scottish Widows Environmental Fund to invest in, which cater for Members' individual beliefs with regard to ESG considerations.

Stewardship – Voting and Engagement

The Trustee has assessed, with the help of its investment advisor, and is comfortable with, the voting and engagement practises of the underlying investment manager responsible for the Scheme's AVC assets. More information can be found in the Voting and Engagement activity section of this document.

Arrangements with investment managers

The Trustee, with support from its investment advisor, carried out a review on the Scheme's AVC arrangements in 2023 and concluded that the range of funds remains appropriate for the Scheme's membership. There have been no significant changes to the arrangements with the investment manager since this date. The Trustee is scheduled to review the AVC arrangements again in 2026.

Our managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock.

We believe that good stewardship is in the Members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests.

ABBEY LIFE ASSURANCE COMPANY LIMITED STAFF PENSION SCHEME

IMPLEMENTATION STATEMENT (continued)

Our managers' voting activity (continued)

Understanding and monitoring the stewardship that investment managers practice in relation to Scheme's investments is an important factor in deciding whether a manager remains the right choice for the Scheme.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Scheme's equity-owning investment managers to responsibly exercise their voting rights.

The Trustee, with support from its investment advisor, has concluded that the Abbey Retirement Fund is the only fund within the AVC section with voting rights attached that it would consider a 'material' investment. This is based on an assessment of the number of Members and assets invested relative to the size of the AVC section as a whole. No Members were invested in the Scheme's default fund (Standard Life Deposit and Treasury Fund) during the reporting period, nor does the fund have any direct or indirect voting rights attached to it.

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues.

Voting statistics

The table below shows the voting statistics for each of the Scheme's material funds with voting rights for the year to 31st March 2025.

Section	Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
DB	Aberdeen Standard Investments - Diversified Income Fund	8,587	97.9%	12.6%	0.4%
AVC	Abbey Retirement Fund ¹	30,920	96.7%	9.8%	3.2%

Source: Aberdeen. Please note that the 'abstain' votes noted above are a specific category of vote that has been cast, and are distinct from a non-vote.

1. This fund invests fully in the Aberdeen - AL Pensions Managed Accumulator Fund, which is a fund of funds with four underlying managers.

Use of proxy voting adviser

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table following describes how the Scheme's managers use proxy voting advisers.

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

ABBEY LIFE ASSURANCE COMPANY LIMITED STAFF PENSION SCHEME

IMPLEMENTATION STATEMENT (continued)

Manager	Description of use of proxy voting adviser
Aberdeen Standard Investments	Aberdeen utilises the services of Institutional Shareholder Services ("ISS") for all their voting requirements.
Janus Henderson ¹	To assist Janus Henderson in assessing the corporate governance of investee companies, they subscribe to ISS (an independent proxy voting adviser). ISS provides voting recommendations based upon Janus Henderson's policies and procedures. Janus Henderson's in-house specialists scrutinise the ISS research and supplement this with in-house research and engagement.
Invesco ¹	Invesco may supplement its internal research with information from third-parties, such as proxy advisory firms, to assist them in assessing the corporate governance of investee companies. Globally, Invesco leverages research from Institutional Shareholder Services Inc. ("ISS") and Glass Lewis ("GL"), and Invesco use the Institutional Voting Information Service (IVIS) in the UK for corporate governance research for UK securities. Invesco generally retains full and independent discretion with respect to proxy voting decisions. Globally, they receive research reports, including vote recommendations from ISS and Glass Lewis for company shareholder meetings across our holdings. To assist with the operational aspects of the proxy voting process, including vote disclosure to meet regulatory requirements, they retain the services of ISS and leverages Invesco's proprietary proxy voting platform ("PROXYintel") to further streamline the process. Invesco also engages ISS to provide written analysis and recommendations based on Invesco's internally developed custom voting guidelines with specific voting recommendations on environmental, social and governance (ESG) issues applied globally. Invesco's custom voting guidelines are reviewed annually and seek to support Invesco's Good Governance Principles on best practice standards in corporate governance and long-term investment stewardship. For more information on Invesco's use of third-party proxy advisory firms, please see their Policy Statement on Global Corporate Governance and Proxy Voting publicly available on their website: https://www.invesco.com/corporate/en/our-commitments/esg.html
HSBC1	To enable efficient proxy voting operations, HSBC work with their proxy service provider (Institutional Shareholder Services), which provides research, a voting platform, and disclosure services. Their Global Voting Guidelines, together with HSBC's own research, inform more granular voting policy instructions, which form the basis for custom voting recommendations for each shareholder meeting.

Source: Managers

1. Manager of one of the underlying funds of the Aberdeen - AL Pensions Managed Accumulator Fund, which is a fund of funds.

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Scheme's investment managers to provide a selection of what they consider to be the most significant votes in relation to the Scheme's funds. A sample of these significant votes can be found in the appendix.

Our managers engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies, and incorporates findings into investment decision-making.

The table following shows some of the engagement activity carried out by the Scheme's material managers.

ABBEEY LIFE ASSURANCE COMPANY LIMITED STAFF PENSION SCHEME

IMPLEMENTATION STATEMENT (continued)

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers, and other stakeholders, to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental Social Governance (“ESG”) issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Section	Funds		Number of engagements		Themes engaged on at a fund level		
			Fund level	Firm level			
DB	Aberdeen - Corporate Bond Fund		151	1,868	• Environmental – Climate, Environment; • Social - Human & Labour Rights; • Governance – Corporate Governance, Stakeholders.		
	Aberdeen - Diversified Income Fund		633		• Environmental – Climate; • Social – Human & Labour Rights; • Governance - Corporate Governance, Corporate Behaviour.		
	Aberdeen - Real Estate Debt Fund		1		• Climate change.		
AVC	Abbey Retirement Fund ¹	Aberdeen ² - PUTM ACS North American Fund		113	1,868	• Environmental – Climate, Environment; • Social – Human & Labour Rights, Human Capital Management; • Governance - Corporate Governance, Corporate Behaviour.	
		Aberdeen ² - PUTM ACS European ex UK Fund		119			
		Aberdeen ² - PUTM ACS Japan Equity Fund		22			
		Aberdeen ² - PUTM Bothwell Asia Pacific (excluding Japan) Fund		157			
		Aberdeen ² - PUTM Bothwell Emerging Markets Equity Fund		189			
		PUTM ACS UK All Share Listed Equity Manager Fund	Invesco ²	22			122
			HSBC ²	70			1640
						• Environmental – Climate Change, Natural resource use/impact, Pollution, Waste; • Social – Human & Labour Rights, Human Capital, Public Health; • Governance – Diversity, Remuneration, Strategy, Financial and Reporting.	
						• Environmental – Climate Change, Natural resource use/impact, Pollution, Waste; • Social – Conduct, culture and ethics, Human & Labour Rights, Human Capital Management, Inequality, Public Health; • Governance - Diversity, Independence or oversight, Leadership - Chair/CEO, Remuneration, Shareholders rights.	

Source: Managers.

1. This fund invests fully in the Aberdeen - AL Pensions Managed Accumulator Fund, which is a fund of funds with four underlying managers.

1. This fund invests fully in the Aberdeen - AL Pensions Managed Accumulator Fund, which is a fund of funds with four underlying funds.
2. Manager of one of the underlying funds of the Aberdeen - AL Pensions Managed Accumulator Fund, which is a fund of funds.

ABBEY LIFE ASSURANCE COMPANY LIMITED STAFF PENSION SCHEME

IMPLEMENTATION STATEMENT (continued)

Data limitations

This report does not include commentary on certain asset classes such as liability driven investments, gilts or cash because of the limited materiality of stewardship to these asset classes.

**Approved by the Trustee Board, Abbey Life Trust Securities Limited,
Trustee of the Abbey Life Assurance Company Limited Staff Pension Scheme, on 17th October 2025**

ORIGINAL SIGNED ON BEHALF OF THE TRUSTEE BY

Neil C H Tointon

Chairman of the Trustee Board

Abbey Life Trust Securities Limited

17th October 2025

ABBEY LIFE ASSURANCE COMPANY LIMITED STAFF PENSION SCHEME

IMPLEMENTATION STATEMENT (continued)

Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Scheme's managers. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below:

DB	Aberdeen - Diversified Income Fund	Company name	AstraZeneca PLC
		Date of vote	11 th April 2024
		Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.04%
		Summary of the resolution	Approve Remuneration Policy.
		How you voted?	Votes against resolution.
		Where you voted against management, did you communicate your intent to the company ahead of the vote?	We do not track the specific votes where we communicated our intent prior to voting. To enhance our analysis, we will often engage with companies held in our active portfolios prior to voting to understand additional context and explanations, particularly where there are concerns related to an agenda. We endeavour to communicate voting intentions and rationale for votes against or abstention to encourage change and maintain a dialogue on matters of concern. Given the concentration of AGMs, we may not always be able to communicate intentions and rationale ahead of a vote. We may therefore follow up after a vote to encourage improvement where it is needed in advance of future general meetings.
		Rationale for the voting decision	The company consulted us on proposed changes to the remuneration policy, which included the increase to annual bonus maximum from 250% to 300% of salary, and an increase to the Performance Share Plan maximum from 650% to 850% of salary. We indicated that we were not supportive of the proposals as we considered the overall 25% increase in potential reward for the CEO to be too high. As the increases are unchanged, we have voted against the revised Policy.
		Outcome of the vote	Pass.
		Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	Due to the concentration of votes that we conduct, we do not track specific next steps/implications for each vote. We will assess each company and the voting outcomes on a case-by-case basis. Where necessary, we may follow up after a vote to encourage improvement where it is needed in advance of future general meetings. We will continue to monitor the company to ensure sufficient progress against any material issue(s) is being made. If we have serious concerns around a company's approach to certain issues, we can and may deploy a number of other escalation strategies.
		On which criteria have you assessed this vote to be most significant?	This vote was categorised as a 'High Profile Vote'. High Profile Votes capture: • Votes which received public and press interest with a focus on our large, active holdings; • Votes which reflect significant governance concerns regarding the company; • Resolutions proposed by Aberdeen.

ABBEY LIFE ASSURANCE COMPANY LIMITED STAFF PENSION SCHEME

IMPLEMENTATION STATEMENT (continued)

Appendix – Significant Voting Examples (continued)

DC	Abbey Retirement Fund ¹	Company name	The Walt Disney Company
		Date of vote	20 th March 2025
		Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	Not provided.
		Summary of the resolution	Report on Climate Risk in Retirement Plan Options.
		How you voted?	Votes against resolution.
		Where you voted against management, did you communicate your intent to the company ahead of the vote?	We do not track the specific votes where we communicated our intent prior to voting - To enhance our analysis, we will often engage with companies held in our active portfolios prior to voting to understand additional context and explanations, particularly where there are concerns related to an agenda. We endeavour to communicate voting intentions and rationale for votes against or abstention to encourage change and to maintain a dialogue on matters of concern. Given the concentration of AGMs, we may not always be able to communicate intentions and rationale ahead of a vote. We may therefore follow up after a vote to encourage improvement where it is needed in advance of future general meetings.
		Rationale for the voting decision	The company's 401(k) plan offers a range of investment options, which provides employees the flexibility to be able to invest retirement savings in a manner that aligns with their preferences. The retirement plan is also managed by a third-party fiduciary rather than the board. A vote against is therefore warranted.
		Outcome of the vote	Fail.
		Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	Implications of the vote: Due to the concentration of votes that we conduct, we do not track specific next steps/implications for each vote. We will assess each company and the voting outcomes on a case-by-case basis. Where necessary, we may follow up after a vote to encourage improvement where it is needed in advance of future general meetings. We will continue to monitor the company to ensure that sufficient progress against any material issue(s) is being made. If we have serious concerns around a company's approach to certain issues, we can and may deploy a number of other escalation strategies.
		On which criteria have you assessed this vote to be most significant?	Shareholder and Environmental & Social (E&S) Resolutions.

Source: Managers

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