

Diploma Holdings PLC UK Pension Scheme

Purpose of this statement

This implementation statement has been produced by the Trustees of the **Diploma Holdings PLC UK Pension Scheme (“the Scheme”)** to set out the following information over the year to **30 September 2025**:



how the Trustees’ policies on exercising rights (including voting rights) and engagement activities have been followed over the year;



the voting activity undertaken by the Scheme’s investment managers on behalf of the Trustees over the year, including information regarding the most significant votes

This statement does not include the additional voluntary contributions (“AVCs”) due to the relatively small proportion of the Scheme’s assets that are held as AVCs.



Conclusions

The Scheme’s investment portfolio as at 30 September 2025 consists primarily of bulk annuity policies with Just, alongside a small portfolio of remaining cash/ liquidity to meet future expenses. As a result, ESG considerations cannot be meaningfully applied, and it is difficult to monitor voting and engagement.

However, in reviewing the activities of the past year, the Trustees believe that the policies set out in the Statement of Investment Principles (“SIP”) have been effectively implemented where applicable.

The information presented in this statement pertains to the remaining assets held with Legal and General Asset Management (“L&G”).

Stewardship policy

The Trustees' SIP in force at 30 September 2025 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in June 2024 and has been made available online here: <https://diplomapl.com/investors/shareholder-centre/>

No changes were made to the Scheme's investment strategy or over the 12 months to 30 September 2025. As a reminder, the Scheme purchased a bulk annuit policy with Just Retirement Limited ("Just") in March 2024 which, alongside the bulk annuity previously held by the Scheme, will meet the benefit entitlements of each of the Scheme's members. No changes were made to the stewardship policy over the year.

The Trustees note that by securing the Scheme's benefits with an insurer, they have limited ability to influence the voting and engagement activities undertaken on behalf of the Insurer. Responsibility for engagement with the issuers of investments underlying the bulk annuity policies, including voting policy (where applicable), is the responsibility of the Insurer. Given the bulk annuity purchases, the Trustees have limited ability to address non-financial matters. The Trustees will review their policy on whether or not to take account of non-financial matters periodically. The Trustees have an expectation that the Insurer will consider ESG-related issues in selecting securities and other investments or will otherwise engage with the issuers of their underlying holdings on such matters in a way that is appropriate for the nature of the assets under consideration.

The Trustees have not set stewardship priorities regarding the Scheme's investments as a result of this. As at 30 September 2024⁵ the Scheme's assets are primarily held in buy-in policies and the Trustees have limited ability to influence the voting and engagement activities undertaken by the insurer. The remainder of the Scheme's assets are held as cash in the Trustee bank account and L&G Sterling Liquidity Fund, which also do not have voting rights attached and have limited ability to engage with key stakeholders.

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme's investment managers, the Trustees believe that their policies on voting and engagement have been met in the following ways:

- The Scheme invested entirely cash, money-market (liquidity), and buy-in policies, and as such delegates responsibility for carrying out voting and engagement activities to the annuity provider (Just) and the investment manager (L&G).
- The Scheme's assets are currently held as bulk annuity policies and cash/liquidity. Given the nature of the current holdings in the Scheme, the Trustees will review and monitor the ESG policy as they deem appropriate, considering the risks that present themselves.
- When choosing Just as the bulk annuity provider, the Trustees considered the insurers responsible investment commitments.
- Having reviewed the above in accordance with their policies, the Trustees are comfortable that the Scheme's stewardship policies have been met.

Prepared by the Trustees of the Diploma Holdings PLC UK Pension Scheme

December 2025

Voting and Engagement Data

The cash/ liquidity holdings, and buy-in policies with Just that the Scheme held over the year have no voting rights attached and limited ability to engage with key stakeholders given the nature of the holdings. The Trustees have however, considered **examples of firm-wide engagement activity undertaken over the 12 months to 30 September 2025 below:**

L&G: Firm level

The key engagement topics at a firm level over the year to 30 September 2025 was structured around three core themes:

- **Climate and Nature**
 - Climate adaption
 - Land management
 - Water management
 - Nexus of climate and nature
- **Social Resilience**
 - Human and social capital management (human rights, human capital management, living wage, diversity)
 - Wellbeing resilience (nutrition, antimicrobial resistance)
- **Governance**
 - Board quality
 - Audit, risk and controls
 - Investor rights
 - Leadership and organisational performance (e.g. remuneration)
 - Effective stewardship

One example of L&G's engagement is regarding Petroleos Mexicanos ("Pemex"). Pemex is one of the largest oil and gas companies by refining capacity and have significant influence on Mexico's energy security, as well as the decarbonisation of the oil and gas industry in South America.

L&G have been engaging with Pemex since 2023, encouraging the company to improve their climate-related disclosures, oversight of climate risk at board level and to set ambitious but achievable climate targets. Following these engagements, Pemex has published its first Sustainability Plan, setting out clear targets for emissions reduction, enhanced disclosures, allocation of capital towards their climate goals and addressing methane emissions within their operations. L&G believe Pemex's Sustainability Plan demonstrates the strength of these commitments and a serious approach to tackling these crucial issues.

Just: Firm level

At a firm level, Just have their own stewardship policy which sets out their approach to stewardship within their investment portfolio. Their most recent report on this is available here:

https://www.justgroupplc.co.uk/~media/Files/J/Just-Retirement-Corp/documents/sustainability/250813_JG_Stewardship_Report_August_2024.pdf

Just also have a net zero transition plan and aim to be net zero in their business, including all of their investments, by 2050. Their Transition Plan is available here:

<https://www.justgroupplc.co.uk/~media/Files/J/Just-Retirement-Corp/documents/just-group-transition-plan.pdf>