Volvo Construction Equipment Pension & Life Assurance Plan ("the Plan") – Implementation Statement for the year ending 31 March 2026

Introduction

The Trustee has prepared this Implementation Statement in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and subsequent amending legislation, and those of the Pensions Regulator's General Code of Practice. It sets out how the Trustee has complied with the Plan's Stewardship Policy and Statement of Investment Principles during the period 1 April 2025 to 31 March 2026.

Overall, the Trustee is satisfied that:

- The Plan's investments have been managed in accordance with the Plan's Stewardship Policy during the period;
- The Plan's investments have been managed in accordance with the remainder of the Plan's Statement of Investment Principles; and
- The provisions of the Statement of Investment Principles were suitable for the Plan's members over the last Plan Year.

Statement of Investment Principles

The Statement of Investment Principles sets out the principles and practices the Trustee follows when governing the Plan's investments. It describes the rationale for selecting the investment strategy and explains the risks and expected returns of the funds used, as well as the Trustee's approach to responsible investing (including climate change).

During the last Plan year, the Trustee reviewed and updated the Statement of Investment Principles to reflect the Trustee's decision to fully disinvest from the Plan's equity mandate as part of the agreed de-risking plan.

The Statement of Investment Principles was last reviewed post Plan year-end, in June 2026. As a result, the Trustee decided to make small changes to the Additional Voluntary Contributions wording within the document.

The Trustee has prepared this Implementation Statement on the basis of the Statement of Investment Principles in force at 31 March 2026, with reporting within this document in line with the Statement of Investment Principles applicable at the relevant time.

The Plan's current Statement of Investment Principles can be consulted online at Volvo-VCE-SIP-June-2026-final.pdf

Investments governance

The primary objective of the Plan is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependants, on a defined benefits basis.

The Trustee also offered members the opportunity to make additional contributions which are now invested in a range of vehicles at the members' discretion. The Trustee holds these assets separately from the Defined Benefit section of the Plan to secure benefits on a money purchase basis for those members who elected to pay Additional Voluntary Contributions.

The Trustee has overall responsibility for how the Plan's investments are governed and managed, in accordance with the Plan's Trust Deed and Rules, as well as Trust Law, Pensions Law and Pension Regulations.

The Trustee has delegated all day-to-day investment decisions to its respective investment managers who are authorised and regulated by the Financial Conduct Authority (FCA).

The Trustee has set objectives for the Plan's investment adviser designed to align with the Trustee's own objectives and investment strategy as set out in the Statement of Investment Principles. The suitability of these objectives is reviewed on an annual basis and was last reviewed by the Trustee in December 2025.

The Trustee carried out an evidence-based review of the investment adviser's performance against these objectives in December 2025. This involved assessing the adviser against the set of objectives agreed. The Trustee is satisfied that the objectives have been achieved for the year.

The investment risks relating to the Plan are described in the Statement of Investment Principles. Further details regarding the investment strategy, including the expected return on the assets, are set out in a separate Investment Policy Implementation Document maintained by the Trustee.

The Trustee's views on the expected levels of investment risk and return inform decisions on the strategic asset allocation (i.e., what type of assets and areas of the world the Plan invests in over the longer term), and the style of management adopted by the Plan.

The Trustee has conflicts of interest policies in place covering all service providers, including the investment adviser and current investment managers. The Trustee formally asks service providers to confirm any conflicts of interest when the Trustee meets with them. No actual or potential conflicts were reported during the period.

Stewardship Policy

The Trustee's Stewardship Policy sets out how the Trustee will behave as an active owner of the Plan's assets. It includes the Trustee's approach to:

- The exercise of voting rights attached to assets; and
- Undertaking engagement activity, including how the Trustee monitors and engages with its investment managers and other stakeholders.

The Plan's Stewardship Policy can be found within the Plan's Statement of Investment Principles at the link provided above.

The Plan's Stewardship Policy is reviewed in line with the Plan's Statement of Investment Principles, which was last reviewed in June 2026.

The Trustee has delegated voting and engagement activity in respect of the underlying assets to the Plan's investment managers. The Trustee believes it is important that its investment managers take an active role in the supervision of the companies in which they invest, both by voting at shareholder meetings (where relevant) and engaging with management on issues which affect a company's financial performance.

In November 2025, the Trustee met with all of the Plan's managers and received updates from them on investment performance, outlook and integration of environmental, social and governance factors (including stewardship activities) into the respective investment processes. The Trustee also receives regular reporting from its investment adviser which covers any material changes to the managers' policies and processes when relevant.

The Trustee monitors its compliance with the Stewardship Policy on a regular basis and is satisfied that it has complied with the Plan's Stewardship Policy over the last Plan Year.

Voting activity

During the period 1 April 2025 to 31 March 2026, the Scheme did not invest in any listed equity mandates and therefore had no material exposure to assets which carry any voting rights. As a result, the Trustee's monitoring activity focused on the manager's wider engagement with investee companies over the reporting period.

Engagement activity

The Trustee periodically reviews its managers' engagement activity. The following table summarises the managers' engagement activity for the 12-month period ending 31 March 2026.

Fund manager	Number of engagements	Key topics engaged on
Insight - High Grade ABS Fund	60	ESG integration in structured finance, carbon reporting, green bonds
Insight - Maturing Buy & Maintain Funds	552	Climate change, natural resources use, remuneration, labour rights
Barings - Global High Yield Credit Strategies Fund	176	Business strategy, climate change, human and labour rights

Source: Investment managers

Mercer Funds

Mercer were not able to provide any fund-specific engagement data for the Mercer UK Cash Fund and the Private Investment Partners VI (Private Debt) Fund however, they noted that at a firm level, Mercer have adopted the following stewardship priorities; climate change, biodiversity and natural capital, human rights and labour practices, and diversity, equity and inclusion. These priorities are implemented through manager-level engagement, guided by Mercer's stewardship principles. Engagement activities are discussed in more detail in Mercer's 2025 Sustainability and Stewardship Report.

Policy review

The Trustee has committed to reviewing investment managers' Responsible Investment policies on an annual basis. Last review was carried out in September 2025. At the time of the review, the Trustee was satisfied that the responsible investment policies and, where appropriate, the voting policies of the Plan's managers were suitable for the Plan. The next review is due to be carried out in September 2026.

Prepared by:

Trustee of the Volvo Construction Equipment Pension & Life Assurance Plan

September 2026