

Haldex Limited Retirement and Death Benefits Plan

Engagement Policy Implementation Statement

Financial Year Ending 31 December 2025

Introduction

This statement sets out how, and the extent to which, the stewardship policy and related policies on environmental, social and governance (“ESG”) factors and climate change set out in the Statement of Investment Principles (‘SIP’) have been followed during the year to 31 December 2025 (the ‘Plan Year’). This Statement has been produced in accordance with The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 and subsequent amendments; and the statutory and non-statutory guidance from the Department of Work and Pensions.

Investment Objectives of the Plan

The Trustees believe it is important to consider the policies in place in the context of the investment objectives they have set.

As set out in the SIP, the Trustees’ primary investment objective is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due.

In doing so, the Trustees also aim to maximise returns at an acceptable level of risk, taking into consideration the circumstances of the Plan.

The objectives set out above provide a framework for the Trustees when making investment decisions.

Policy on ESG, Stewardship and Climate Change

The Trustees understand that they must consider all financially relevant factors in making investment decisions on behalf of the Plan. This includes, but is not limited to, environmental, social and governance (ESG) factors.

The Plan’s SIP sets out the Trustees’ policies on ESG factors. We have set these policies out in Appendix 1 to this Statement. The Trustees keep their policies under regular review, with the SIP subject to review at least triennially.

There were no changes to the SIP over the Plan Year, and the SIP dated 21 May 2024 was in place over the year.

However, the SIP was updated following the Plan Year end on 25 February 2026, due to a further de-risking of the investment strategy, and also to update the ESG and Stewardship sections.

The latest SIP dated 25 February 2026 is available online at:

<https://www.haldex.com/en/investors/corporate-governance/haldex-limited-retirement-and-death-benefit-plan/>.

Plan’s Investment Structure

The Plan’s only investment is a Trustee Investment Policy (‘TIP’) with Mobius Life Limited (‘Mobius’). Mobius provides an investment platform and enables the Plan to invest in pooled funds managed by third party investment managers.

As such, the Trustees have no direct relationship with the Plan's underlying investment managers. The Trustees have the responsibility of monitoring the pooled funds, in conjunction with advice received from their investment advisor, Mercer.

Trustees Engagement

Mercer's quarterly performance reporting includes Mercer's ESG assessment for the funds in which the Plan is invested. It reflects Mercer's view on whether ESG factors are appropriately taken into consideration in the decision-making process, and helps the Trustees to determine whether further action should be taken in respect of specific funds.

The Trustees monitor the development of Mercer's ESG assessment over time. Over the Plan Year the Trustees undertook an investment strategy review. As part of the review, the Trustees considered Mercer's ESG assessment for each fund, including the new fund being introduced. The Trustees remain satisfied that the ESG assessments are satisfactory in the context of the mandates of the funds.

As the Trustees have no direct relationship with the Plan's underlying investment managers the engagement initiatives are driven by investment managers, mainly through regular engagement meetings with the companies in which they invest or by voting on key resolutions at companies' Annual General Meetings.

The information in Appendix 2 shows that the Plan's managers engaged with a number of investee companies, including engagements in relation to the Trustees' stewardship priority.

Further information on the investment managers' approach to responsible investment, voting (including significant votes) and engagement with the investee companies is available at the following websites:

Nordea:

<https://www.nordeaassetmanagement.com/responsible-investment>

Columbia Threadneedle:

<https://www.columbiathreadneedle.co.uk/en/inst/about-us/responsible-investment/>

M&G:

<https://www.mandg.com/who-we-are/mandg-investments/responsible-investing-at-mandg-investments>

Insight:

<https://www.insightinvestment.com/investing-responsibly/>

L&G:

<https://am.landg.com/en-uk/institutional/responsible-investing/>

All the Plan's investment managers are signatories of the UK Stewardship Code as follows:

Manager	Signatory Since
Nordea	2022
Columbia Threadneedle	2022
M&G	2021
Insight	2021
L&G	2021

Source: FRC website

Taking all the above into consideration, the Trustees are satisfied that responsible investment is embedded appropriately in the investment managers' approaches to investing.

Voting Activity

If the Trustees are specifically invited to vote on a matter relating to the corporate policy, they would exercise their right in accordance with what they believe to be the best interests of the majority of the Plan's members.

Over the Plan year, the Trustees have not been asked to vote on any specific matters and have therefore not cast any votes.

As noted earlier, the Plan has no direct relationship with the pooled funds it is ultimately invested in, and therefore the Trustees have no voting rights in relation to the Plan's investments and no direct ability to influence the managers of the pooled funds. As a result, the Trustees do not directly use the services of a proxy voter as this is not relevant.

The Trustees have identified that **climate change & carbon neutrality** is their most important stewardship priority. The significant votes shown in this Statement relate to this.

Appendix 2 sets out a summary of the key voting activity over the financial year of the pooled funds in which the Plan's assets are ultimately invested for which voting is possible (i.e. those funds which include equity holdings).

This includes information on what the fund managers consider to be a significant vote. The Trustees have no influence on the managers' definitions of significant votes but have noted these and are satisfied that they are reasonable and appropriate.

The Appendix shows those significant votes supplied by the investment manager which the Trustees determine to be a significant vote – i.e. those that are in relation to **climate change & carbon neutrality**. The Trustees have applied a size filter on grounds of materiality and only considered votes to be significant if in relation to a company that constitutes 0.25% or more of the specific fund.

Assessment of how the Engagement and Voting Policies in the SIP have been followed for the year to 31 December 2025

The Trustees are satisfied that the engagement and voting policies set out in the SIP, which were in place over the year have been followed.

Appendix 1 – Policy on ESG, Stewardship and Climate Change

The policies below are included within the 21 May 2024 SIP, which was in place over the Plan Year:

Financially Material Considerations

The Trustees consider many risks which they anticipate could impact the financial performance of the Plan's investments over the Plan's expected lifetime. Such risks are set out in the next section of this statement.

The Trustees recognise that environmental, social and corporate governance ("ESG") factors, including climate change, can influence the investment risk and return outcomes of the Plan's portfolio and it is therefore in members' and the Plan's best interests that these factors are taken into account within the investment process.

The Trustees further recognise that investing with a manager which approaches investments in a responsible way and takes account of ESG related risks may lead to better risk adjusted performance results as omitting these risks in investment analysis could skew the results and underestimate the total level of risk being taken. Therefore, other factors being equal, the Trustees would seek to invest in funds which incorporate ESG principles.

In setting their investment strategy for the Plan, the Trustees have prioritised funds which provide leveraged protection against movements in the Plan's liability value and also funds which provide actively managed diversification across a wide range of investment markets and consider the financially significant benefits of these factors to be most important.

The Trustees note that ESG considerations are not paramount to the first level decision making process within the funds which provide either actively managed diversification or leveraged liability protection. However, in the actively managed Diversified Growth Funds in which the Plan invests, whilst managers typically do not put ESG considerations at the heart of the asset allocation decision, they will embed ESG considerations into the management of the underlying asset classes where it is appropriate to do so.

The Trustees also receive ESG scores provided by the Investment Consultant in relation to the funds in which the Plan is invested and will monitor how these develop over time.

The Trustees will review ESG considerations on an ongoing basis to make sure that their policy evolves in line with emerging trends and developments.

The Trustees are therefore satisfied that ESG factors are appropriately reflected in the overall investment approach.

Non-Financial Matters

The Trustees have determined that the financial interests of the Plan members are their first priority when choosing investments.

They have therefore decided not to consider non-financial matters, such as ethical views, or to take members' preferences into account when setting the investment strategy for the Plan.

Stewardship

The Plan is invested solely in pooled investment funds through the Mobius TIP and the Trustees therefore have no direct voting rights.

The Trustees' policy is therefore to invest with investment managers where responsible investment is embedded appropriately in their approach to investment; including monitoring and engaging with investee companies, and exercising voting rights appropriately.

Information on the investment managers' approach to responsible investment, voting and engagement with the investee companies is available at the following websites:

Nordea:

<https://www.nordeaassetmanagement.com/responsible-investment>

Columbia Threadneedle:

<https://www.columbiathreadneedle.co.uk/en/inst/about-us/responsible-investment/>

M&G:

<https://www.mandg.com/who-we-are/mandg-investments/responsible-investing-at-mandg-investments>

Insight:

<https://www.insightinvestment.com/investing-responsibly/>

Mercer's quarterly reporting to the Trustees includes Mercer's ESG score for the funds in which the Plan is invested. The ESG score incorporates an assessment of engagement and voting as part of the process.

Receipt of this score on a quarterly basis enables the Trustees to monitor that these scores remain appropriate in the context of the fund mandates.

Taking all the above into consideration, the Trustees are satisfied that stewardship and responsible investment is embedded appropriately in the investment managers' approaches to investing.

If the Trustees are specifically invited to vote on a matter relating to corporate policy, they would exercise their right in accordance with what they believe to be the best interests of the majority of the Plan's membership.

If a new investment manager is selected, the Trustees would consider Mercer's ESG score for the new manager as part of their decision-making process.

The Trustees have identified that climate change and carbon neutrality is their most important stewardship priority. The Trustees monitor the key voting activity of their investment managers on climate change and carbon neutrality as part of the production of the annual Engagement Policy Implementation Statement (EPIS).

Appendix 2 – Voting and Engagement Activity

This Appendix sets out a summary of the key voting and engagement activity of the pooled funds in which the Plan's assets are ultimately invested.

Engagement:

Fund	Total Engagements	Significant Engagements*
Nordea Diversified Return Fund	179	115
Columbia Threadneedle Multi Asset Fund	534**	381
Insight LDI	24**	86
M&G Total Return Credit	70	52

Sourced by Mobius from the investment managers

* The engagements are considered significant because they relate to environmental issues, as information relating specifically to engagements on climate change and carbon neutrality was not available

** For these two funds, the total engagement number shows how many companies the manager has engaged with, rather than the total number of engagements. In many instances, the managers had more than one engagement with an individual company on varies different issues.

Voting:

Manager/ Fund	Proxy voter used?	Votes in total	Votes cast		Most significant votes (description)
			Votes against management endorsement	Abstentions	
Nordea Diversified Return	Every vote cast is considered individually on the background of Nordea's bespoke voting policy, which is developed in-house based on their principles. Nordea use ISS and Glass Lewis as proxy voting advisers to provide research and deliver their proxy votes	2,652 resolutions eligible for (99.4% votes cast)	14.72% of votes cast	1.44% of votes cast, plus 0.34% of votes cast were withheld	Those that are severely against Nordea's principles, and where they feel they need to enact change in the company. The process stems from first identifying the most important holdings, based on size of ownership, size of holding, ESG reasons, or any other special reason. From there, Nordea benchmark the proposals against their policy.
Columbia Threadneedle Multi Asset	ISS Proxy Exchange used for voting execution. Threadneedle's final vote decisions take account of, but are not determinatively informed by, research issued by proxy advisory organisations such as ISS, IVIS and Glass Lewis as well as MSCI ESG Research.	6,261 Resolutions eligible for (99.87% votes cast)	5.54% of votes cast	0.78% of votes cast	Threadneedle consider a significant vote to be any dissenting vote i.e. where a vote is cast against (or where they abstain/withhold from voting) a management-tabled proposal, or where they support a shareholder-tabled proposal not endorsed by management. A specific focus on certain environmental and social proposals is also emphasised in the prioritisation of these significant votes.

Source: Investment Managers as at 31 Dec 2025

Trustee Significant Votes

All are considered significant because they relate to climate change and carbon neutrality. Information provided for Nordea is in relation to a companies that constitute 0.25% or more of the fund.

Nordea

Company Name	QUALCOMM Incorporated	Verizon Communications Inc.
Resolution	Report on Climate Risk in Retirement Plan Options	Report on Climate Lobbying
Type	Shareholder resolution	Shareholder resolution
Vote Instruction	For	For
Vote Outcome	Against	Against
Rationale	<p>'A vote FOR this resolution is warranted. While the company offers an option to employees that want to invest more responsibly, it is unclear how well employees understand the retirement plans available to them. The information requested in the report would not only complement and enhance the company's existing commitments regarding climate change, but also allow shareholders to better evaluate the company's strategies and management of related risks.</p> <p>We support the proposal as it improves transparency on material ESG issues such as alignment with Paris Climate Agreement goals.'</p>	<p>'A vote FOR this proposal is warranted as additional disclosure would help shareholders better evaluate alignment between the company's lobbying activities and its net-zero commitments.</p> <p>We support the proposal as the company's current disclosures provide insufficient transparency to properly assess the associated risks and opportunities.'</p>
Date of vote	18-Mar-25	22-May-25
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.2676% (as of end of December 2025)	0.3369% (as of end of December 2025)
Implications of the outcome	'The outcome of the vote highlights the importance of clear climate-related expectations, and we will continue to monitor the company's progress and reflect these considerations in our future voting decisions.'	'The outcome of the vote highlights the importance of clear climate-related expectations, and we will continue to monitor the company's progress and reflect these considerations in our future voting decisions.'

Columbia Threadneedle

No significant votes relating to climate change and carbon neutrality were supplied by Columbia Threadneedle (CT) in relation to the Multi Asset Fund (MAF). However, CT have provided information of the voting actions for climate related proposals for 2025 in relation to the MAF. This is set out below.

Key Themes

The main types of climate/environmental proposals include:

- Sustainability and Non Financial Reporting
- Climate Transition Strategies
- Climate Related Financial Disclosure
- Greenhouse Gas and Scope 3 Transparency
- Fossil Fuel Financing and Exposure
- Climate Related Lobbying Transparency
- Plastics and Packaging Sustainability

Notable companies facing climate-related shareholder proposals include:

- Amazon, Alphabet and Meta faced proposals demanding stronger Scope 3 reporting and more transparent climate transition plans.
- JPMorgan, Goldman Sachs and Citigroup received proposals on fossil fuel financing practices and climate related lobbying alignment.
- Santos, Rio Tinto, Origin Energy and Mitsui faced proposals targeting emissions governance and credible climate transition oversight requirements.
- MUFG and ANZ in the Asia Pacific region encountered climate governance proposals that ultimately gained limited shareholder support.

Voting Patterns

- TPN supported management sponsored sustainability reports at companies including Novartis, Nestlé, ABB, UBS and Richemont.
- Credible management climate transition plans at Santos and Rio Tinto were supported due to measurable emissions progress.
- Shareholder proposals on plastics, Scope 3 expansion or incremental disclosures at Amazon, Walmart and Procter & Gamble were not supported.
- Many shareholder proposals received low broader investor backing, reflecting minimal incremental value beyond existing disclosures.

Key Rationales

Common rationales for supporting proposals included:

- Management sustainability reports strengthened disclosure quality and long term resilience assessment across multiple large issuers.
- Climate transition plans were supported when aligned with global pathways and demonstrated credible emissions progress.
- Material climate risk disclosures were favoured where they provided decision useful insight for long term value assessment.

Common rationales for opposing proposals included:

- Companies such as Amazon and Walmart already provided strong disclosures, making additional requests duplicative.
- Some proposals lacked material relevance or clear linkage to long term shareholder value creation.
- Regulatory developments were expected to address issues raised, reducing the need for added shareholder intervention.
- Plastics related proposals at Procter & Gamble offered limited incremental benefit given existing sustainability commitments.

Summary broken down by Climate related proposals which CT voted upon in 2025 for the MAF are shown in the table below:

Category Name and Description	ESG Pillar	Proponent	Proposal Subcategory	Meetings	Proposals	Votes For	Votes Against	Votes Abstain	Votes Withhold	Did Not Vote	With Mgmt	Against Mgmt
Sustainability & Non Financial Reporting	Mixed (G)	Management	Auditor Related; Sustainability; Routine Business	45	51	51	0	0	0	0	51	0
Climate Transition Strategies	E	Shareholder	Climate	4	4	0	4	0	0	0	4	0
Climate Related Financial Disclosure	Mixed (E, S)	Shareholder	Counter; Climate; Other	17	23	0	23	0	0	0	23	0

Category Name and Description	ESG Pillar	Proponent	Proposal Subcategory	Meetings	Proposals	Votes For	Votes Against	Votes Abstain	Votes Withhold	Did Not Vote	With Mgmt	Against Mgmt
Scope 3 Transparency	E	Shareholder	Climate	1	1	0	1	0	0	0	1	0
Fossil Fuel Financing & Exposure	Mixed (E)	Shareholder	Climate; Other; Miscellaneous	5	6	0	6	0	0	0	6	0
Climate Related Lobbying Transparency	Mixed (S)	Shareholder	Political Spending; Climate	4	4	0	4	0	0	0	4	0
Plastics & Packaging Sustainability	Mixed (E)	Shareholder	Pollution; Counter	3	4	0	4	0	0	0	4	0

Source: CT for year ending 31 Dec 2025