

SANKYO PHARMA UK LIMITED RETIREMENT SECURITY PLAN Engagement Policy Implementation Statement

Year Ending 31 December 2025

Introduction

This Engagement Policy Implementation Statement (“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 Trustee believes it is important to consider the policies in place in the context of the investment objectives it has set.

The Trustee’s key investment objective is to ensure that assets are available to meet all liabilities as and when they fall due. The Trustee has therefore purchased an insurance contract. This is intended to cover all the Plan’s members, leaving the Plan with no non-insured liabilities.

The Trustee has agreed that an appropriate objective for the residual assets in excess of the cost of the insurance contract should be to invest them to minimise the chances of a reduction in capital value.

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

Investment Strategy

The investment strategy was changed over the year, with the Trustee entering into a Bulk Purchase Annuity (“BPA”) issued by Just Retirement Limited (“Just”), to secure the Plan members’ benefits.

The BPA is held as an asset of the Scheme (which continues to be a going concern), but under the terms of the BPA Just make payments to the Scheme in respect of members’ benefit payments, as specified in the BPA agreement.

The residual assets were invested in the Legal and General (“L&G”) Sterling Liquidity Fund (“SLF”), through the Plan’s Trustee Investment Policy (“TIP”) with Mobius Life Limited (“Mobius”).

Review of the SIP

The SIP was updated on 7 August 2025 to reflect the change of investment strategy. This replaced the SIP dated 4 May 2023.

A copy of the latest SIP is available at:

https://www.daiichi-sankyo.co.uk/fileadmin/daiichi-sankyo-contents/DS_UK/Downloads/About_Us/Responsibility/Sankyo_Pharma_SIP_Approved_7_August_2025.pdf

Plan's Investment Structure

The BPA with Just pays to the Plan an amount equal to the contractual payments specified under the policy. The Trustee has no ability to influence how Just invests the assets underlying the BPA.

The Plan's non-insured assets are invested in the Mobius TIP. Mobius provides an investment platform and enables the Plan to invest in pooled funds managed by third party investment managers.

The only fund held through the Mobius platform is the L&G SLF.

As the L&G SLF is invested through Mobius, the Trustee has no direct relationship with L&G.

Policy on ESG, Stewardship and Climate Change

The Plan's SIP includes the Trustee's policy on ESG factors, stewardship and climate change. It also sets out the processes followed by the Trustee in relation to stewardship.

As the lifetime of the Plan is possibly short, the Trustee is satisfied that it is appropriate not to embed ESG considerations into the Plan's investment strategy.

Prior to the BPA, the Trustee's key priority was to put in place a low risk investment strategy, to protect the funding position of the Plan against changes caused by movements in financial markets. The Plan's assets were therefore invested solely in passively managed, bond based pooled funds. Furthermore, c85% of the assets were invested in pooled funds containing solely gilts and index-linked gilts. As these were issued by the UK Government, ESG considerations did not naturally apply to the majority of the Plan's assets.

Trustee's Engagement

In the year to 31 December 2025 the Trustee has not engaged with either Mobius, Just, or L&G on matters relating to ESG, Stewardship or Climate Change.

The Trustee has no oversight of the assets underlying the BPA with Just, or the voting and engagement with companies in which the assets are ultimately invested.

The Plan is invested in the L&G SLF through the Mobius TIP. The L&G SLF in turn invests only in very short-dated securities. Therefore, there is very limited scope for L&G to engage with the fund's counterparties to influence behaviour.

Prior to the BPA, the Plan was invested solely in funds managed by L&G through the Mobius TIP. These were mostly in pooled funds containing gilts and index-linked gilts where there is very limited ability to influence behaviour by engagement.

In relation to the c15% that was invested in a pooled corporate bond fund, the Trustee acknowledges that it could not directly influence the ESG policies and practices of the companies in which the pooled fund invested.

The Trustee, therefore, has had very limited ability to influence behaviour by engagement and seeks to invest with investment managers where responsible investment is embedded appropriately in their approach to investment, including monitoring and engaging with investee companies.

The Trustee notes that both Just and L&G have appropriate responsible investment policies, which are available at:

Just: <https://www.justgroupplc.co.uk/sustainability/esg-investors>

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

The Trustee also notes that both Just Group Plc* (since 2024**) and L&G (since 2021**) are both signatories of the UK Stewardship Code.

* Just Group Plc is the parent company of Just Retirement Limited, ** Source FRC website

Taking all the above into consideration, the Trustee is satisfied that responsible investment and engagement is embedded appropriately into the investment managers' approaches to investing and therefore that stewardship and responsible investment is applied, as appropriate, to the Plan's circumstances.

Voting Activity

As noted earlier, the Plan has no control over the underlying assets in which Just invests, and no direct relationship with L&G, where the Plan's residual assets are ultimately invested.

Furthermore, the funds that have been held with L&G over the Plan Year were bond or money market funds with no investments which have voting rights.

The Trustee therefore has no ability to influence the voting policy of the investment managers.

If the Trustee is specifically invited to vote on a matter relating to corporate policy, it would exercise its right in accordance with what it believes to be the best interests of the majority of the Plan's members.

Over the Plan Year, the Trustee has not been asked to vote on any specific matters and has therefore not cast any votes.

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

The Trustee is satisfied that the Engagement Policies and voting policies set out in the SIPs which have been in place over the year have been followed.