Implementation Statement, covering the Anglian Water Group Pension Scheme Year from 1 April 2025 to 31 March 2026 (the “Scheme Year”)

The Trustee of the Anglian Water Group Pension Scheme (the “Scheme”) is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed the voting and engagement policies in its Statement of Investment Principles (“SIP”) during the Scheme Year (12 months to 31 March 2026). This is provided in Sections 1 and 2 below.

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

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

1. Introduction

The SIP was reviewed and updated during the Scheme Year in March 2026. The updates to the SIP primarily related to amendments to the overall investment objectives for the Scheme. No changes were made to the Trustee’s voting and engagement policies. As part of this SIP update, the employer was consulted and confirmed it was comfortable with the changes.

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

2. Voting and engagement

The Trustee has delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. However, the Trustee takes ownership of the Scheme’s stewardship by monitoring and engaging with managers and escalating as necessary as detailed below.

As part of its advice on the selection and ongoing review of the investment managers, the Scheme’s investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers’ approaches to voting and engagement.

Over the Scheme Year, the Trustee has carried out a number of actions to monitor its managers’ approaches to climate risk, ESG and stewardship as financially material considerations and to further its own understanding of these issues within the Scheme’s investments. These are set out below.

- The Trustee has previously set an ambitious net zero commitment to mitigate climate risk. The Trustee aims to align the Scheme’s assets with net zero greenhouse gas emissions by 2040 through selecting managers, and investing in funds, with credible net zero targets. There have been no changes to the Trustee’s net zero statement in the Scheme Year.

- The Trustee reviewed the TCFD climate metrics for the Scheme in February 2026, three years after they were last reviewed (data for each metric is monitored every six months). In the review, the Trustee considered alternative climate metrics but, after discussion, agreed to retain the existing metrics. These are: absolute emissions, carbon footprint, portfolio alignment and data quality.

- The Trustee also previously agreed to set a target against the fourth metric - data quality - by 31 December 2026, which aims to increase the emissions data quality provided by the Scheme’s appointed fund managers. After the investment strategy was revised following the 2023 actuarial valuation, the data quality score improved significantly and had been performing close to the required trajectory to meet the target. Given certain data availability limitations in some asset classes and sectors it was not expected that data quality would improve greatly between September 2025 and the target date. In view of this, the Trustee decided to change this target to a new interim net zero target, based on Science-Based Targets alignment, as the Scheme’s formal TCFD target. The update targets 63% of the Scheme’s liquid credit allocation (by weight) having science-based emissions reduction targets in place by 31 December 2030.

- The Trustee reviewed the time horizons it has set to review climate-related risks and opportunities over the Scheme Year. As part of the review, the Trustee has updated and adopted new short-, medium- and long-term horizons for this TCFD reporting cycle:

    - The short-term time horizon has been set as 2030, in line with the Scheme's interim climate targets.

    - The medium-term time horizon has been set to 2040, to align with the Scheme's net zero commitment.

    - The long-term time horizon has been set to 2050, in line with global net zero goals.

- Following the introduction of DWP's stewardship guidance, in February 2023 the Trustee agreed to set the following stewardship priorities to focus engagement with their investment managers on specific ESG factors: climate change, business ethics and corporate transparency, and diversity, equity & inclusion. There were no changes to these stewardship priorities during the Scheme Year. The managers were reminded of these priorities and encouraged to take stewardship action in these areas to influence improvements in these areas (not just seek better data disclosures from investees).

- On a quarterly basis, the Trustee reviewed LCP's sustainable investment ("SI") scores for the existing funds. These scores cover each manager's approach to ESG factors, voting and engagement and climate change in the funds the Scheme invests in.

- In February 2026, the Trustee also received a summary of the work undertaken by LCP as part of its central stewardship research programme. This work included detailed research and made specific "asks" of managers with the aim of driving improvements in managers' stewardship practices, benchmarking them against best practice from across the industry. This stewardship programme covered around 90% of the Scheme's assets. For the remainder, LCP's qualitative SI assessments for each fund and any issues of concern were provided. The fund scores, manager stewardship assessments and qualitative SI assessments are based on LCP's ongoing manager research programme, and it is these that directly affect LCP's fund recommendations. LCP's Responsible Investment Survey 2025 and the manager stewardship assessments feed directly into the SI scores for funds. The Trustee monitors this information, as well as progress that managers have made in signing up to industry wide initiatives such as the UK Stewardship Code 2020 on an ongoing basis as part of the regular six-monthly reporting provided by LCP. The Trustee was generally satisfied with the SI-related ratings of the Scheme's key funds during the Scheme Year. Where there are issues the Trustee is less satisfied with, LCP follows up with the managers on behalf of the Trustee. This usually happens after a more-detailed review of SI approaches used by fund managers, which takes place once a year - the last review took place in February 2026 where the Trustee reviewed the climate practices of the Scheme's managers. There were no follow-ups required with managers following the 2026 review.

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

3. Description of voting behaviour during the Scheme Year

Due to the nature of the Scheme's assets (no physical listed equity exposure), there were few voting opportunities during the Scheme Year. The Trustee did not use the services of a proxy voter during the period.

The Trustee contacted the Scheme's asset managers that do not hold listed equities, to ask if any of the assets held by the Scheme had voting opportunities over the Scheme Year. Commentary provided from these managers is set out in Section 3.1 below.

Even where there are not voting rights attached to assets, the Trustee still expects its investment managers to engage appropriately with issuers. Commentary on engagement activity from the Scheme's liquid corporate bond portfolio (which is the largest component of the Scheme's assets) is provided in Section 4 below.

3.1 Votes in relation to assets other than listed equity

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

The following comments were provided by the Scheme's asset manager HPS who does not hold listed equities, but invests in assets that had voting opportunities during the Scheme Year:

"HPS has engaged Institutional Shareholder Services Inc. ("ISS") to manage its proxy voting and has instructed its prime brokers and custodians, with respect to such client securities, to forward to all proxies received in connection with securities of such clients to ISS."

HPS had one voting opportunity over the Scheme Year concerning routine corporate governance matters which was not deemed significant.

4. Example of key engagements during the Scheme Year

This section provides some examples of engagement by the Scheme's liquid credit investment manager, Insight, with the investee companies of which debt was held and managed on behalf of the Trustee.

Whilst Insight does not have voting rights on these corporate debt holdings, nonetheless it can still engage with management to influence and improve business practices. The examples have been selected as they align with the stewardship priorities of the Trustee.

Engagement with Great Places on climate change

In Q4 2025 Insight engaged with Great Places, a regional housing provider in the North and North-West of England. Insight identified that Great Places has material exposure to building safety risks and provides limited Scope 3 emissions disclosure, eg it does not include embodied carbon in its reporting.

As part of their engagement, Insight encouraged Great Places to have clearer targets across embodied carbon. Insight highlighted that several of Great Places' peers have published reporting on embodied carbon and were setting these targets for new developments. Great Places confirmed that it was in the process of improving its carbon reporting to include embodied carbon detail in the 2026-27 reporting period. It also confirmed that it is expanding its environmental framework to align with the Greater Manchester Combined Authority net zero guidance (which includes targets for embodied carbon) for new developments.

After the engagement conversation, Insight were reassured that Great Places were strongly committed to addressing these areas of concern such as through the emergence of its embodied carbon strategy, which has been set as an objective for Great Places.

Engagement with NatWest Group on corporate transparency and business ethics

In Q3 2025 Insight engaged with NatWest Group, a UK bank, on how it manages human rights risks.

Insight identified a need for NatWest to update its Human Rights Position Statement to clarify that in the instance that human rights abuses persist, it would terminate these relationships. Additionally, Insight identified that NatWest's BankTrack human rights assessment score could be improved with relation to stakeholder consultation and transparency.

Following discussions with the person leading NatWest's human rights report, Insight is reassured that the company has thoughtfully considered how human rights risks should be managed but has noted that it still isn't clear how issues at the commercial bank level are governed. NatWest are still designing processes around this. After engagement, NatWest has set objectives to disclose its escalation process for human rights.

Engagement with T-Mobile on diversity, equity and inclusion

In Q3 2025 Insight engaged with T-Mobile, a US wireless network provider, on several ESG issues including its progress on diversity, equity and inclusion commitments, and whether ESG is integrated in executive objectives.

Specifically on diversity, equity and inclusion, T-Mobile confirmed that it has added new directors in recent years with the relevant technology, marketing and cybersecurity knowledge, including three women and several minority directors, making it a comparatively diverse board for the sector.

T-Mobile faced regulatory pressures in 2025, which led to the dissolution of its standalone DEI office and formal DEI programs. It has confirmed that it remains committed to equal opportunity but has not yet formalised how it will do this without the existence of these programmes.

On the back of these discussions, Insight has recommended that T-Mobile clarify its diversity commitment under the new administration.

5. Overview of managers' Responsible Investment initiatives

As at 31 March 2026, the following of the Scheme's investment managers were signatories to the UK Stewardship Code: Allianz, ICG, Insight, M&G, Federated Hermes.

As at 31 March 2026, the following of the Scheme's investment managers were signatories to the United Nations' Principles for Responsible Investment: Allianz, ICG, Insight, HPS, M&G, Permira, Federated Hermes.