

# Engagement Policy Implementation Statement for the Year Ended 31 December 2025

## Hachette UK Pension Trust Ltd (Orion Publishing Group Limited Retirement Benefits Scheme (“the Scheme”))

### 1. INTRODUCTION

The Engagement Policy Implementation Statement (known as the “Statement”) presents the Trustee assessment of adherence to their engagement policy and policy concerning the exercise of rights (including voting rights) attaching to the Scheme’s investments throughout the one-year period ending 31 December 2025 (the “Scheme Year”).

The Trustee’s policies are outlined in their Statement of Investment Principles (SIP). The SIP was last reviewed in July 2025. A copy of the Trustee’s SIP is available [here](#).

This Statement has been prepared in accordance with the *Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019* and the guidance published by the Department for Work and Pensions.

The day-to-day management of the Scheme’s assets over the Scheme Year was delegated to Cardano Risk Management Limited (the “Fiduciary Manager”). In advance of the appointment, the Trustee took steps to ensure that the management of the Scheme’s assets and the Fiduciary Manager’s policies were aligned with the Trustee’s own policies. The Trustee continues to monitor the Fiduciary Manager, as part of their regular interactions.

After the Scheme Year End, the acquisition of the Fiduciary Manager by Mercer completed, on 1 January 2026. Following the integration of the Fiduciary Manager and Mercer, “Orion Publishing Group Limited Retirement Benefits Scheme” contract remains with the Fiduciary Manager (now called Mercer Risk Management Limited) (“MRML”).

The Trustee monitors the voting and engagement activity of the Scheme’s investment managers, and, through the Fiduciary Manager, challenge their decisions as appropriate.

The Trustee focuses their efforts on those investment managers where voting and engagement is material. The policies of those investment managers are summarised in this Statement, along with examples of the type of activity which took place during the period covered by this Statement. Some of the investment managers use investment approaches where stewardship is less likely to be relevant or significant. The Trustee is comfortable that the Fiduciary Manager has an appropriate approach to assess the stewardship and voting policies for all investment managers.

Section 2 of this Statement outlines the Trustee’s stewardship policy and evaluates the extent to which it has been followed during the Scheme Year.

Section 3 sets out the Trustee’s policy regarding the exercising of rights (including voting rights) attached to the Scheme investments. This Section also provides detailed information on the voting activities undertaken by third-party investment managers appointed during the Scheme Year.

**Considering the analysis presented in Sections 3 to 4, the Trustee believes that their policies with regard to engagement and the exercise of rights attaching to investments have been successfully followed during the Scheme Year.**

## **2. TRUSTEE’S STEWARDSHIP POLICY INCLUDING ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) ISSUES, AND CLIMATE CHANGE**

### **Policy Summary**

“Stewardship” is the responsible allocation, management and oversight of capital to create long-term value for members, which should also lead to sustainable benefits for the economy, the environment and society. In practice, stewardship is effected through exercising the right to vote on any shares which are owned by the Scheme and engaging with the management of any companies or properties where an investment has been made.

The Trustee Stewardship policy is outlined in Section “Investment Policies” and “Responsible Investment” of the Scheme’s SIP.

The Trustee has agreed to the following approach:

*Stewardship policies and voting records are reviewed (and discussed with the investment managers) at least annually by the Fiduciary Manager, who will collate the qualitative and quantitative information required to allow the Trustee to review the above aspects in sufficient detail each year. The Trustee will challenge any arrangements or stewardship practices that do not align with its responsible investment approach.*

The Fiduciary Manager is responsible on an ongoing basis for engaging with our investment managers. For managers where it is expected to have a meaningful impact, the Fiduciary Manager monitors voting records and the level of engagement with underlying investments.

The Trustee has selected three stewardship priorities for manager engagement in order to improve alignment against our policies and beliefs as well as enhance disclosure. These priorities are linked to the UN Sustainable Development Goals with an international endeavour in mind, and aim to improve sustainability within the portfolio and have a direct real world impact to our members’ current and future landscape. The Trustee’s three stewardship priorities are:

- Climate Crisis (with a focus on climate change and net zero greenhouse gas emissions)
- Environmental Impact (with a focus on biodiversity, deforestation and water)
- Human Rights (with a focus on living wages gender equality and health & nutrition)

## How the Policy has been implemented over the Scheme Year?

The Trustee holds investments primarily on an indirect basis through pooled funds. The reason for this approach is that:

- It provides a broader range of investment opportunities, which helps to improve the diversification of investments, and in turn helps to manage risk;
- Fixed costs are shared amongst other investors, thereby reducing the Scheme's overall costs; and
- It simplifies the implementation process as existing funds can be used with standard terms and agreements, reducing the overall governance burden both on the Trustee and the Sponsor.

Where investments are made in pooled funds the Trustee follows the voting and engagement policies of the investment managers of the pooled funds. However, the Trustee remains responsible for ensuring that the investment managers our Fiduciary Manager appoints act consistently with the Scheme's Stewardship Policy.

The Trustee assess that the Fiduciary Manager has been aligned with our Stewardship Policy throughout the year. The Fiduciary Manager has been a signatory to the UN Principles for Responsible Investment since 2011 and they are a signatory to the UK Stewardship Code 2020.

In addition, the Fiduciary Manager is a member of a range of sustainable investment organisations, some of which are noted below.



To manage engagement efficiently, the Trustee has delegated the day-to-day implementation of our beliefs to the Fiduciary Manager, having concluded that the Fiduciary Manager's core beliefs are consistent with our own. The beliefs driving the Fiduciary Manager's approach to engagement are as follows.

### Quality over quantity

- The Fiduciary Manager is interested in a few meaningful quality engagements, with strong reporting (rather than, being interested in the quantity of votes). They want managers to prioritise the highest sustainability impacts in their portfolios

### Long-term

- The Fiduciary Manager encourages underlying managers to form long-term relationships with companies. Successful stewardship can take many months, maybe even years

## **Real world impact**

- The Fiduciary Manager is interested in engagement on topics that contribute to positive real-world sustainability impact (such as, reduction in absolute carbon emissions)

## **Transparency**

- Some engagement, perhaps even most engagement, will be unsuccessful. The Fiduciary Manager is realistic, and they prefer transparency from managers

## **Collaboration**

- Engagement is more efficient when managers collaborate – not just for the managers, but for the companies too (who will field fewer, but higher conviction, engagements from their investors). The Fiduciary Manager encourages underlying managers to participate in collaborative initiatives, such as Climate Action 100+

## **Innovation**

- The Fiduciary Manager welcomes innovation, for example, third-party tools to assess a company's conviction on sustainability topics

## **Integrated**

- The Fiduciary Manager is interested in how (if at all) stewardship contributes to the investment thesis and whether managers link their stewardship to other engagement activity (for example, policy engagement)

## **3. TRUSTEE'S POLICY ON EXERCISE OF RIGHTS (INCLUDING VOTING RIGHTS) ATTACHING TO SCHEME INVESTMENTS**

### **Manager selection and monitoring**

When selecting investment managers, the Fiduciary Manager scrutinises the stewardship, voting and engagement policies. Activities of investment managers are assessed before the initial investment to ensure they align with our Stewardship Policy. The Fiduciary Manager monitors our investment managers on an ongoing basis; ensuring their activities align with our Stewardship Policy and engaging with our investment managers to help them improve their stewardship approach. The Fiduciary Manager closely monitors investment managers who do not meet our stewardship standards and actively works with them to improve their policies, processes and reporting.

The Trustee monitors voting and engagement activity of our investment managers and challenges their activity through the Fiduciary Manager. We categorise our managers according to how material voting and engagement is in their mandate, focusing efforts on managers where voting and engagement is material.

## Use of proxy voting services

Proxy voting services are specialist firms that provide an outsourced voting service. Some investment managers choose to use these services (rather than vote themselves). The reasons for using proxy voting services could include:

- The investment manager lacks the resource to research each vote and submit votes
- The investment manager wants to follow a recognised code of practice and the proxy voting service is an easy way to implement this

Using a proxy voting service does not necessarily mean that voting is done poorly. In fact, many professional proxy voting services are able to devote significant resource to researching AGM motions and are able to follow best practice guides like the Financial Reporting Council's (FRC) Stewardship Code.

We recognise that by having a suitable Stewardship Policy in place and using our Fiduciary Manager to monitor voting activity, investment managers can create more engagement over time; particularly smaller, more boutique managers with less in-house expertise and resource.

The table below outlines the use of proxy voting services by the Scheme's investment managers where voting is deemed to be of material importance.

Manager	Use of proxy voting service
BlackRock Global Event Partners	ISS and Glass Lewis
Cardano Sustainable Transition Equity Fund	Use Glass Lewis as a proxy provider to deliver vote recommendation and execution services. Glass Lewis applies the custom voting policy of Cardano and an audit process is in place with Glass Lewis to ensure the policy is applied correctly.
Egerton	No proxy advisor, but utilises the services of third-party tools including Proxy Edge and Proxy Vote to cast votes
Kadensa	ISS
Man Numeric	Use Glass Lewis for custom policy
MI Metropolis	ISS
Polar Capital	ISS
Sands	Use ISS and Glass Lewis for guidance in decision on votes
Sunriver	ISS
Westfield	ISS

A summary of the voting activity in which the Scheme assets are invested in is provided for the year ending 31 December 2025. This may include information in relation to funds that the Scheme's assets were no longer invested in at the year end.

The tables below provide a summary of the voting activity undertaken by our managers during the year.

Note: the managers included denote those where voting and engagement are seen as material aspects of their investment process, rather than necessarily those investments we have the largest exposure to. In addition, not all managers in this category will always have voting opportunities in any given year. Although all investment managers that the Scheme invests with, directly or indirectly, are subject to the Scheme's engagement policy and monitored accordingly, some managers have chosen not to provide certain information – the Fiduciary Manager continues to engage with these managers to encourage improved transparency.

Fund	Total Proposals		Vote Decision			Meetings	
	Eligible Proposals	Proposals Voted On	For	Against	Abstain	No.	Against
BlackRock Global Event Partners	983	98%	88%	6%	0%	96	30%
Cardano Sustainable Transition Equity Fund	24729	100%	75%	22%	1%	1917	77%
Egerton	737	100%	93%	6%	1%	42	12%
Kadensa	1005	100%	87%	11%	2%	N/A	N/A
Man Numeric	3374	100%	91%	8%	0%	275	48.7%
MI Metropolis	383	100%	98%	2%	0%	23	22%
Polar Capital	414	100%	84%	16%	0%	51	16%
Sands	546	100%	93%	2%	5%	62	15%

Sunriver	170	95%	90%	3%	7%	20	11%
Westfield	537	100%	93%	7%	0%	68	26%

Notes: % may not sum up to 100% due to rounding

## Most Significant Votes

**Significant Votes:** The Trustee has based the definition of significant votes in line with the requirements of the Shareholder Rights Directive (SRD) II and on the Scheme's stewardship priorities. The *most* significant proposals reported below relate to the companies with a relatively larger weight in each fund (relative to other companies in the full list of significant proposals), while considering the stewardship priorities.

Where available, information on next steps and plans to escalate are included in the table below.

Fund	Company	Proposal	Manager Vote Decision	Proposal Outcome
<b>BlackRock Global Event Partners</b>	Meta (holding size 0.2%)	Shareholder proposal regarding report on hate targeting marginalised communities	For - Supported enhanced reporting to better evaluate the platform's impact on marginalised communities and identify ways to improve protections for users	Vote failed
<b>Cardano Sustainable Transition Equity Fund</b>	Alphabet (holding size 1.5%)	Shareholder proposal regarding disclosure related to 2030 climate goals	Against - While the manager acknowledged Google provides detailed information and data on its carbon reduction goals and is transparent about the challenges, a vote for this resolution was warranted, in line with Cardano's climate ambitions. Cardano viewed that greater transparency on how the company intends to meet its decarbonisation targets, particularly with respect to addressing the significant increase in its Scope 2 emissions, would give investors stronger confidence that the company will achieve its 2030 goal	Vote failed, majority voted with management  Cardano will continue to support climate related shareholder resolutions where they fit out sustainable investment framework and beliefs.
	Apple (holding size 4.5%)	Shareholder proposal regarding abolishing Inclusion and Diversity Program and Policies	Against - The proposal filed by the National Center for Public Policy Research, asked Apple to consider abolishing its Inclusion & Diversity program, policies, department and goals. In the supporting statement, the proponent cites the US Supreme Court's rulings in SFFA v. Harvard and Muldrow v. City of St. Louis which have raised legal concerns regarding corporate Diversity, Equity, and Inclusion (DEI) programs. Despite these decisions, Cardano voted against the proposal, in line with management recommendations. There are several federal laws prohibiting various types of job discrimination (including the Civil Rights Acts of 1964 and	Vote failed, majority voted with management

			1991 and the Equal Pay Act of 1963), which the company must adhere to. Additionally, Cardano believes that inclusive and diverse workplaces benefit companies by creating a more innovative, productive and equitable environment, ultimately improving business performance. Asking the company to abolish its existing practices on the topic is contrary to these beliefs.	
<b>Egerton</b>	Amazon.com Inc (holding size 3.9%)	Shareholder proposal requesting a report on advertising risks	Voted for a shareholder proposal (and against management recommendation) to request that the Board of Directors conduct an evaluation and issue a report evaluating how it oversees risks related to discrimination against ad buyers and sellers based on their political or religious status or views  Vote was casted against management to improve corporate governance	Vote failed, majority voted with management
<b>Mi Metropolis</b>	State Street Corporation (holding size 2.0%)	Shareholder proposal requesting Independent Board Chair	As a rule, the manager believes boards should be led by an independent chair, who can provide better oversight of management and represent the long-term interests of the owners. The manager makes exceptions where the CEO/Chairperson has a large stake in the business which makes them more closely aligned with shareholders. (The proponent was a Shareholder.)	Vote failed, majority voted with management
<b>Polar Capital</b>	Novo Nordisk (holding size 2%)	Proposal Regarding Regulated Working Conditions at Construction Sites	Polar voted against the shareholder proposal in line with both policy (ISS) and management. While there were important issues raised in this proposal, it lacked compelling rationale.	Vote failed  Proposal lacked compelling rationale. The explanation provided by management referred to an agreement in sentiment but the legal and logistical difficulties in instigating these proposals across global locations and subcontracting companies. ISS aligned with this rationale, simply stating a lack of compelling rationale for the proposal.
	Vertex Pharmaceuticals (holding size 2%)	Shareholder Rights & Protections; Executive Compensation; Corporate Governance Framework	For - Vote in line with policy (ISS) and against management recommendation due to a lack of reasonable severance arrangements currently in place. The current policy does not allow excessive cash severance to be payable without shareholder approval. Our request would ensure these shareholder protections.	Vote failed

## 4. MANAGER ENGAGEMENT ACTIVITY

Manager	Engagement theme	Industry	Engagement Activity	Outcome
<b>Cardano Sustainable Transition Equity Fund</b>	Climate change	Banking	<p>The manager participated in ShareAction's Climate Transition Banking Program, an investor-led engagement initiative focused on aligning major EU and UK banks with the Paris Agreement. As part of this programme, the manager engaged with the company, recognising its significance as one of Europe's largest banks and its material influence on global capital flows.</p> <p>Engagement with the company has taken place since 2023 and has focused on the alignment between the company's net-zero commitments and its financing activities, particularly fossil fuel financing. In 2024, alongside other investors, the manager co-filed a shareholder resolution requesting that Barclays phase out financing for fossil fuel companies misaligned with Paris goals.</p> <p>Following the AGM, the company agreed to hold an annual meeting between the CEO, senior management and the investor group. In 2025, the group met with the company and discussed potential improvements, including stronger public advocacy and clearer external confirmation of the bank's continued commitment to its climate strategy.</p>	<p>The shareholder resolution received 24% support, signalling meaningful investor concern regarding the pace of Barclays' climate transition. Following the vote, the company agreed to hold annual meetings with the CEO and senior management, improving investor access and dialogue at the most senior level.</p> <p>Through continued engagement, the company provided greater insight into the strategic and regulatory challenges influencing its climate positioning, particularly its exposure to the US market. While the bank has retained its climate commitments and enhanced some transition-plan disclosures, the manager considers that further progress is required to achieve credible alignment between stated ambitions and financing activities.</p> <p>The manager will continue to engage with the company, prioritising clearer public signals, stronger advocacy and measurable actions to support alignment with global climate goals.</p>

<p><b>Kadensa</b></p>	<p>Human rights</p>	<p>Engineering</p>	<p>The manager participated in 5 meetings covering ESG matters since mid-2023 with IR. Initially covered areas of improvement e.g. highlighted that lower than expected Social score was due to employee pay not being linked to company performance, and followed up 3 months later for progress on the matter (Sustainability Improvement Group was established and management compensation linked to company and business unit performance).</p> <p>The manager subsequently raised the company's weapons business and sought transparency on "controversial weapons". More recent dialogue has focused on commitment to ESG and ongoing investment in environmental products given backtrack on ESG from the Trump administration and indeed customer interest for environmental solutions also lightening alongside. The company remains committed to R&amp;D on environmental technologies and products regardless.</p>	<p>The manager is satisfied with the engagement to date on a number of topics and have established a healthy dialogue on ESG matters. They view ESG as a relevant risk factor and are comfortable with this risk factor for this portfolio holding.</p>
<p><b>Polar Capital</b></p>	<p>Governance</p>	<p>Pharmaceuticals</p>	<p>Engagement took place in 2025, following outreach from the company to its investors. The Fund Manager participated in a dedicated meeting with the company to discuss governance practices and recent developments as the business transitioned to a commercial stage.</p> <p>The discussion covered updates to the company's board structure, the rationale for governance decisions, and expectations around governance standards as the company matures. The engagement also broadened into a wider ESG discussion, including feedback on the company's approach to ESG disclosure and its draft ESG factsheet.</p> <p>The engagement was led by the Fund Manager and involved direct dialogue with company representatives responsible for governance and investor engagement. The approach was constructive and non-escalatory, reflecting the company's openness to feedback and willingness to improve practices.</p> <p>This was a standalone engagement rather than a collaborative initiative, and voting actions were not impacted at this stage. The Fund Manager intends to maintain an ongoing dialogue as disclosures and practices continue to evolve.</p>	<p>The engagement met its immediate objectives. Dialogue with the company was constructive, and the company demonstrated openness to investor feedback on governance and ESG practices. Following the engagement, the company published an updated ESG factsheet, improving transparency around its approach to ESG considerations.</p> <p>While the company has not formally attributed the publication solely to investor engagement, the timing and content suggest that investor dialogue played a meaningful role in shaping disclosure. Improved governance awareness and ESG transparency support better risk management as the company scales its operations, providing long-term financial and stewardship benefits.</p> <p>The engagement is expected to continue. The Investment Manager plans to re-engage in 2026 to review progress, assess improvements against best practice, and identify remaining gaps, particularly given the company's evolving operational profile.</p>

<p><b>Sands</b></p>	<p>Compensation, AI governance, climate disclosures, supply oversight</p>	<p>Technology</p>	<p>The manager met with company management to discuss investor responses to recent Say-on-Pay votes and how the board had assessed and responded to that feedback. Discussions covered the structure and timing of equity awards, potential disclosure enhancements and approaches to addressing perceptions of front-loading while maintaining long-term alignment.</p> <p>The manager also reviewed the companies responsible AI framework, including internal safeguards, governance processes and oversight of higher-risk technologies. Climate discussions focused on Scope 1 and Scope 2 emissions disclosures, future Scope 3 reporting and environmental initiatives. Supply-chain oversight was also discussed, with recommendations provided on strengthening public disclosures.</p>	<p>The company demonstrated openness to shareholder feedback and a willingness to enhance transparency across executive compensation, AI governance, climate reporting and supply-chain practices. The manager considered clearer disclosure on equity award structures, emissions reporting and supplier risk management to be important for supporting stakeholder confidence as the business continues to scale.</p> <p>The manager continues to monitor progress, and additional constructive dialogue is expected to continue as the company further develops its governance and sustainability practices.</p>
<p><b>Westfield</b></p>	<p>Governance</p>	<p>Biotechnology</p>	<p>ESG engagements focused on governance / board effectiveness / diversity.</p> <p>Several written and virtual interactions with the company, starting in the summer of 2024 with a letter to the full board of directors, following up with a letter to the independent board of directors in May of 2025 and another follow-up note in the fall of 2025.</p>	<p>In the specific example, they felt that having a constructive dialog with the company's management and working towards implementing board changes (including appointing a lead independent director) would have a positive effect on the company's performance, as well as on the convictions of its shareholders.</p>