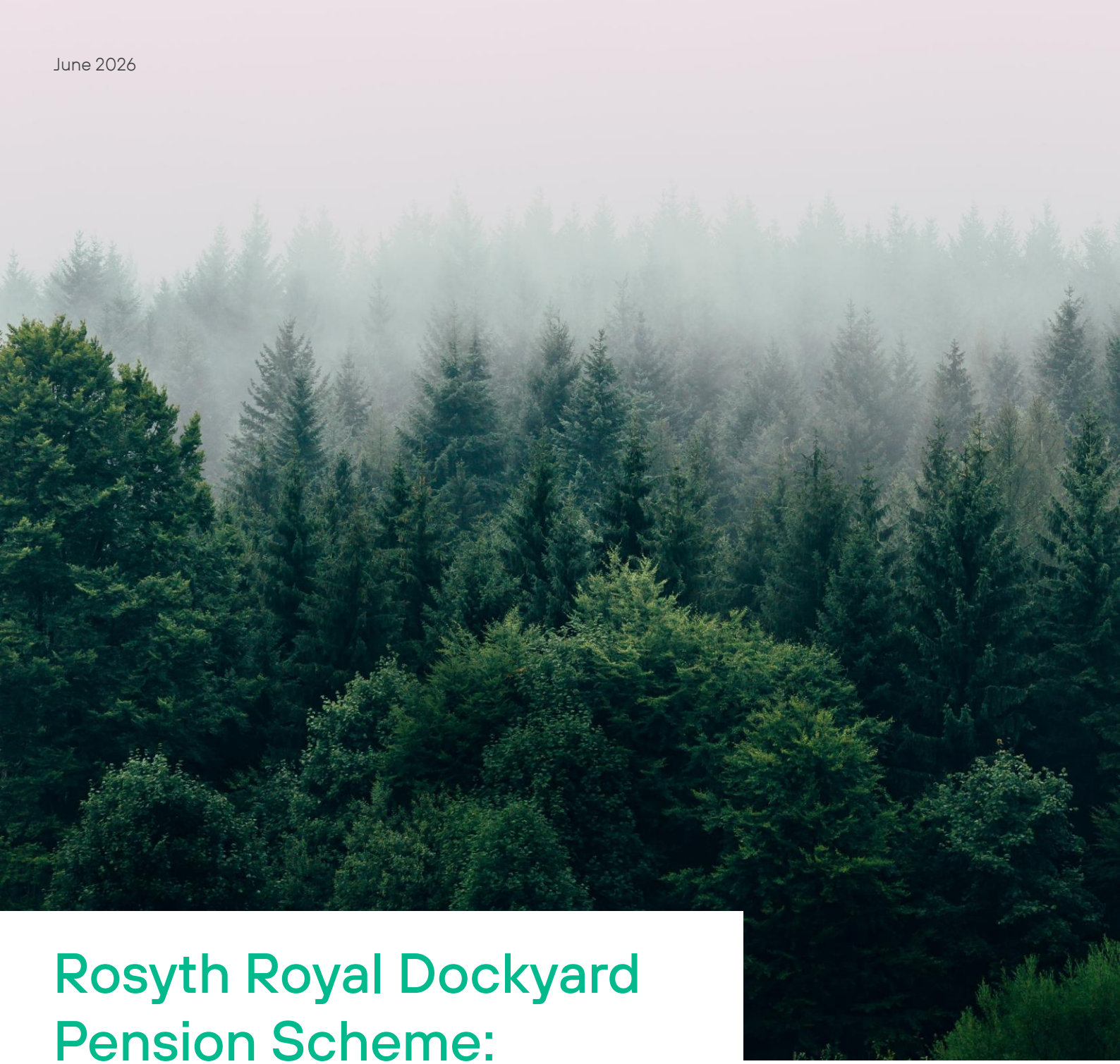


Rosyth Royal Dockyard Pension Scheme:

Implementation Report

June 2026

Document classification: Choose an item.

Background and Implementation Statement

Background

The regulatory landscape continues to evolve as ESG becomes increasingly important to regulators and society. The Department for Work and Pensions ('DWP') has increased the focus around ESG policies and stewardship activities by issuing further regulatory guidance relating to voting and engagement policies and activities. These regulatory changes recognise the importance of managing ESG factors as part of a Trustee's fiduciary duty.

Implementation Report

This implementation report is to provide evidence that the Scheme continues to follow and act on the principles outlined in the SIP.

The SIP can be found online at the web address rrdps_sip.pdf (babcockinternational.com) and changes to the SIP are detailed on the following page.

The Implementation Report details:

- actions the Trustee has taken to manage financially material risks and implement the key policies in its SIP
- the current policy and approach with regards to ESG and the actions taken with managers on managing ESG risks
- the extent to which the Trustee has followed policies on engagement, covering engagement actions with its fund managers and in turn the engagement activity of the fund managers with the companies in the investment mandate
- voting behaviour covering the reporting year up to 31 March 2026 for and on behalf of the Scheme, including the most significant votes cast by the Scheme or on its behalf

Summary of key actions undertaken over the Scheme reporting year

The Trustee agreed several strategic and manager changes over the year. These are summarised below:

- **Liability hedge increase:** A liability hedge review was completed over Q2 2025, using the new liability cashflows from the 2024 Actuarial Valuation. In May 2025, the Trustee transferred £30m of excess cash from the Trustee Bank Account (following receipt of deficit repair contributions from the Company) to the Insight LDI portfolio, to be held temporarily until conclusion of the LDI and Investment Strategy Reviews. Following completion of the LDI review in June 2025, the Trustee instructed Insight to increase the liability hedge to the revised target of 90% (on the Technical Provisions basis) using capital held within the Tier 1 collateral account.
- At the September ISC meeting, given the continued improvement in the Scheme's funding level, it was agreed to further increase the level of liability hedging to align with the Scheme's funding position (c.95% as at 30 September 2025). Following the Company's agreement of this activity, a 94% hedge target was implemented, reflecting a slight decline in funding experienced through Q4. This activity was successfully completed on 20 November 2025.

- **Synthetic equity restructure:** At the July ISC meeting, the Trustee agreed to switch the Scheme's existing synthetic equity mandates from the MSCI World to MSCI All Country World Indices ("ACWI") to introduce emerging market exposure and improve diversification. It was also agreed to switch currency exposure from unhedged to hedging 50% of the US Dollar exposure. The first phase of the restructuring was completed on 8 September 2025. This involved switching the indices to the ACWI equivalents and introducing an initial 25% currency hedge on the Scheme's US Dollar exposure. On 10 November 2025, the Trustee instructed phase 2 of the synthetic equity restructure, which increased the US Dollar currency hedge to be aligned with the 50% target.
- **Implementation of revised investment strategy:** Over the course of the 12-month period, the Trustee reviewed the Scheme's investment strategy in light of the revised funding agreement and schedule of contributions from the Actuarial Valuation and agreed a revised strategic benchmark. The new investment strategy aimed to maintain the existing level of expected return by reinvesting the proceeds from the unwinding illiquid mandates into existing liquid mandates. This involved increasing allocations to Asset Backed Securities ("ABS"), Absolute Return Bonds ("ARB"), and Multi-Asset Credit ("MAC").
- Over Q1 2026, the Trustee submitted instructions to increase the allocations to ABS, ARB, and MAC to better align with the Scheme's new strategic benchmark. This activity was funded by rebalancing the Tier 1 collateral headroom back in line with the agreed target level of 3.5%, releasing £36.7m. Further capital (c.£11.4m) was sourced from partial disinvestments from the Insight Liquid and Global Asset Backed Securities mandates. This activity was completed on 17 February 2026. The proceeds from this activity were reinvested into the M&G (£19.6m) and PGIM mandates (£20m) on 23 February 2026. The remaining top-up of £5.7m into CQS was later completed on 2 March 2026. The residual balance was retained in cash within RSY11 to help meet the Scheme's ongoing cash requirements.
- In February 2026, M&G outlined a potential opportunity for the Scheme to undertake a stock transfer of LION VII, a mezzanine ABS fund that is one of the underlying holdings within M&G Illiquid Credit Opportunities Fund VI (ICOF VI). After further discussion with M&G, it was discovered this offer also extended to LION III. In April 2026, the Trustee agreed to proceed with a carve out of these holdings from the wider ICOF mandate and instruct a redemption from them to accelerate the Scheme's available liquidity. Work with M&G to understand the process for implementing the required changes is currently ongoing.

Implementation Statement

This report demonstrates that Rosyth Royal Dockyard Pension Scheme has adhered to its investment principles and its policies for managing financially material consideration including ESG factors and climate change.

Signed:

Position:

Date:

Managing risks and policy actions

Risk / Policy	Definition	Policy	Actions and details on changes to policy
Interest rates and inflation	The risk of mismatch between the value of the Scheme's assets and present value of liabilities from changes in interest rates and inflation expectations.	To hedge the Scheme's funding position as measured on the Technical Provisions funding basis (when it is affordable to do so).	In June 2025, the Trustee increased the Scheme's liability hedge to 90% on the Technical Provisions basis. This change in liability hedging target was agreed with the as part of the 2024 Actuarial Valuation. Given the continued improvement in Scheme funding, the hedge target was lifted further to 94%, this was implemented in November 2025.
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members benefits as they fall due (including transfer values), and to provide collateral to the LDI/synthetic equity manager.	The Trustee regularly monitors the collateral and liquidity position to reduce the impact of this risk via specific monthly and quarterly reports provided by the investment consultant. In September 2025, the Trustee Board approved a new investment strategy which reallocated unwinding illiquid allocations to existing liquid credit funds. The strategy increased the strategic allocations to Asset Backed Securities ("ABS"), Absolute Return Bonds ("ARB"), and Multi-Asset Credit ("MAC"). The liquidity profile of the Scheme continues to improve as Ares and other illiquid allocations unwind.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away any unrewarded risks, where practicable.	As noted in the previous section, the Trustee took action to review the long-term evolution of the strategy over the reporting period.

			Furthermore, action was taken to lift the liability hedge twice over the period (to reduce the impact of interest rate and inflation risk). The Trustee reviewed the structure of the synthetic equity portfolio and agreed to switch the exposure from MSCI World to the equivalent MSCI ACWI to introduce Emerging Market exposure and reduce the concentration in the Magnificent 7 stocks. The Trustee also agreed to implement a 50% hedge of USD exposure. Both actions were taken to improve diversification and hedge risks within the Scheme. The Trustee also monitored the Scheme's synthetic equity exposure relative to the strategic target given strong equity market performance. Over the course of the reporting period, the Trustee rebalanced the synthetic equity holdings back to the strategic target in May 2025 and November 2025.
Credit	Default on payments due as part of a financial security contract.	To diversify this risk by investing in a range of credit markets across different geographies and sectors. To appoint investment managers who actively manage this risk by seeking to invest only in debt securities where the yield available sufficiently compensates the Scheme for the risk of default.	As part of the wider review of the investment strategy, the Trustee reviewed the composition of the credit portfolio. The revised investment strategy was approved at the September 2025 Trustee Board meeting. The first phase of the implementation of the revised investment strategy took place over Q1 2026, which increased allocations to ABS, ARB, and MAC. In February 2026, the Trustee revisited credit-stress analysis on the Scheme's credit portfolio. The analysis was used to better understand risks being taken and to evaluate how the credit portfolio has evolved over time. This activity is expected to be

			undertaken on an ongoing basis to ensure credit risk within the portfolio is being managed accordingly.
Environmental, Social and Governance	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Scheme's investments.	To appoint managers who satisfy the following criteria, unless there is a good reason why the manager does not satisfy each criteria: 1. Responsible Investment ('RI') Policy / Framework 2. Implemented via Investment Process 3. A track record of using engagement and any voting rights to manage ESG factors 4. ESG specific reporting 5. UN PRI Signatory The Trustee monitor the mangers on an ongoing basis.	ESG actions undertaken: The Trustee undertook a Sustainability Integration Assessment of the Scheme's mandates in February 2026. The Trustee established the portfolio's baseline position for the agreed TCFD metrics in August 2024. The initial results were used to identify key areas of improvement for engaging with the investment managers and an initial data quality target was agreed for the Scheme. In June 2025, further work was undertaken to review the latest TCFD metrics against this target and identify areas for improvement.
Currency	The potential for adverse currency movements to have an impact on the Scheme's investments.	Allow the Scheme's active managers who invest in overseas securities the flexibility to hedge overseas currency exposure to manage risk. Hedge 50% of the synthetic equities US Dollar exposure. Hedge 100% of currency on contractual assets where cost effective and practical to do so.	As noted, as part of the wider restructure of the synthetic equity exposure, it was agreed the Scheme should switch its approach from leaving its US Dollar equity exposure unhedged to hedging 50% of the exposure. This was completed over two 25% phases in September and November 2025.
Non-financial	Any factor that is not expected to have a financial impact on the Scheme's investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments.	No changes over the reporting period.

Changes to the SIP

The SIP was updated over the 12-month period to 31 March 2026 to reflect increased target hedge levels and investment strategy changes. Further adjustments were made to improve alignment with the other Babcock Group pension schemes.

Policies added to the SIP	
Date updated: January 2026	
Hedge target	• The Trustee recognises the risks that may arise due to the sensitivity of the value of the Scheme's liabilities to changes in interest rates and inflation. The Trustee has considered these risks in the context of the Scheme's return requirements and has agreed to align the liability hedge, based on interest rate and inflation risk associated with the Scheme's liabilities, with the Scheme's funding position as measured on the Technical Provisions basis (when it is affordable to do so).
Value at Risk	• To manage the overall risk of the Scheme, the Trustee monitors the Scheme's 1-year 95% Value at Risk ("VaR") on a Technical Provisions basis. The Trustee also regularly monitors the probability of achieving its long-term funding objective and considers scenario analysis. The Trustee and Company agreed an appropriate level of risk to be taken within the strategy to deliver the expected return.
Investment Strategy	• Following a strategy review, the Trustee set an investment strategy consistent with a return objective of Gilts + 2.2% per annum (based on market conditions as at 30 June 2025). This is expected to be implemented in a phased manner given some changes are dependent on the return of funds from the Scheme's illiquid mandates.
Journey Plan	• The Trustee will agree an appropriate basis in conjunction with the investment strategy to ensure an appropriate journey plan is agreed to manage funding risk over time. • The Scheme's current funding target is to achieve a fully funded position on a Gilts + 0.5% basis over the medium term.
De-risking	• The Long-Term Funding Agreement (dated April 2025) provides a framework against which any de-risking or re-risking decisions will be taken.

Collateral Management Policy

- At the time of writing, the Trustee targets a minimum level of collateral sufficient to withstand a yield rise to exhaustion of 300bps held in Tier 1 collateral with the LDI manager.
- The Trustee will review their collateral management policy no less frequently than annually, or as soon as possible in the event of significant market movements.
- The Trustee also has a framework for topping up the collateral.

Trigger	Action	Responsibility
When collateral falls below 300bps	Assets sold from the collateral waterfall (set out below) to restore buffer to 350bps	LDI manager responsible for monitoring trigger and implementation.
When total collateral, including the automatic collateral waterfall held with the LDI manager, falls below 450bps	Consider rebalancing collateral held with non-LDI managers to support the automatic collateral waterfall	LDI manager & Trustee responsible for monitoring trigger, Trustee responsible for implementation

- The latest collateral waterfall is set out below. Assets held with the same manager as the LDI mandate are shown in bold, reflecting the lower governance burden on the Trustee.

Manager	Asset Class	Dealing frequency	Notice period	Settlement period
LDI manager	**Asset Backed Securities**	**Daily frequency**	**T-2**	**T+3**
LDI manager	**Asset Backed Securities**	**Daily frequency**	**T-2**	**T+3**
Non-LDI manager	Absolute Return Bonds	Daily frequency	T+0 (10am)	T+2
Non-LDI manager	Asset Backed Securities	Daily frequency	T+0 (12pm)	T+2

Policies removed from the SIP	
Date updated: January 2026	
95% Value at Risk Ceiling	• In order to manage the overall risk of the Scheme, the Trustee has a 1- year 95% Value at Risk ceiling of £96m measured on an IAS19 basis. The Trustee has appointed an independent party to measure the risk of the Scheme relative to the ceiling on a quarterly basis. Should risk increase above this level, it will be reduced back to being below the ceiling at the earliest opportunity unless otherwise agreed.
Portfolio Turnover	• The Trustee monitors portfolio turnover costs. However, the investment managers are incentivised to minimise costs as they are measured on a net of cost basis. The Trustees will seek to adhere to the Cost Transparency Initiative, under which ClearGlass will collect data on the costs of the Scheme's investment managers, and as part of regular governance reviews. The Trustee will engage with a manager if portfolio turnover is higher than expected. This is assessed by comparing portfolio turnover as reported by the investment managers, across the same asset class, on a year-for-year basis for the same manager fund, or relative to the manager's specified portfolio turnover range in the investment guidelines or prospectus (where applicable).

Current ESG policy and approach

ESG as a financially material risk

The SIP describes the Scheme's policy with regards to ESG as a financially material risk. This page details how the Scheme's ESG policy is implemented. The rest of this statement details the Scheme's investment consultant's views of the managers, actions for engagement and an evaluation of the stewardship activity.

The below table outlines the areas which the Scheme's investment managers are assessed on when evaluating their ESG policies and engagements. The Trustee intends to review the Scheme's ESG policies and engagements periodically to ensure they remain fit for purpose.

Implementing the Current ESG Policy

Areas for engagement	Method for monitoring and engagement	Circumstances for additional monitoring and engagement
Environmental, Social, Corporate Governance factors and the exercising of rights	• As part of ongoing monitoring, the Trustee will use any ESG ratings information provided by its investment consultant to assess how the Scheme's investment managers take account of ESG issues and how it aligns with the Trustee's responsible investment policy. • Through its investment consultant, the Trustee will request that all the Scheme's investment managers provide information about their ESG policies, and details of how they integrate ESG into their investment processes on an ongoing basis. • Through the manager selection process, ESG considerations will form part of the evaluation criteria.	• The manager has not acted in accordance with their policies and frameworks. • The manager has received an overall 'red' ESG rating from the investment consultant, signifying that its ESG approach is below satisfactory.

ESG summary and engagement with the investment managers

Alongside the work carried out by the Scheme's investment consultant to engage directly with the Scheme's managers on the Trustee's behalf (outlined out in the table below), the Trustee also undertakes regular direct engagement with the investment managers. This is carried out through meetings with the investment managers and provides the Trustee with an opportunity to raise questions directly.

Following the Trustee's Sustainability Integration Assessment of the Scheme's mandates in March 2025, the Trustee also engaged with Insight and Aviva regarding their ESG approach.

Manager, fund	Sustainability Integration Assessment – Summary	Engagement with manager commentary
Apollo Semi-Liquid Credit Fund	Isio have rated the Fund 'meets traditional criteria' overall for ESG integration, with clear strengths across risk management and reporting. Whilst the Fund does not have any explicit ESG objectives, the Fund utilises a detailed ESG scorecard during both the initial due diligence and ongoing monitoring stages of investments. The Fund's areas for improvement are within their approaches to stewardship and climate, which could be improved through making climate a stewardship priority for the Fund.	Isio engaged with Apollo on the Trustee's behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the Scheme's Investment Committee ("ISC") with updates on Apollo engagements.
Ares Secured Income Fund	The Scheme has a small allocation to the Ares Secured Income Fund, which is in the process of winding down. No engagement has taken place with this manager on ESG issues, and as 31 March 2026, the only remaining Fund investments consist of Real Estate Debt allocations.	
Longbow Real Estate Debt Fund	Isio have rated the Fund 'partially meets criteria' overall for ESG integration. Areas of potential improvement include evidencing engagement with sponsors and holdings across ESG issues, and improved reporting of broader ESG metrics, in addition to climate. However, given the Fund is currently in its realisation phase, ESG integration at a Fund level is not a current priority and ICG are	Isio engaged with ICG on the Trustee's behalf to review their ESG policies, set actions and priorities. Isio regularly reports back to the ISC with updates on the ICG engagements.

	unlikely to make ESG improvements at this late stage in the Fund's life.	
CBRE Property	The Scheme has a small allocation to the historic CBRE UK Osiris Property Fund, which is in the process of winding down. No engagement has taken place with this manager on ESG issues.	
M&G Secured Finance	Isio have rated the Fund 'partially meets criteria' overall for ESG integration. M&G demonstrates strong capabilities through its structured ESG assessment framework and the consistent quality of its ESG reporting. However, further development is required around setting explicit ESG objectives, enhancing climate-related risk analysis, and broadening the coverage of key environmental metrics and stewardship practices.	Isio engaged with M&G on the Trustee's behalf to review their ESG policies, set actions and priorities. Isio regularly reports back to the ISC with updates on the M&G engagements.
Manulife CQS	Isio have rated the Fund 'meets traditional criteria' overall for ESG integration, with clear strengths across their Investment Approach and Collaboration. The Fund has explicit ESG objectives and is a signatory to several key organisations. Reporting is the key area for improvement within the Fund, as only weighted average carbon intensity is reported within regular reporting and less than 50% of the portfolio is captured.	Isio engaged with CQS on the Trustee's behalf to review their ESG policies, set actions and priorities. Isio regularly reports back to the ISC with updates on the CQS engagements.
M&G Sustainable Total Return Credit Investment Fund	Isio continue to rate the Fund as 'meets traditional criteria' overall for ESG integration with M&G maintaining well-defined firm-level climate commitments and stewardship policies. Sustainable investment opportunities are actively sought, and M&G have developed proprietary tools to identify and monitor ESG themed bonds. We have identified reporting as the key area for improvement, particularly regarding disclosures of carbon metrics and MSCI ratings in regular reporting.	Isio engaged with M&G on the Trustee's behalf to review their ESG policies, set actions and priorities. Isio regularly reports back to the ISC with updates on the M&G engagements.
Aviva Lime Property	Isio have rated the Fund as 'meets traditional criteria' overall for ESG integration, reflecting strong performance across most categories. Aviva's enhanced climate modelling capabilities have improved risk management and its strong industry collaboration and well-defined	Isio engaged with Aviva on the Trustee's behalf to review their ESG policies, set actions and priorities. Isio regularly reports back to the ISC with updates on the Aviva engagements.

	ESG priorities further bolster the Fund's credibility. However, the Fund's limited reporting practices stand out as an area for improvement. Aviva could expand reporting to include regular Fund-level disclosures of carbon footprint, as well as social impact and biodiversity-related data. Explicit ESG objectives for the Fund would help refine existing frameworks - such as its exclusions policy - to better align with long-term sustainability goals.	
Cambridge Associates ("CA") Private Debt Fund	Isio have rated the Fund 'significantly fails to meet criteria' overall for ESG integration, with key weaknesses in its investment approach and reporting. This reflects the absence of Fund-level ESG objectives and the current lack of credible ESG reporting. The Fund's collaboration score remains strong, supported by the manager's active engagement with industry initiatives, including the UK Stewardship Code. It is, however, acknowledged that the Fund's low score is largely driven by the bespoke nature of the mandate and the limited scope for improvement, as it is in run-off and returning capital to the Scheme.	Isio engaged with CA on the Trustee's behalf to review their ESG policies, set actions and priorities. Isio regularly reports back to the ISC with updates on the CA engagements.
Insight Synthetic Equity & LDI	Isio have assigned a 'meets traditional criteria' rating for ESG integration, with a strong approach to stewardship, collaboration and risk management processes – particularly for counterparty evaluation. However, reporting remains a weaker area – with potential improvements being developing reporting of ESG metrics and evidence of higher levels of engagement with policy makers and regulators.	Isio engaged with Insight on the Trustee's behalf to review their ESG policies, set actions and priorities. Isio regularly reports back to the ISC with updates on the Insight engagements.
Insight ABS	Isio have rated the fund range as 'partially meets criteria' overall for ESG integration, with clear strengths across risk management and collaboration. Overall, there were several areas of improvement over the year, particularly relating to enhancements made to the fund range's ESG due diligence and monitoring process as well as the manager's ability to evidence robust engagement with	Isio engaged with Insight on the Trustee's behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on Insight engagements.

	underlying counterparties and servicers.	
PGIM Global ABS	Isio have rated the Fund as 'partially meets criteria' overall for ESG integration, with collaboration being a clear strength. Positively, the Fund employs sector-specific ESG scoring for selecting and monitoring investments and considers ESG opportunities alongside risks. However, the manager lags peers on reporting capabilities (though this is notably an area of challenge for securitised products). Furthermore, there is significant scope for improvement on stewardship, where PGIM could consider setting Fund-level stewardship priorities and engaging with a higher proportion of portfolio issuers.	Isio engaged with PGIM on the Trustee's behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on PGIM engagements.
Insight Liquidity Fund	Insight has a net zero commitment by 2050, including interim targets, in line with NZAMI. Insight has a robust approach to stewardship and collaboration, including an approach to escalation, however, the Fund has no specific ESG objectives. Insight should consider incorporating ESG objectives and priorities as part of ESG/RI policy. Insight should further expand connections with academic institutions to develop risk management frameworks. Insight should provide reporting relating to nature/biodiversity metrics at the Fund level and establish a formal exclusion of United Nations Global Compact violators.	Isio engaged with Insight on the Trustee's behalf to review their ESG policies, set actions and priorities. Isio regularly reports back to the ISC with updates on the Insight engagements.
JP Morgan Infrastructure Investments Fund	The Fund's overall rating remains 'meets traditional criteria', reflecting continued alignment with sustainability principles. The Fund maintains active stewardship engagement although JP Morgans's exit from NZAMI and Climate Action 100+ has driven downgrades within the category. While engagement with portfolio companies continues through control positions, board oversight and GRESB-aligned processes, there has been limited progression	Isio engaged with JPM on the Trustee's behalf to review their ESG policies, set actions and priorities. Isio regularly reports back to the ISC with updates on the JPM engagements.

	in formal risk frameworks, external data use and Fund-level evidence of engagement outcomes. As such, the score changes reflect higher expectations around transparency and structure rather than reduced stewardship activity.
King Street Multi-Strategy Hedge Fund	The Trustee has instructed a full disinvestment from this fund with final proceeds due to be paid out after the reporting period.

Engagement

As the Scheme invests via fund managers, the managers provided details on their engagement actions including a summary of the engagements by category for the 12 months to 31 March 2026.

Fund name	Engagement summary (at strategy level unless stated otherwise)	Commentary
Apollo Semi-Liquid Credit	Total Engagements: 209 Environmental: 203 Social: 204 Governance: 203 One engagement can comprise of more than one topic across each company.	Apollo has set engagement policies at the firm-level, including high-level engagement priorities and an escalation approach. As bond investors, Apollo's voting rights are limited, making it more difficult to engage with portfolio companies in comparison to equity investors. Engagement coverage for the fund has been relatively low in recent years, but Apollo can demonstrate examples of engagement with issuers. An example of engagement includes: **Breitling** – In an effort to help drive value creation and address stakeholder issues, Apollo held a sustainability engagement call with Breitling. Key takeaways from the engagement include Breitling being on track to achieve 100% Artisanal & Small-Scale Mining (ASM) gold, which generally has more ethical practices, alongside 100% lab-grown diamonds. Additionally, rather than sourcing directly from mines, Breitling works through a diversified set of vetted refiners discloses all refining partners, and is actively building a multi-brand ASM sourcing initiative within the industry.

Ares Secured Income Fund	The investment manager has been unable to provide Fund-level engagement data on request.	The Fund's ESG related engagement is primarily led by the individual investment teams, who monitor ESG credentials over time and lead on engagements given they have the most issuer level knowledge where engagement is deemed necessary. Despite not reporting engagement activity on a firm level, Ares view ESG as a key focus area. Ares have collaborated with various entities to enhance ESG reporting and to address the data gap between public and private credit markets. Ares have also partnered with multiple parties with a focus on climate related initiatives. Ares have been unable to provide an engagement example as they do not currently track engagements at the strategy level, however, do conduct ad-hoc engagements throughout the year as needed.
King Street Multi-Strategy Hedge Fund	The investment manager has been unable to provide engagement data on request.	King Street does not have an engagement policy in place or specific engagement priorities. However, they state that they will engage with companies on ESG issues if deemed appropriate. Prior to the reporting period, a full disinvestment from this Fund was instructed and redemption proceeds were returned in a phased manner, however, a small portion of assets remained invested in side pocket assets at 31 March 2026.
Longbow Real Estate Debt Fund	The investment manager has been unable to provide Fund-level engagement data on request.	Longbow recognises that given the nature of its Real Estate Debt Strategy, the scope for engagement is limited. The Fund aims to exert influence on investments at the time of initial investment as it presents the best opportunity to fully understand ESG implications.

		ICG were unable to provide an example of engagement for the Scheme's investment in Fund V.
CBRE Property	Total engagements Environmental: 1	CBRE engages with underlying fund managers within the portfolio and operating partners. They seek to encourage positive change via their engagements to align with general ESG and climate best practices. Engagement is increasingly limited for the Fund as it has been in wind down since March 2020. An example of a high-level engagement includes: **Tritax London Logistics Fund (TLLF):** CBRE engaged with TLLF as part of on-going portfolio management. TLLF enforces standards on new developments such as a BREEAM Excellent rating or higher, and an EPC rating of A+ or higher. For example, in 2025, the Fund commenced construction of a new unit in Poyle and as per the Fund's minimum requirements, the development is targeting EPC A+ and BREEAM Excellent ratings, as well as on-site solar PV (c.250 kWp). Additionally, the power supply to the site is being upgraded to ensure the new unit will not be powered by fossil fuels and can also service electric vehicle charging infrastructure, thereby supporting the tenant's net zero ambitions.
M&G Secured Finance	Total engagements: 2 Governance: 2	M&G established company-wide policies and stewardship priorities when engaging with portfolio firms. These priorities focus on environmental factors however also cover social and governance factors. M&G can provide evidence of engagements on ESG issues at the underlying strategy and firm level.

		An example of a high-level engagement include: **HSBC:** M&G engaged with HSBC to encourage a more formal and transparent succession planning process for the Chair role. Following appointment of the new Chair, M&G met with the company to understand the rationale behind the selection and succession process. The company provided background and outlined the challenges of identifying suitable candidates given the complexity of the role. Following this, M&G emphasised the importance of a well-planned succession framework and encouraged the board to instigate a better succession plan for future appointments.
Manulife CQS MAC	Total engagements: 53	MCQS engages with corporate issuers, banks to whom they provide regulatory capital relief, CLO managers, regulators and service providers. Key engagement priorities include governance, climate risk management and people factors. An example of a high-level engagement includes: **Food Retail Company:** MCQS engaged with the company on human and labour rights, following concerns on wage growth, employment disclosure and human rights diligence relative to peers. Discussions with senior management covered employee pay, union engagement and supply chain oversight. The company outlined actions including wage increases in line with the National Living Wage, ongoing union dialogue and enhancements to its human rights framework and supplier standards. CQS encouraged further progress on transparency and governance, and will continue to monitor wage competitiveness, labour relations and supply chain risks.

M&G Sustainable Total Return Credit Investment Fund	Total engagements: 32 Environmental: 21 Social: 6 Governance: 5	M&G established company-wide policies and stewardship priorities when engaging with portfolio firms. These priorities focus on environmental factors however also cover social and governance factors. M&G can provide evidence of engagements on ESG issues at the underlying strategy and firm level. An example of a high-level engagement include: Bayer: M&G engaged with Bayer through the Access to Medicine Foundation initiative (ATMI) on improving access to medicine in low- and middle-income countries. The company outlined progress through its Global Health Unit, which focuses on expanding availability and sustainability of healthcare systems via partnerships and reinvestment. Reporting, in particular impact reporting, continues to be a challenge for the company. The company confirmed that establishing a framework to measure impact remains a work in progress. It is currently looking into established models.
JP Morgan Infrastructure Investments Fund ('IIF')	The investment manager has been unable to provide data on the exact number of engagements undertaken over the reporting period.	JP Morgan has 100% ownership or majority governance controls over each asset within the IIF and use their influence to engage with businesses to integrate ESG factors into their business plans and strategies. An example of an engagement includes: North Queensland Airport ("NQA"): JP Morgan worked with NQA as part of their ongoing transition to a more sustainable operation. NQA continues to transition fleet vehicles to electric and hybrid models. Other areas currently being progressed are developing a plan to install electric charging infrastructure, upgrading apron flood lighting to less energy intensive LED (95% of airfield lighting is now LED), installing SMART electricity and water

		metering systems to drive more reduction initiatives. As a result, the airport achieved a carbon-neutral status (Scope 1 and 2) in 2025.
Aviva Lime Property	Total engagements (at firm level): 1,353	Aviva has Fund-level stewardship priorities in place focused mainly on long leases where they work with the tenants to improve ESG factors. Engagements are focused on occupiers and is targeted at providing support for decarbonising assets, in line with the occupier's own business priorities and ambitions. An example of engagement includes: **Sainsbury's:** Aviva carried out a net zero due diligence audit of the tenant's demise and proposed recommendations for improvements. After meeting with the tenant, long term plans have been agreed to add EV chargers onto site. The tenant is planning to instal EV charging in 2026, however the asset manager is awaiting plans to process the license to alter.
Cambridge Associates Private Debt Fund	The investment manager has been unable to provide engagement data or specific examples of engagements given its fund of funds approach.	Due to the Fund's fund of fund structure, Cambridge Associates view stewardship and engagement activities as the responsibility of the underlying managers and have no specific ESG or engagement objectives. At a firm level, Cambridge Associates engage with industry wide initiatives focussing on ESG, climate and diversity, equity and inclusion, examples include the Net Zero Investment Consultants Initiative (NZICI) and the Glasgow Financial Alliance of Net Zero (GFANZ).
Insight Synthetic Equity & LDI	Insight do not currently provide details of their engagement activities for segregated LDI mandates. Synthetic Equity exposure is gained via derivatives. Insight has no direct exposure to underlying index constituents and as such do not engage with them.	Insight engages with counterparties on four key themes (environment, remuneration, diversity and cyber). As part of this process, ESG questionnaires are issued to core counterparties and responses are scored and benchmarked. These results are

		used to generate sustainability performance scores and inform detailed recommendation reports which are then provided to relevant banks. The team also regularly engages with regulators, governments and other industry participants to address long-term structural issues, aiming to stay ahead of regulatory changes and adopt best practice.
Insight Liquid ABS	Total engagements: 60 Insight currently do not provide details on the underlying engagement themes at the fund level.	Insight engages with issuers on a range of ESG topics. Most engagements are direct in nature and relate to the improvement of data provided by originators and the inclusion of ESG into their loan underwriting process. An example of an engagement includes: **Bavarian Sky ("BSKY"):** Insight engaged with BSKY, a leading issuer in both the UK and European Auto ABS market, with the aim to improve transparency of reporting and the potential implications of UK commission developments. Engagement began in Q2 2025 through a meeting with BSKY's Head of Structured Finance. BSKY confirmed that they remain committed to EV lending, which they expect to result in a material increase in EV sales. Carbon reporting is in the early stages of development, with plans to expand disclosures and include emissions data on new deals, including CO2 reporting, within their annual report.
Insight Global ABS	Total engagements: 60 Insight currently do not provide details on the underlying engagement themes at the fund level.	Insight engages with issuers on a range of ESG topics. Most engagements are direct in nature and relate to the improvement of data provided by originators and the inclusion of ESG into their loan underwriting process. An example of an engagement includes: **PCL Funding:** Insight engaged with PCL Funding (PCLF) ahead of a new issuance to review

		updates to its ESG framework and policies. Engagement began in September 2025 through a meeting with PCLF's senior management team. Following Insight's review, key developments included enhancements to PCLF's sustainability strategy and environmental policy, alongside the creation of employee networks and an EDI Council to support diversity and inclusion initiatives. A Sustainability Committee was also established to oversee ESG activities.
PGIM Global ABS	Total engagements: 114 Environmental: 1 Social: 4 Governance: 6 Other: 3	PGIM engage with issuers where they believe the engagement will be additive to the investment process and in their clients' best interests. PGIM do not have specific engagement priorities for the Fund, however examples are mainly focussed on corporate governance issues. An example of an engagement includes: **White Star:** PGIM engaged with White Star to review the monitoring and enforcement of their ESG exclusion policy, as PGIM raised concerns that they had more ESG exclusionary language than they typically see in CLO deals, and were not convinced that the borrower had robust enough methodology to enforce their own policies. The engagement focused on inconsistencies between the stated exclusions and the inclusion of companies deemed to be transitioning away from coal. PGIM proposed amending policy language to explicitly account for companies with a credible transitionary process. As a result, White Star acknowledged the issue and indicated it would adjust its language regarding exclusions in future deals. PGIM are encouraged by White Star's receptiveness to feedback but will continue to monitor progress.

Insight Liquidity Fund	Total engagements: 11 Environmental: 8 Social: 2 Governance: 1	The Fund follows Insight's firm-wide engagement strategy when engaging with counterparties. Insight has not provided individual case studies for the fund however they demonstrate a strong approach to stewardship and collaboration at the firm-level.

Voting (for equity/multi asset funds only)

As the Scheme invests via fund managers the managers provided details on their voting actions including a summary of the activity covering the reporting year up to 31 March 2026.

Fund name	Voting summary	Commentary
King Street Multi-Strategy Hedge Fund	The investment manager has been unable to provide voting data on request. Prior to the reporting period, a full disinvestment from this Fund was instructed, and redemptions proceeds were returned in a phased manner. However, a small allocation remains invested in side pocket assets at 31 March 2026.	King Street's general policy is to vote in a manner that serves the best interests of its clients, as determined by King Street in its sole and absolute discretion, and taking into account relevant factors, including (but not limited to): 1) the impact on the value of the securities or other instruments, 2) the anticipated costs and benefits associated with the proposal, the effect on liquidity, and 3) customary industry and business practices.

Document classification: