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# Annual Implementation Statement

## The Roche Pension Fund - Defined Contribution Section ("the Fund")

**Introduction**

This statement sets out how, and the extent to which, the Statement of Investment Principles ('SIP') produced by the Trustee of the Fund has been followed over the **12 months to 31 March 2026**. This statement has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, the subsequent amendment in The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the statutory guidance on reporting on stewardship in the implementation statement dated 17 June 2022. The table later in the document sets out the how, and the extent to which, the policies in the SIP have been followed.

**Investment Objectives of the Fund**

The Trustee believes it is important to consider the policies in place in the context of the investment objectives they have set. The objectives of the Fund included in the SIP are as follows:

*The Trustee recognises that members have differing investment needs and that these may change during the course of members' working lives. The Trustee also recognises that members have different attitudes to risk. The Trustee believes that members should make their own investment decisions based on their individual circumstances. The Trustee regards its duty as making available a range of investment options sufficient to enable members to tailor their investment strategy to their own needs.*

*The Trustee also recognises that some members may not feel confident enough to make investment decisions. As such, the Trustee makes available a default investment option. Further information on the default investment option is included in Section 5 (of the SIP).*

*In determining which investment options to make available, the Trustee has considered the investment risk associated with Defined Contribution pension investments. The risk can be defined as the uncertainty in the ultimate amount of savings available to provide retirement benefits. There are a number of factors which contribute to this uncertainty. Some of these factors (such as the amount of contributions paid and the length of time these contributions are invested) cannot be managed by the investment options made available to members.*

**Review of the SIP**

Prior to the Fund Year covered by this Statement, the Trustee reviewed the SIP to reflect changes being made to the Defined Benefit ('DB') Section. Changes were made to the Defined Contribution ('DC') Section of the SIP to include the latest fees available only. The revised SIP was signed in June 2025, during the period covered by this Statement.

This Statement is based on, and should be read in conjunction with, the relevant version of the SIP that was in place for the Fund Year, which was the SIP dated June 2025. A copy of the SIP is available at: https://retirement.fidelity.co.uk/costs-and-charges/rche.

**Annual Implementation Statement to 31 March 2026: Roche Pension Fund - DC Section**

## Investment Strategy Review

The default investment option for new DC joiners is the Roche Flexible Retirement Lifestyle Strategy, which targets income drawdown at retirement. The Roche Lifestyle Strategy Targeting Cash is the default investment option for members who were part of the DB Section and chose to pay AVCs, or members who elected to use Bonus Choice.

A formal investment strategy review was conducted in Q1 and Q2 2023, which led to a number of changes across both default investment options and alternative lifestyles, as well as the self-select fund range. These changes were implemented on 12 December 2023. The next formal investment strategy review is scheduled for 2026. Details of any changes will be reported in next year's Statement.

At the 10 September 2025 Investment Sub Committee ("ISC") meeting, the Trustee reviewed the ongoing suitability of the Roche Diversified Growth Fund ("DGF"). The Trustee concluded that no immediate changes were required and would continue to closely monitor the performance of the underlying funds.

## Assessment of how the policies in the SIP have been followed for the year to 31 March 2026

The information provided in the tables below highlights the work undertaken by the Trustee during the Fund Year, and longer term where relevant, and sets out how this work followed the Trustee's policies in the SIP, relating to the Fund as a whole and the default investment option. The SIP is attached as an Appendix and sets out the policies referenced below.

**In summary, it is the Trustee's view that the policies in the SIP have been followed during the year to 31 March 2026.**

**Annual Implementation Statement to 31 March 2026: Roche Pension Fund - DC Section**

| | Requirement | Policy | In the year to 31 March 2026 |
|---|---|---|---|
| 1 | Securing compliance with the legal requirements about choosing investments | *The Statement has been prepared by the Trustee of the Fund in accordance with Section 35 of the Pensions Act 1995, as amended, and its attendant Regulations.*<br><br>*The Trustee has obtained and considered written advice from a suitably qualified individual whom they believe to have a degree of knowledge and experience that is appropriate for the management of the Fund's investments.*<br><br>*SIP Section 1 (1.2 to 1.5)* | No changes were made to the Fund's investment strategy over the year to 31 March 2026. The next triennial review is due to take place in 2026. Any resultant changes will be reported in next year's Statement. |
| 2 | Kinds of investments to be held | *The DC Section provides lifestyle options that aim to ensure that members' funds are invested in appropriate funds at the appropriate time, based on their age and the number of years until their selected retirement date.*<br><br>*The Trustee has selected a range of investment options for members which offer a range of risk/reward characteristics. These funds are predominantly passively managed. Three actively managed multi-asset funds and a part actively managed global sustainable equity fund are also available.*<br><br>*While no single option will be sufficient to manage the various risks associated with DC pension investments, the range is designed to be wide enough to enable individuals to manage the risks identified as they become relevant, according to each member's individual assessment of these risks.*<br><br>*SIP Section 4 (4.14, 4.23 & 4.24)* | The Trustee continues to offer a range of self-select fund options, focused on passively and actively managed funds across a diverse range of asset classes including funds with a sustainability focus.<br><br>A list and description of the funds and lifestyle strategies, which are currently offered via the Fund, are set out in the Statement of Investment Arrangements ("SIA"). These remained consistent with the Trustee's policy, as set out in the SIP during the Fund Year to 31 March 2026. |
| 3 | The balance between different kinds of investments | *The Trustee will maintain a suitably diverse range of funds, which in turn are considered to be appropriately diverse within their specific objectives. To minimise the risk of any one particular investment having a substantial effect on the Fund's overall investment performance, the Trustee invests the* | On a quarterly basis, the Trustee receives an investment performance report that monitors the risk and return of all investment options within the Fund. The performance of the funds is compared against their stated objectives/benchmarks. The report also includes any changes to the Investment Adviser's Manager |

**Annual Implementation Statement to 31 March 2026: Roche Pension Fund - DC Section**

| | Requirement | Policy | In the year to 31 March 2026 |
|---|---|---|---|
| | | *Fund's assets in pooled funds, ensuring members' investments can achieve sufficient diversification and that investments may be readily realisable. Members may choose which investment options meet their own personal risk assessment, out of the range of investment options available to them.*<br><br>*SIP Section 4 (4.27 & 4.28)*<br><br>*The current default investment option places the emphasis on aiming to deliver an efficient, cost effective way of growing members' retirement savings without exposing them to unreasonable risk. This also encompasses a switch into asset classes designed to provide some protection against equity market falls, and for the Roche Flexible Retirement Lifestyle Strategy, asset classes that help protect against market volatility while allowing for some growth in the years approaching the Member's selected target retirement age.*<br><br>*SIP Section 5 (5.3)* | Research Ratings and notes any other relevant developments at the underlying investment managers.<br><br>During the Fund Year, the default investment option, alternative lifestyles and self-select fund range remained consistent with the policies and objectives set out in the SIP. |
| 4 | Risks, including the ways in which risks are to be measured and managed | *In determining which investment options to make available, the Trustee has considered the investment risk associated with Defined Contribution pension investments. The risk can be defined as the uncertainty in the ultimate amount of savings available to provide retirement benefits. There are a number of factors, which contribute to this uncertainty. Some of these factors (such as the amount of contributions paid and the length of time these contributions are invested) cannot be managed by the investment options made available to members.* | The Trustee provides a range of investment options which enables members to reflect in their selection of funds on the level of risk they wish to take in light of their own individual circumstances.<br><br>The Trustee considers both quantitative and qualitative measures for risks when deciding on investment policies, strategic asset allocation, the choice of fund managers / funds / asset classes.<br><br>The list of different risks that members are exposed to, including how they are monitored and managed, is reviewed at least every three years, or as regulatory requirements arise (whichever is sooner), as part of the SIP review. These risks are primarily |

**Annual Implementation Statement to 31 March 2026: Roche Pension Fund - DC Section**

| | Requirement | Policy | In the year to 31 March 2026 |
|---|---|---|---|
| | | *The Trustee recognises that the investment of assets in financial markets results in an exposure to risk. Risk can be defined in a number of ways. The main risks that the Trustee considers and the Trustee's objective for each risk are described in Section 4.10. The risk set out in the SIP are inflation risk, capital risk, interest rate/pension conversion risk, manager risk, market risk, currency risk, liquidity risk and ESG risk.*<br><br>*SIP Section 4 (4.8, 4.9 & 4.10)* | reviewed as part of the investment strategy review undertaken at least triennially with the most recent review undertaken on 6 March 2023 and 26 May 2023. In addition, the Trustee reviewed a number of these risks on a quarterly basis during the year as part of their regular investment performance monitoring.<br><br>As part of the Roche DGF Review at the September 2025 ISC meeting, the Trustee also considered the risk/return profile of the Roche DGF against alternative DGFs. The Trustee agreed to retain the current underlying fund components but would continue to closely monitor their performance.<br><br>The Trustee maintains a Risk Register of the key risks facing the Fund, including investment risks. The Risk Register rates the impact and likelihood of the risks and summarises existing mitigations and additional actions. The risks are allocated to the Trustee Board, Governance Sub-Committee, Communications Sub-Committee, and the Investment Sub-Committee and are reviewed on a quarterly basis. During the period covered by this statement, the Investment Sub-Committee last reviewed the risks allocated to it on 26 February 2026. |
| 5 | Expected return on investments | *Alongside the default the Trustee has made available a range of investment options, with sufficient variation in expected risk and return to enable members to tailor their investment strategy to their own needs.*<br><br>*SIP Section 4 (4.44)*<br><br>*During the growth phase of the Default Investment Option, the Trustee aims for the strategy to generate returns in excess of inflation whilst managing downside risk. As members approach retirement, the strategy aims to reduce investment* | The Trustee received quarterly investment performance reports that monitor the risk and return of all investment options within the Fund. The performance of the funds is compared against their stated objectives/benchmarks.<br><br>In addition, the quarterly investment performance reports included:<br><br>• Further details on the performance of the Roche DGF relative to its peer group, to better understand how DGFs overall were performing in the market and how the Roche DGF ranked within this group. |

**Annual Implementation Statement to 31 March 2026: Roche Pension Fund - DC Section**

| | Requirement | Policy | In the year to 31 March 2026 |
|---|---|---|---|
| | | *risk for members, with the aim of providing assets that are broadly appropriate for an individual planning for a flexible retirement, i.e. combining income drawdown with a tax-free cash lump sum at retirement.*<br><br>*SIP Section 5 (5.10)* | • A performance comparison of the growth phase and at-retirement phase of the default investment option against other provider default strategies. Similar to the Roche DGF, this was to get a better understanding of how the default investment option was performing compared to other external providers.<br>• Details on the concentration of investments in the IT sector within the funds used in the growth phase of the default investment option compared to global equities (MSCI World).<br><br>The underlying components of the default investment options are specifically monitored against their respective aims and objectives.<br><br>The trade-off between risk and return was considered in detail during the formal 2023 investment strategy review, as well as during the review of the Roche DGF in September 2025. Additionally, this is monitored on a quarterly basis. |
| 6 | Realisation of investments | *The Investment Managers have responsibility for the realisation and trading of the underlying assets. The day-to-day activities which the Investment Managers carry out for the Trustee, are governed by the arrangements between the Investment Managers and Fidelity. All funds available are daily priced and trade daily.*<br><br>*SIP Section 4 & 5 (4.45 & 5.11)* | The Trustee receives an administration report on a quarterly basis to ensure that core financial transactions are processed within SLAs and regulatory timelines.<br><br>As confirmed in the Chair's Statement, the Trustee was satisfied with the service level performance by Fidelity over the year. The Trustee, with their DC adviser, reviews the key administration processes adopted by Fidelity from time to time and receives assurances from Fidelity in respect of their checking and peer review processes, in order to minimise the risks of inaccurate or late payment of core financial transactions.<br><br>Assets in the Fund are invested in long-term insurance contracts. The assets underlying the insurance contracts are daily traded pooled funds which hold liquid assets. There were no liquidity |

**Annual Implementation Statement to 31 March 2026: Roche Pension Fund - DC Section**

| | Requirement | Policy | In the year to 31 March 2026 |
|---|---|---|---|
| | | | concerns arising in respect of the Fund's investment fund holdings over the Fund year to 31 March 2026. |
| 7 | Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments | *In choosing the Fund's investments, the Trustee takes account of all factors that it deems financially material over the relevant time horizons for the Fund's membership. As a result, the Trustee makes available a range of lifestyle investment strategies reasonable for any member not willing or able to make his/her own investment strategy decisions, as well as self-select options for members that wish to create bespoke portfolios specific to their individual circumstances.*<br><br>*SIP Section 4 (4.5)*<br><br>*The Trustee believes that environmental, social, and corporate governance (ESG) factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration.*<br><br>*SIP Section 4 (4.32)* | The Trustee received an investment performance report on a quarterly basis that monitored the Investment Adviser's Manager Research Ratings (overall and ESG credentials). All managers remained highly rated during the Fund Year. When implementing a new manager, the Trustee considers the ESG credentials of the manager.<br><br>The SIP includes the Trustee's policy on ESG factors, stewardship and Climate Change. This policy sets out the Trustee's beliefs on ESG, climate change and the processes followed by the Trustee in relation to voting rights and stewardship. No material changes were made to the policy during the Fund Year.<br><br>The Trustee reviewed the climate-disclosure report in line with the Task Force for Climate Related Financial Disclosures ("TCFD") at the Q3 ISC Meeting on 10 September 2025. The Trustee discussed the DC Section's Climate Metrics as part of the TCFD report conclusions. This included metrics on Carbon Footprint, Weighted Average Carbon Intensity ("WACI"), Absolute Emissions, Implied Temperature Rise and SBTI (Science Based Targets Initiative). TCFD is a regulatory requirement for the Fund and the disclosure was finalised and published online ahead of the 31 October 2025 deadline.<br><br>The Trustee discussed progress against the Fund's Climate Target for the DC Section of the Fund at the 10 September 2025 ISC meeting: "*The Trustee commits to the aims of the Paris Agreement. The Trustee expects to reduce carbon emissions associated with its default portfolio by at least 45% (from 2019 levels) by 2030 and fully (i.e. to net zero) by 2050, which is currently understood to be* |

**Annual Implementation Statement to 31 March 2026: Roche Pension Fund - DC Section**

| | Requirement | Policy | In the year to 31 March 2026 |
|---|---|---|---|
| | | | *consistent with limiting global warming to 1.5 degrees above pre-industrial levels*". The WACI for the default investment option had reduced by 55% from the baseline year (2019) to 31 December 2025 so the 2030 target has already been achieved.<br><br>The Trustee undertook a ESG Beliefs Survey in Q1 2025, and the conclusions were reviewed at the Q2 2025 ISC and Trustee meetings. The Trustee concluded that they had a well-developed understanding of ESG issues and they would continue to receive ongoing training to keep abreast of the regulations and industry developments. |
| 8 | The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments | *Individual member views are not taken into account in the selection, retention and realisation of investments. However, the Trustee considers feedback from members and where appropriate, will reflect on feedback received as part of any discussions relating to the available fund range.*<br><br>*SIP Section 4 (4.42)* | No proof required. No changes were made during the year to this policy, which reflects the Trustee's current practice. |
| 9 | The exercise of the rights (including voting rights) attaching to the investments | *The Trustee expects its underlying managers to evaluate ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice.*<br><br>*The Trustee support and expect the investment managers who are registered with the FCA to comply with the UK Stewardship Code and UK Corporate Governance Code, including public disclosure of compliance via an external website.* | Investment managers are expected to provide voting reporting on a regular basis, at least annually. As part of the annual Implementation Statement, the reports were reviewed by the Trustee during the Fund year to assess the extent to which the managers are engaging with the underlying companies in which they invest. Over the last 12 months, the Trustee has not actively challenged any of its investment managers on their voting activity. The Trustee has equity exposure through the following funds:<br><br>• Roche World ESG Equity Tracker<br>• L&G MSCI World Small Cap ESG Exclusions Equity Index<br>• Roche Emerging Market ESG Equity Tracker |

**Annual Implementation Statement to 31 March 2026: Roche Pension Fund - DC Section**

| | Requirement | Policy | In the year to 31 March 2026 |
|---|---|---|---|
| | | *The Trustee wishes to encourage best practice in terms of active engagement with entities in which they invest. The Trustee expects the underlying investment managers to undertake engagement activities and encourages the Fund's investment managers to discharge their responsibilities in respect of investee companies in accordance with the principles underlying the UK Corporate Governance Code and the UK Stewardship Code, in respect of all resolutions at annual and extraordinary meetings.*<br><br>*SIP Section 4 (4.33, 4.35 & 4.36)* | • L&G MSCI World Minimum Volatility Index<br>• BlackRock World ex UK Equity Index<br>• BlackRock UK Equity Index<br>• HSBC Islamic Global Equity Index<br>• Roche Diversified Growth Fund<br>  ○ Nordea Diversified Return<br>  ○ BlackRock ESG Strategic Growth<br>• Roche Global Sustainable Equity Fund<br>  ○ Baillie Gifford Positive Change<br>  ○ BlackRock ACS World ESG Equity Tracker (Hedged)<br><br>The Trustee has agreed the following key areas of focus:<br><br>• **Environment:** Climate Change, Pollution and natural resource degradation;<br>• **Social:** Human rights and<br>• **Governance:** Diversity, Equity and Inclusion ('DEI').<br><br>Voting activity information for the above funds, where provided, is summarised in the Appendix. |

**Annual Implementation Statement to 31 March 2026: Roche Pension Fund - DC Section**

| | Requirement | Policy | In the year to 31 March 2026 |
|---|---|---|---|
| 10 | Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, Trustee would monitor and engage with relevant persons about relevant matters) | *The Trustee expects its underlying managers to evaluate ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice.*<br><br>*SIP Section 4 (4.33)* | Investment managers are expected to provide reporting on a regular basis, at least annually, including stewardship information. These were reviewed by the Trustee during the Fund Year as part of the Fund's review of the governance documents.<br><br>Apart from those exercised by the Fund's investment managers, no additional engagement activities were undertaken in the year to 31 March 2026.<br><br>No investment managers attended ISC or Trustee Meetings over the year to 31 March 2026 in relation to the DC Section. |
| 11 | How the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the Trustee policies mentioned in sub-section (b) of the legislation. | *Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class in which they invest.*<br><br>*The Trustee considers its Investment Adviser's forward-looking assessment of a manager's ability to outperform over a full market cycle. This view will be based on an assessment of the manager's idea generation, portfolio construction, implementation and business management in relation to the particular investment fund that the Fund invests in. The appointment of the investment managers will be reviewed by the Trustee from time to time, based on the results of their monitoring of performance and process.* | The Trustee holds regular meetings with its Investment Adviser to ensure that the investment managers continue to carry out their work competently and have the appropriate knowledge and experience to manage the Fund's investments.<br><br>Manager arrangements are assessed on an ongoing basis when concerns are identified.<br><br>Over the Fund Year to 31 March 2026, the Trustee discussed the continued appointment of the managers on a quarterly basis and were happy that the contractual arrangements in place continued to incentivise the managers to make decisions based on medium to long-term financial and non-financial performance. |

**Annual Implementation Statement to 31 March 2026: Roche Pension Fund - DC Section**

| | Requirement | Policy | In the year to 31 March 2026 |
|---|---|---|---|
| | | *SIP Section 4 (4.16 & 4.17) and Section 6 (6.1)* | |
| 12 | How the arrangement incentivises the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term. | *The Trustee will consider how ESG and stewardship are integrated into the investment process as well as ensuring fees are competitive within the asset class. The Trustee considers the Investment Adviser's manager research ratings when taking decisions on selection and retention of manager appointments.*<br><br>*SIP Section 4 (4.18)*<br><br>*The Trustee holds regular meetings with its Investment Adviser and the investment managers to satisfy itself that they continue to carry out their work competently and have the appropriate knowledge and experience to manage the investments of the Fund.*<br><br>*SIP Section 6 (6.2)* | During the Fund Year, the Trustee undertook a ESG Beliefs Survey, and the conclusions were reviewed at the Q2 2025 ISC and Trustee meetings. The Trustee concluded that they had a well-developed understanding of ESG issues and they would continue to receive ongoing training to keep abreast of the regulations and industry developments.<br><br>The Trustee's focus is on longer-term performance, but shorter-term performance is monitored to ensure any concerns can be identified in a timely manner. The Trustee reviewed both absolute and relative performance of the funds on a quarterly basis, including assessments of both shorter and longer time horizons. As a result, the Trustee was satisfied that Fund's investment managers performed sufficiently well in the context of their investment objectives and market conditions. |
| 13 | How the method (and time horizon) of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the Trustee's policies mentioned in | *The Trustee receives investment manager performance reports on a quarterly basis, which present performance information over 3 months, 1 year and 3 years. The Trustee reviews the absolute performance, relative performance against a suitable index used as the benchmark, and against the manager's stated target performance (over the relevant time period) on a net of fees basis.*<br><br>*The Trustee maintains a focus on long term performance. It may review a manager's appointment if the manager has* | The Trustee considered 3 months, 1 year and 3 years performance metrics as part of its review of the quarterly investment performance reports for all funds during the Fund Year (since inception figures are also considered where required). The Trustee reviewed both absolute and relative performance against benchmarks, including assessments of both shorter and longer time horizons.<br><br>Over the 3-year period to 31 March 2026, the majority of funds were in line with their respective benchmarks or targets. The Trustee was |

| | Requirement | Policy | In the year to 31 March 2026 |
|---|---|---|---|
| | sub-section (b) of the legislation. | *extended periods of underperformance, there is a material change in personnel or there is other news that may severely impact the outcome of the investment.*<br><br>*SIP Section 6 (6.3 & 6.4)* | comfortable that the longer-term performance and forward-looking capabilities remained suitable.<br><br>As noted earlier in this Statement, at the 10 September 2025 ISC meeting, the Trustee reviewed the ongoing suitability of the Roche DGF following prolonged underperformance relative to its benchmark. The Trustee concluded that no immediate changes were required and would continue to closely monitor the performance of the underlying funds.<br><br>The Trustee, with the help of its Investment Adviser, takes a long-term view when assessing whether to replace the underlying investment managers, and such decisions would not be made based solely on short-term performance concerns. Instead, changes would be driven by a significant downgrade of a fund(s) Manager Research Rating. This in turn would be due to a significant reduction in confidence that the investment manager will be able to perform in line with their fund's mandate over the long term.<br><br>The Trustee remained satisfied that the investment fund managers' short-term performance did not impact long-term goals. In particular, none of the funds have performance fees in place, which could encourage managers to make short term investment decisions to hit their short term profit targets at the expense of longer term performance. |
| 14 | How the Trustee monitor portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted | *The Trustee asks investment managers to include portfolio turnover and turnover costs in their presentations and reports to the Trustee. The Trustee consider portfolio turnover costs as part of the annual Value for Members assessment.*<br><br>*SIP Section 6 (6.7)* | Over the year to 31 March 2026, the Trustee considered the levels of transaction costs as part of their annual Chair's Statement and Value for Member's assessment.<br><br>The Trustee found that the charges borne by members were competitive in comparison to current market rates and represent good value for members relative to the benefits of membership of |

**Annual Implementation Statement to 31 March 2026: Roche Pension Fund - DC Section**

| | Requirement | Policy | In the year to 31 March 2026 |
|---|---|---|---|
| | portfolio turnover or turnover range. | | the Fund's DC arrangements. However, they note the challenges in assessing transaction costs due to the lack of industry-wide benchmarks for such transaction costs.<br><br>Given that the Fund invests in a range of pooled funds, many of which invest across a wide range of asset classes, the Trustee does not have an overall portfolio turnover target for the Fund. |
| 15 | The duration of the arrangement with the asset manager | *The Trustee is a long-term investor and is not looking to change investment arrangements on a frequent basis. All the funds are open-ended with no set end date for the arrangement.*<br><br>*SIP Section 6 (6.8)* | The default investment options, alternative lifestyle strategies and self-select fund range are reviewed on at least a triennial basis. The Trustee is a long-term investor; all funds are open-ended and therefore there is no set duration for manager appointments. There were no changes to manager appointments over the year covered by this statement. |

# Appendix A – Manager Voting Activity

*The Trustee expects its underlying managers to evaluate ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice.*

## Voting Activity Summary 1 April 2025 to 31 March 2026

Voting activity information from each of the underlying investment managers (where provided) over the prior 12 months to 31 March 2026 is summarised in the table below. Where fund managers have not been included, this is due to not being able to supply voting information at the time of finalising this report.

| Fund | How many resolutions were you eligible to vote on? | What % of resolutions did you vote on for which you were eligible? | Of the resolutions on which you voted, what % did you vote with management? | Of the resolutions on which you voted, what % did you vote against management? | Of the resolutions on which you voted, what % did you abstain from voting? |
|---|---|---|---|---|---|
| **Default Investment Option** | | | | | |
| Roche World ESG Equity Tracker | **6,878** | **98.0%** | **95.3%** | **2.7%** | **0.3%** |
| Roche Emerging Market ESG Equity Tracker | **35,443** | **100.0%** | **77.9%** | **20.6%** | **1.6%** |
| L&G MSCI World Small Cap ESG Exclusions Equity Index | **44,364** | **99.8%** | **72.9%** | **26.7%** | **0.4%** |
| L&G MSCI World Minimum Volatility Index | **4,769** | **100.0%** | **71.7%** | **28.0%** | **0.3%** |

**Annual Implementation Statement to 31 March 2026: Roche Pension Fund - DC Section**

| Fund | How many resolutions were you eligible to vote on? | What % of resolutions did you vote on for which you were eligible? | Of the resolutions on which you voted, what % did you vote with management? | Of the resolutions on which you voted, what % did you vote against management? | Of the resolutions on which you voted, what % did you abstain from voting? |
|---|---|---|---|---|---|
| **Roche Diversified Growth Fund** | | | | | |
| Nordea Diversified Return | **2,705** | **100.0%** | **84.4%** | **14.8%** | **0.7%** |
| BlackRock ESG Strategic Growth | **38,284** | **99.0%** | **89.9%** | **9.1%** | **0.0%** |
| **Self-Select** | | | | | |
| BlackRock ACS UK Equity | **9,468** | **99.5%** | **96.7%** | **2.7%** | **0.0%** |
| BlackRock ACS World ex UK Equity | **24,190** | **99.0%** | **94.2%** | **4.8%** | **0.4%** |
| HSBC Islamic Global Equity Index | **1,645** | **95.6%** | **80.9%** | **14.7%** | **0.5%** |
| **Roche Global Sustainable Equity Fund** | | | | | |
| BlackRock ACS World ESG Equity Tracker (Hedged) | **6,878** | **98.0%** | **95.3%** | **2.7%** | **0.3%** |
| Baillie Gifford Positive Change | **427** | **100.0%** | **93.7%** | **5.4%** | **0.9%** |

*Source: Investment Managers.*
*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 differing ways, or a vote of 'Abstain' is also considered a vote against management.*

## Significant votes

Following the DWP's consultation response and outcome regarding Implementation Statements on 17 June 2022 updated guidance was produced which is effective for all scheme year ends on or after 1 October 2022. The updated Guidance requires trustees to include a description of what they believe to be a significant vote within the Implementation Statement. The voting information should also include details explaining why each vote has been categorised as most significant, what the vote was, and why the manager voted in the way it did. The Trustee agreed the below areas of focus for the Fund. For reference, the suggestion is to give more focus to fewer topics with appropriate strength, than too many topics, which may lead to low impact in the end. Further, all topics are closely linked to UN Sustainable Development Goals ("SGDs"):

| ESG | Priority | Description |
|---|---|---|
| Environment | Climate Change | Low-carbon transition and physical damages resilience. |
| Environment | Pollution and natural resource degradation | Air, water and land (forests, soils and biodiversity). |
| Social | Human rights | Modern slavery, pay and safety in workforce and supply chains, and abuses in conflict zones. |
| Governance | Diversity, Equity and Inclusion (DEI) | Inclusive and diverse decision making. |

The Fund's investment managers have provided significant vote information across the funds previously noted as containing equity. The significant vote information included in this Statement focuses on the areas described above. These votes were selected from the underlying holdings that were above 1% of the funds used in the default investment options (where available). The final outcome column below represents the result of the resolution: Passed (✓) or Not-Passed (×). Some of the final outcome results were not available at the time of finalising this report.

The "Holdings in the Fund" column indicates the fund size and % it represents within the total assets under management of the DC Section. The "Company (% holding)" column indicates the % holding in the named company for each fund as at 31 March 2026 (% holding at the date of the vote was not provided).

**Annual Implementation Statement to 31 March 2026: Roche Pension Fund - DC Section**

| Fund | Holdings (c.£m) | ESG Priority | Company (% Holding) | Date | Resolution | How Manager Voted and Rationale * | Final Outcome ** |
|---|---|---|---|---|---|---|---|
| **Roche World ESG Equity Tracker** | 227.1 (46.8%) | **Social (Human Rights)** | Alphabet Inc. (4.3%) | 06/06/2025 | Publish a Human Rights Impact Assessment of AI Driven Targeted Advertising | **AGAINST (against management recommendation):** The company already provides sufficient disclosure and/or reporting regarding this issue or is already enhancing its relevant disclosures. | ☒ |
| | | **Environment (Pollution)** | Amazon.com, Inc. (2.8%) | 21/05/2025 | Report on Impact of Data Centers on Climate Commitments | **FOR (in line with management recommendation):** Proposal is considered in alignment with the investment objectives of the funds in scope of the BlackRock Investment Stewardship Climate and Decarbonization Stewardship Guidelines. | ☒ |
| **Roche Emerging Market ESG Equity Tracker** | 48.8 (10.1%) | **Governance (Diversity, Equity and Inclusion (DEI))** | SK hynix, Inc. (2.7%) | 25/03/2026 | Elect Jeong Deok-gyun as Outside Director | **FOR (in line with management recommendation):** A vote for is applied as no major concerns have been highlighted. These shareholder resolutions are considered significant due to director elections taking place during the first proxy season following reforms to the Korean Commercial Act, which enhanced expectations around board and audit committee independence and oversight. | Not disclosed |
| | | | | | Elect Ko Seung-beom as Outside Director to Serve as an Audit Committee Member | | Not disclosed |
| **Nordea Diversified Return** | 0.2 (<1%) | **Social (Human Rights)** | Alphabet Inc. (4.2%) | 06/06/2025 | Report on Due Diligence Process to Assess Human | **FOR (against management recommendation):** Nordea supports the proposal as it improves transparency on | ☒ |

**Annual Implementation Statement to 31 March 2026: Roche Pension Fund - DC Section**

| Fund | Holdings (c.£m) | ESG Priority | Company (% Holding) | Date | Resolution | How Manager Voted and Rationale * | Final Outcome ** |
|---|---|---|---|---|---|---|---|
| | | | | | Rights Risks in High-Risk Countries | material ESG issues such as human rights risk. | |
| **L&G MSCI World Minimum Volatility Index** | 17.0 (3.5%) | **Governance (Diversity, Equity and Inclusion (DEI))** | Berkshire Hathaway Inc. (1.6%) | 03/05/2025 | Elect Director Charlotte Guyman | **AGAINST (against management recommendation):** A vote against is applied as L&G expects a company to have at least one-third of women on the board. | ☑ |
| | | | T-Mobile US, Inc. (1.2%) | 06/06/2025 | Elect Director Teresa A. Taylor | **AGAINST (against management recommendation):** A vote against is applied to the (re-)election of a non-independent director due to lack of independence on the board. | ☑ |
| | | | Duke Energy Corporation (1.1%) | 01/05/2025 | Elect Director Theodore F. Craver, Jr. | **AGAINST (against management recommendation):** A vote against is applied as L&G expects a company to have at least one-third women on the board. | Not disclosed |
| | | | The Southern Company (1.0%) | 21/05/2025 | Elect Director David J. Grain | **AGAINST (against management recommendation):** A vote against is applied as L&G expects a company to have at least one-third women on the board. | Not disclosed |

*Source: Investment managers*
*Note that the L&G MSCI World Small Cap ESG Exclusions Fund and BlackRock ESG Strategic Growth Fund used in the default investment option do not have holdings of more than 1% and have therefore not been included in the above table.*
**Where investment managers voted against management, both BlackRock and L&G publicly communicate their vote instructions on their websites with the rationale for all votes against management. Nordea does not communicate their intent ahead of the vote.*
***All investment managers will continue to support shareholder proposals and engage with investee companies, advocating their position on the above issues as long as the company is not showing substantial improvements. All investment managers will monitor developments and assess whether the company has addressed their concerns.*

## Further Examples of Engagement Activity as at 31 March 2026

### BlackRock engages with Equinor

At Equinor ASA's May 2025 Annual General Meeting (AGM), several shareholder proposals addressing climate and natural capital-related risks and opportunities were presented. Among these, two proposals called for the company to shut down its wind power business. BlackRock Investment Stewardship (BIS) voted against these proposals, considering them lacking in economic merit and overly prescriptive towards management's decision-making.

Another proposal requested disclosure on whether Equinor's energy production strategy aligned with the expectations of the Norwegian State, a significant shareholder, particularly regarding efforts to reduce greenhouse gas emissions. Equinor responded that it saw no misalignment with its major shareholders on this matter. BIS assessed this proposal as similarly overly prescriptive and did not support it.

Overall, under BIS' Benchmark Policies, BlackRock did not support any shareholder proposals at Equinor's May 2025 AGM, with support for these proposals ranging only from approximately 0.1% to 4%.

Source: BlackRock Annual Stewardship Report 2025

### L&G engages with Microsoft

L&G engaged Microsoft to strengthen transparency, governance and risk management concerning AI and human-rights impacts. As a major provider of AI-enabling software and cloud services, Microsoft has significant influence over AI integration in the economy; firms with comparable influence should transparently disclose their AI use and associated risk-management processes.

L&G first engaged with Microsoft on AI governance in 2023 following the publication of L&G's 'Safe AI' expectations. L&G has regarded Microsoft as a transparency leader among major technology companies. In late 2025, L&G met with Microsoft ahead of its annual general meeting to discuss filed shareholder resolutions on AI and data governance and on human-rights matters, seeking to understand the company's approach and risk-management measures. In light of corrective actions Microsoft had taken in response to stakeholder feedback, L&G voted against two human-rights-related resolutions at the 2025 AGM. L&G voted in favour of a proposal requesting a report on AI data-usage oversight, citing a rapidly evolving regulatory landscape and heightened legal and reputational risks—particularly potential copyright infringement—associated with data-sourcing practices.

L&G notes that Microsoft has increased transparency on responsible AI governance and human-rights matters in recent years. Although Microsoft's AI-governance disclosures compare favourably with international peers, L&G considers that its data-governance disclosures—particularly regarding government requests for content removal and access to user data—require further enhancement. L&G welcomes amendments to Microsoft's internal project risk-classification process that clarify when additional human-rights due diligence is required. L&G will continue to monitor the company's progress in AI governance and related processes.

Source: L&G Quarterly engagement report Q4 2025

### Nordea engages with Amazon

Nordea engaged with Amazon on Human Rights. Nordea filed a shareholder proposal on freedom of association and collective bargaining. The Securities and Exchange Commission allowed Amazon to exclude the proposal from its 2025 proxy, so it was not put to a vote. Nordea signed an investor letter in April 2025 raising concerns about Amazon's management of workers' rights in Quebec, and broadening ongoing engagement to cover responsible AI and human rights.

Source: Nordea human rights report 2025

### Baillie Gifford

MercadoLibre is Latin America's largest ecommerce platform and a financial technology company with operations in 18 countries. It supports small and medium-sized businesses and promotes financial inclusion in the region.

Baillie Gifford engaged with MercadoLibre twice in 2025 to encourage actions aligned with a net zero approach and to assess the company's organisation, leadership and priorities for reducing carbon emissions. Following the departure of the CFO who previously led environmental initiatives, Baillie Gifford met with the new sustainability lead (Senior Vice President for Corporate Development, Strategy and Sustainability), who intends to continue existing plans while introducing renewed emphasis on low-carbon innovation and seller ecosystem decarbonisation. The new lead will retain targets for 100% renewable energy at logistics centres by 2035 and for 10,000 electric vehicles in the delivery fleet, and aims to reinvigorate efforts to drive emissions reductions across the business. Baillie Gifford welcomed the focus on these priority areas but pressed the company on its lack of formal emissions targets. They recognise practical barriers to setting science-based targets—notably uneven EV and infrastructure availability across markets—but noted promising developments in Brazil and MercadoLibre's participation in an alliance to advocate for supportive policy. Baillie Gifford offered support on ecosystem building, requested additional data to track performance, and supplied examples of best practice for supplier and partner engagement. They are reassured by senior leadership's support for climate action and the placement of sustainability within corporate strategy, and will continue to advocate for appropriate emissions intensity targets.

Source: Positive Conversations Report 2025

## Summary of Proxy Voting Services as at 31 March 2026

The Trustee does not use the direct services of a proxy voter, details of the proxy voting services used by the Fund's investment managers are included in the table below.

| Manager | Proxy Voting Service Details |
|---|---|
| **BlackRock** | BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS). BIS has operational specialists on the team who are fully focused on ensuring votes cast on behalf of clients are successfully instructed, using its vendor's electronic voting platform. The controls BIS has in place ensure that the team identifies upcoming meetings, cast votes ahead of the voting deadline for each meeting, reconcile holdings with ballots received, and identify any uninstructed ballots. BlackRock subscribes to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, as one among many inputs into their vote analysis process. BlackRock primarily use proxy research firms to synthesize corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where BlackRock's own additional research and engagement would be beneficial; to manage client accounts in relation to voting and facilitate client reporting on voting. In addition to this, BIS subscribes to market-specific research providers including Institutional Voting Information Service in the UK, Ownership Matters in Australia, Stakeholder Empowerment Services in India, and ZD Proxy in China. |
| **Baillie Gifford** | Whilst Baillie Gifford is cognisant of proxy advisers' voting recommendations (ISS and Glass Lewis), they do not delegate or outsource any of their stewardship activities or follow or rely upon their recommendations when deciding how to vote on its clients' shares. All client voting decisions are made in-house. Votes are in line with in-house policy and not with the proxy voting providers' policies. Baillie Gifford also has specialist proxy advisers in the Chinese and Indian markets to provide more nuanced market specific information, ZD Proxy and IIAS respectively. |
| **L&G** | L&G's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, L&G have put in place a custom voting policy with specific voting instructions. |
| **HSBC** | HSBC's uses the leading voting research and platform provider ISS to assist with the global application according to their voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene their guidelines. HSBC's team reviews voting policy recommendations according to the scale of the overall holdings. The bulk of holdings are voted in line with the recommendation based on internal guidelines. |
| **Nordea** | Nordea's proxy voting is supported by one external vendors (Institutional Shareholder Services – henceforth "ISS") to facilitate proxy voting, execution and to provide analytic input. Since 2023, Glass Lewis was also added to this list of external vendors, but its mainly used for analytic input. |