Scania Staff Pension Plan
Implementation Statement for the year ended 30 April 2026

Purpose

This Implementation Statement provides information on how, and the extent to which, the Trustees of the Scania Staff Pension Plan ("the Plan") have followed their policy in relation to the exercising of rights (including voting rights) attached to the Plan's investments, and engagement activities during the year ended 30 April 2026 ("the reporting year"). In addition, the statement considers any voting behaviour and engagement activities carried out during the reporting year.

Background

The Trustees have previously received training on Environmental, Social and Governance ("ESG") issues from their Investment Adviser, XPS Investment ("XPS"), and discussed their beliefs around those issues. This enabled the Trustees to consider how to determine their policy in relation to ESG and voting issues.

Additionally, the Trustees previously received further information on new requirements for the Plan's Statement of Investment Principles ("SIP"). The Department of Works and Pensions ("DWP") strengthened their guidance on engagement by investors in pooled funds, saying: "Trustees cannot simply state in the SIP that they delegate engagement with issuers of debt and equity to their investment managers. They need to also – for example – explain in the SIP how they will monitor and engage with the investment managers about relevant matters." The Trustees' new policies were documented in the SIP dated November 2024, accordingly, to reflect these additional stewardship requirements.

Since the accounting year end, a new SIP has been agreed, dated May 2026. This sets out the updated investment strategy and ESG considerations following the Trustees' recent purchase of the buy-in policy with Pension Insurance Corporation Group Limited ("PIC").

The Trustees' policies on ESG and stewardship

The Trustees have determined their approach to financially material considerations over the Plan's long-term funding horizon – including ESG factors - by acknowledging that there can be risks relating to them. Over the accounting year, the Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Plan's investment managers, including PIC. The Trustees require the Plan's investment managers to take ESG and climate change risks into consideration within their decision-making, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

The Trustees' policies on ESG and stewardship over the accounting year are such that the Trustees will seek advice from XPS on the extent to which its views on ESG and climate change risks may be taken into account in any future investment manager selection exercises. Furthermore, the Trustees, with the assistance of XPS, will monitor the processes and operational behaviour of the investment manager of the non-insured assets from time to time, to ensure they remain appropriate and in line with the Trustees' requirements as set out in the SIP.

In order to ensure sufficient oversight of the engagement and voting practices of their manager(s), the Trustees may periodically meet with their investment manager(s) to discuss engagement which has taken place. The Trustees will also expect XPS to engage with the manager(s) from time to time as needed and report back to the Trustees on their stewardship credentials. The Trustees will then discuss the findings with XPS, in the context of their own preferences, where relevant. This will include considering whether a manager organisation is a signatory to the UK Stewardship Code. The Trustees recognise the Code as an indication of a manager's compliance with best practice stewardship standards.

Since the accounting year-end, the policies set out in the SIP have been updated to reflect the purchase of the buy-in policy with PIC. The Trustees have no direct influence on the range of assets which supports payments due under the buy-in policy. However, prior to entering into the buy-in policy the Trustees did consider PIC's ESG and responsible investing criteria as key factors in determining its suitability as the Insurance Provider of the policy. The ongoing responsible investment policy now applies only to the residual, non-insured assets that remain.

Manager selection exercises

One of the main ways in which the updated policies are expressed is via manager selection exercises: the Trustees seek advice from XPS on the extent to which their views on ESG and climate change risks may be taken into account in any future investment manager selection exercises. Apart from PIC being appointed as the Insurance Provider, there were no manager selection exercises during the period.

Ongoing governance

The Trustees, with the assistance of XPS, monitor the processes and operational behaviour of the investment manager(s) from time to time, to ensure they remain appropriate and in line with the Trustees' requirements as set out in the SIP. Further, the Trustees have set XPS the objective of ensuring that any selected managers reflect the Trustees' views on ESG (including climate change) and stewardship.

In 2023, the Trustees commissioned a report from XPS on the extent to which ESG considerations are incorporated into the investment processes of the investment manager organisation appointed to the Plan. The Trustees recognise that the level of ESG integration within the investment processes is dependent on the asset class in question.

One of the areas considered by the report was stewardship, which relates to influencing a company in which the Plan is ultimately invested via the funds held within the Plan's portfolio. Companies can be influenced through meaningful engagement and using voting rights to drive long term positive change in their policies and practices. The report rated the investment manager organisation in this area and on ESG matters overall. The Trustees concluded that the ESG and stewardship capabilities of the investment manager were satisfactory for the Plan overall.

ESG issues are kept under review as part of the monitoring process undertaken by XPS and nothing has been flagged subsequent to the ESG report commissioned in 2023 to suggest that the ESG/stewardship capabilities of the investment manager organisation used for investment of the non-insured assets remain anything other than satisfactory. If any concerns do materialise, the Trustees will raise them with the investment manager organisation at the time.

Beyond the governance work currently undertaken, the Trustees believe that their approach to, and policy on, ESG matters will evolve over time based on factors including developments within the industry. In particular, whilst the Trustees have not, to date, introduced specific stewardship priorities, they will consider whether there is justification for doing so in the future in relation to the non-insured assets.

Adherence to the Statement of Investment Principles

During the reporting year the Trustees are satisfied that they followed their policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree.

Voting activity

The main asset class where the investment manager organisation could have voting right is equities.

Due to the Plan fully disinvesting from its diversified growth fund holdings in Q2 2024, the Plan currently has no exposure to equities and therefore there is no voting activity to report.

Engagement activity

Given that the Plan is now invested solely in single gilt funds and a cash fund, there was no fund-specific engagement activity to consider or report on, over the period.