



Remploi Limited Pension and Assurance Scheme Implementation Statement

June 2025

Background and Implementation Statement

Background

The Department for Work and Pensions (DWP) has previously increased regulation to improve disclosures of financially material risks. This regulatory change recognises Environmental, Social and Governance (ESG) factors as financially material and schemes need to consider how these factors are managed as part of their fiduciary duty. The regulatory changes require that schemes detail their policies in their statement of investment principles (SIP) and demonstrate adherence to these policies in an implementation report.

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 Implementation Report details:

- actions the Scheme 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 Scheme 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 they invest
- voting behaviour covering the reporting year up to 31 March 2025 for and on behalf of the Scheme including the most significant votes cast by the Scheme or on its behalf.

The SIP can be found online at the web address <https://schemedocs.com/remploy-statement-investment-principles.html>. Changes made to the SIP over the year to March 2025 are detailed below.

Summary of key actions undertaken over the Scheme reporting year

Over the reporting year, there were no changes to the Statement of Investment Principles.

Implementation Statement

This report demonstrates that the Remploy Limited Pension & Assurance 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 |
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| Interest rates and inflation | The risk of mismatch between the value of the Scheme assets and present value of liabilities from changes in interest rates and inflation expectations. | To hedge 100% of the Scheme's Technical Provisions liabilities against these risks. | There have been no changes to policy over the reporting year. |
| Liquidity | Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment. | <p>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.</p> <p>To help manage the Scheme's liquidity position, an automatic rebalancing framework with pre-agreed rebalancing triggers is in place with Insight to facilitate faster collateral rebalancing.</p> <p>The Trustee has implemented a cashflow matching strategy by investing in a portfolio of corporate bonds with Insight. This is designed to generate income payments that will broadly match the Scheme's anticipated liability payments over the next 10 years to 2034.</p> | <p>There have been no changes to policy over the reporting year.</p> <p>Over the period, the Trustee conducted a cashflow projection analysis to understand potential future cashflow surplus. This has been considered as part of the wider strategy.</p> <p>The Trustee explored the use of credit collateralisation with Insight to provide further interest rate coverage. The Trustee decided that current coverage levels were adequate but would reconsider if broad interest rates rose above c.6%.</p> <p>Further, post reporting year, the Trustee carried out scenario analysis to consider the effects of if interest rates increased materially. The Trustee was comfortable, that the Scheme has a suitable level of collateral available.</p> |
| 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. | There have been no changes to policy over the reporting year. |
| Credit | Default on payments due as part of a financial security contract. | 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. | There have been no changes to policy over the reporting year. |

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| 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. | <p>To appoint managers who satisfy the following criteria, unless there is a good reason why the manager does not satisfy each criteria:</p> <ol style="list-style-type: none"> 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 <p>The Trustee monitors the managers on an ongoing basis.</p> | <p>The Trustee reviews the managers' ESG policies on an annual basis, assessing the managers' progress on addressing the actions raised within the Impact Assessment report.</p> <p>The managers' ESG policies were reviewed and presented to the Trustee in an Impact Assessment report in May 2025.</p> <p>There have been no changes to this policy over the reporting year.</p> |
| Currency | The potential for adverse currency movements to have an impact on the Scheme's investments. | <p>Hedge all currency risk on all assets that deliver a return through contractual income.</p> <p>Hedge 100% of currency risk on assets where practical to do so.</p> | There have been no changes to policy over the reporting year. |

Changes to the SIP

Changes to the SIP over the year to March 2025

There were no changes to the Scheme's Statement of Investment Principles over the reporting year.

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, while the following page outlines Isio's assessment criteria as well as the ESG beliefs used in evaluating the Scheme's managers' ESG policies and procedures. The rest of this statement details Isio's view of the managers, suggested actions for engagement and an evaluation of the engagement activity.

Current ESG Policy

For the Schemes ESG policy please refer to page 4.

| Areas for engagement | Method for monitoring and engagement | Circumstances for additional monitoring and engagement |
|--|---|---|
| Environmental, Social, Corporate Governance factors and the exercising of rights and engagement activity | <ul style="list-style-type: none">• The IC's investment managers provide annual reports on how they have engaged with issuers regarding social, environmental and corporate governance issues.• The IC receive information from their investment advisers on the investment managers' approaches to engagement.• The IC will engage, via their investment adviser, with investment managers and/or other relevant persons about relevant matters. | <ul style="list-style-type: none">• The manager has not acted in accordance with their policies and frameworks.• The manager's policies are not in line with the policies of the Trustee in this area. |

The below table outlines the areas which the Scheme's investment managers are assessed on when evaluating their ESG policies and engagements. The Trustee has adopted Isio's standard ESG beliefs, shown below:

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| Risk Management | <ol style="list-style-type: none"> 1. Integrating ESG factors, including climate change risk, represents an opportunity to increase the effectiveness of the overall risk management of the Scheme 2. ESG factors can be financially material and managing these risks forms part of the fiduciary duty of the Trustees |
| Approach / Framework | <ol style="list-style-type: none"> 3. The Trustees should understand how asset managers make ESG decisions and will seek to understand how ESG is integrated by each asset manager. 4. ESG factors are relevant to investment decisions in all asset classes. 5. Managers investing in companies' debt, as well as equity, have a responsibility to engage with management on ESG factors. |
| Reporting & Monitoring | <ol style="list-style-type: none"> 6. Ongoing monitoring and reporting of how asset managers manage ESG factors is important. 7. ESG factors are dynamic and continually evolving; therefore the Trustees will receive training as required to develop their knowledge. 8. The role of the Scheme's asset managers is prevalent in integrating ESG factors; the Trustees will, alongside the investment advisor, monitor ESG in relation to the asset managers' investment decisions. |
| Voting & Engagement | <ol style="list-style-type: none"> 9. The Trustees will seek to understand each asset managers' approach to voting and engagement when reviewing the asset managers' approach. 10. Engaging is more effective in seeking to initiate change than disinvesting. |
| Collaboration | <ol style="list-style-type: none"> 11. Asset managers should sign up and comply with common codes and practices such as the UNPRI & Stewardship code. If they do not sign up, they should have a valid reason why. 12. Asset managers should engage with other stakeholders and market participants to encourage best practice on various issues such as board structure, remuneration, sustainability, risk management and debtholder rights. |

ESG summary and actions with the investment managers

Engagement with manager

Isio shared its impact assessment in May 2025 covering the previous year. The report included Isio's engagement with the investment managers regarding any proposed actions that Isio identified last year, and how the managers scored this year. Isio will continue to monitor the ESG performance of the managers on an ongoing basis.

The 2025 impact assessment also included a peer group analysis to help the Trustee gauge where the Scheme's investment managers score against other Isio rated funds. Overall, the Scheme 'Meets Traditional Criteria' meaning the Scheme scores highly on Isio's ESG criteria and is in line with best practice in terms of ESG and climate integration. The Scheme also scored relatively well amongst peers and is well aligned with the Trustee's ESG beliefs.

| Manager and Fund | ESG Summary | Actions identified |
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| Aviva Lime Property Fund | <p>Aviva Investors have a Real Assets Sustainable Investment Risk Policy that defines Aviva's ESG approach at Firm-level. However, At Fund level however there are no specific ESG, climate, or social objectives.</p> <p>Aviva have a self-standing ESG team comprised of 40+ professionals with an average ESG experience of c.10 years.</p> <p>Aviva have climate change policy and a net-zero by 2040 plan in place. Aviva has an excellent track record of engaging with government organisations and regulators to improve the policy framework specifically around climate and environmental regulation.</p> <p>Aviva's RFI 2024/2025 submission demonstrated significant improvement, boosting the fund to a top-tier rating within its comparative universe. This progress was largely driven by Aviva providing substantially more comprehensive evidence across all our ESG rating criteria compared to last year, with a particular focus on their enhanced approach to stewardship.</p> | <p>Explicitly capture social and nature/biodiversity risks by integrating these metrics into the ESG scorecard.</p> <p>Improve the Fund's reporting quality (e.g. regular reporting of carbon footprint; social and nature/biodiversity metrics at fund-level).</p> |
| Insight Buy and Maintain | <p>Insight integrate ESG analysis into its investment process, meaning ESG considerations are made when selecting issuers.</p> <p>The fund is to invest in a manner consistent with achieving "Net Zero" by 2050 and has year by year carbon targets.</p> | <p>Model how various climate scenarios may affect the value of the fund.</p> <p>Consider independent verification of ESG metrics.</p> |

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| | <p>Insight is heavily committed to stewardship, demonstrated by their dedicated stewardship analysts who establish major engagement priorities. Insight are also prominent industry contributors and participants in numerous initiatives.</p> <p>Insight's Responsible Investment team manages integrating ESG across all their investment teams.</p> | |
| <p>Insight</p> <p>LDI</p> | <p>Insight demonstrates a strong commitment to ESG principles, integrating them throughout their investment process.</p> <p>Insight leverages multiple independent ESG data sources and have a dedicated Responsible Investment team ensuring effective integration.</p> <p>Insight has a dedicated Responsible Investment team that ensures effective integration of responsible investment across their investment teams.</p> | <p>Consider reporting ESG scores and/or metrics for counterparties within the pooled funds or segregated mandates.</p> |
| <p>Insight</p> <p>ABS Fund Range</p> | <p>Insight has a strong firm-wide stewardship approach due to their dedicated stewardship analysts. Insight is also a member of several initiatives including being signatory to the UNPRI and Net Zero Asset Managers Initiatives, making them key industry collaborators.</p> <p>Due to the nature of ABS funds, the quality and quantity of data is limited making reporting on the fund very poor.</p> <p>Insight integrates ESG analysis into their investment approach and in their dialogue with issuers and other stakeholders. However, there are no fund specific ESG objectives.</p> | <p>Look to incorporate firm-level ESG objectives and priorities as part of the ESG/RI policy and filter this down to fund-level objectives.</p> <p>Consider establishing a formal exclusions policy for the fund, including the exclusion of key UN Global Compact (UNGC) violators, thermal coal and tar/oil sands.</p> <p>Provide evidence of engagement with relevant parties, in line with firm-level stewardship priorities, at the fund level.</p> <p>Continue to look at ways to improve data reporting and coverage of GHG emissions data and/or establish an approach to estimating carbon reporting for Scope 1 and 2 emissions within the asset class.</p> |
| <p>M&G</p> <p>Total Return Credit Investment</p> | <p>M&G has a strong company-wide ESG strategy, displaying their capability to manage ESG risks in the Fund. However, they fall behind competitors in ESG reporting, due to lack of detailed metrics for assets in the portfolio.</p> <p>M&G have a comprehensive firm-level ESG policy which includes a firm-level net zero commitment for all M&G portfolios. They also have an ambition for all investments to have board gender equality by 2027. There is no additional emphasis on ESG components at the fund level beyond the company policy.</p> <p>The Fund is captured by M&G's firm-wide net-zero commitment by 2050, with agreed interim decarbonisation targets.</p> | <p>Establish and report on fund-level ESG objectives.</p> <p>Improve and report on active engagement with issuers across climate, social and biodiversity factors.</p> <p>Include nature and social factors in stewardship priorities.</p> <p>Enhance collaboration with academic institutions to develop risk management frameworks.</p> |
| <p>Octopus</p> <p>Renewable Infrastructure</p> | <p>The Octopus Renewable Infrastructure Fund is both credible and well-presented, bearing clear ESG goals. Octopus is devoted to ensuring their fund positively impacts climate, society, and nature, and they have made considerable progress in offering this to their clients.</p> <p>Octopus Energy has a firm wide policy to reach net-zero before 2050, this is backed up by science-based targets. They capture numerous factors including</p> | <p>Introduce an implied temperature alignment figure for the Fund.</p> <p>Expand GHG emissions data in regular reporting.</p> <p>Joining collaborative initiatives such as the 2020 UK Stewardship code, GRESB and NZAMI.</p> <p>Release white papers linked to Octopus' objectives.</p> |

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| | <p>climate change risks to asset, human rights, modern slavery risks in the supply chain and biodiversity.</p> <p>Octopus includes climate, social and nature/biodiversity factors as priorities within their stewardship policy. Octopus manage engagements through providing wholly owned subsidiaries and they secure strong shareholder rights where they have minority interests to ensure application of ORI's ESG policy.</p> | |
| Partners Group Direct Lending | <p>PG consistently shows a firm-wide commitment to ESG, underpinned by robust teams and practices. Their investment approach integrates a thorough screening procedure, adhering to recognised industry guidance like the TCFD and UN Global Impact.</p> <p>Partners Group reports on ESG metrics annually, however, compared to their counterparts, PG's reporting falls short.</p> | <p>Look to engage with a more significant proportion of underlying issuers across the funds and evidence and report on engagement in relation to ESG risks (including climate, social and nature) and how such risks are managed.</p> <p>Establish regular reporting across the funds of key ESG metrics, including GHG emissions data and temperature alignment, as well as look at ways to improve emissions data coverage</p> |

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-month period to the 31 March 2025.

| Fund name | Engagement summary | Commentary |
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| Aviva Lime Property Fund | <p>Total Engagements: 19</p> <p>Environmental: 19</p> <p><i>Data provided for the year to 31 December 2024.</i></p> | <p>The team undertake ESG risk and opportunity analysis through origination, whilst also engaging with tenants and stakeholders on an ongoing basis.</p> <p>The fund has been focussing on tenants and is targeted at providing support for decarbonising the fund's assets, in line with the occupier's own business priorities and ambitions.</p> <p>An example of significant engagement at fund level include:</p> <p>University of Bath – Aviva carried out a net zero due diligence audit of the University of Bath's demise and proposed recommendations for improvements. Following these recommendations, the tenant is seeking a major refurbishment so implementing the recommendations is difficult to enact at this point in time, Aviva will continue to have ongoing discussions with the tenant.</p> |
| Insight Buy and Maintain | <p>Total engagements: 93</p> | <p>Insight's credit analysts regularly meet with issuers to discuss ESG related and non-ESG related issues. Insight has a dedicated stewardship programme, which includes prioritised ESG engagement themes. Prioritised themes for this year are climate change and financial reporting.</p> <p>Insight use a research-led approach to identify poor performers to initiate targeted engagement to encourage positive improvements across each of their ESG themes.</p> <p>An example of significant engagements at firm level include:</p> <p>Ford Motor Company: Ford is a major US automaker with a comparatively weaker ESG profile and high financed emissions. Ford faced scrutiny over its reduced battery electric vehicles ("BEV") targets—lowering its European electric vehicle capital budget from 40% to 30% and extending its full BEV transition deadline from 2030 to 2035. The company cited European market headwinds, consumer reluctance to pay BEV premiums, and a focus on profitability, though it highlighted initiatives like lower-cost BEV models (including pickups), home charger support, and emissions targets (net zero by 2050, 50% Scope 3 reduction by 2035). Despite rising BEV sales, Ford lacks global full-electric targets and has weaker supply chain policies (e.g., no renewable energy requirements for battery suppliers). Insight urged Ford to join the Global Battery Alliance and to expand 100% EV sales targets beyond Europe.</p> |

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| Insight LDI | <p>Total engagements: 6</p> <p>Over 4 counterparties</p> | <p>Insight notes that their forms of engagement, though a key part of its credit analysis and monitoring, can be different in nature due to the long-term investment horizons for liability-driven investments, which impacts their business focus.</p> <p>Insight has a dedicated Responsible Oversight Committee who are responsible for overseeing a working group of LDI specialists. The group reports directly to the Head of Responsible Investment Research.</p> <p>Insight engages on two areas within LDI; counterparties and the broader financial stability of markets.</p> <p>An example of an engagement with at a firm level includes:</p> <p>Toronto Dominion – Insight engaged with the Canadian multinational banking and financial services corporation after the issuer faced controversy in 2024, relating to an anti-money laundering (AML) violation. This issuer scored poorly on several questions in Insight’s counterparty sustainability questionnaire, leading to the engagement.</p> <p>Following this engagement, the issuer strengthened its oversight structure and accountability across all three lines of defence, starting with front line defences and carrying through to risk management and audit teams. The issuer also responded that it has established a dedicated committee in its US boards for AML oversight.</p> <p>Whilst the issuer was making progress towards stronger oversight structures, in light of the controversy’s severity, Insight elevated the matter and downgraded the issuer’s impact bond framework to red (uninvestible status for Responsible Horizons funds), reflecting significant governance concerns.</p> |
| Insight ABS Fund Range | <p>Total engagements: c.60*</p> <p>*Total engagements across the secured finance universe for the year ending 31 March 2025</p> | <p>Insight describe engagement as a form of collaboration in which investors work with each other in some way to achieve a common goal, of which can take various forms. Insight regularly meets with issuers to discuss ESG related and non-ESG related issues and follow a research-based approach to identify poor performers to enable targets engagements that encourage positive improvements across specific themes.</p> <p>An example of significant engagements at strategy level include:</p> <p>Pepper – Insight has a multi-year engagement history with Pepper. Pepper is a significant issuer in the Australian market however Pepper did not previously incorporate ESG as part of their loan origination process, so Insight raised this as an area of concern.</p> <p>Pepper agreed that ESG disclosures are needed to improve their operations and would be looking to build on a number of ESG metrics in their annual reports. The issuer is now showing borrowers the potential EPC improvements they can make to their properties and new product range.</p> |
| M&G Total Return Credit Investment | <p>Total Engagements: 15</p> <p>Environmental: 13 Social: 1 Governance: 1</p> | <p>M&G adopt a systematic approach to engagement in which predetermined objectives are established beforehand and evaluated based on the results of engagements. M&G monitor the success of an engagement by assessing whether they have met their objectives and log this into a wider system.</p> <p>M&G analysts are expected to show a more detailed understanding of key ESG risks that impact the issues which they oversee. If engagements are considered necessary, analysts engage with issues supported by M&G’s Sustainability and Stewardship Team, enabling them to utilise their understanding and consider sustainable themes, effectively using their developed expertise.</p> <p>An example of significant engagements at a fund level include:</p> |

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| | | <p>Ørsted A/S - M&G engaged with Ørsted A/S, a Danish offshore wind specialist to ensure that the company was advancing its approach to biodiversity - acknowledging offshore wind's biodiversity risks while aligning with its 2030 objective to leave ecosystems in a measurably better state. Also, in relation to the company's climate targets, M&G requested the publication of forward-looking milestones that could be used to measure progress.</p> <p>The portfolio company has engaged a biodiversity consultancy and has implemented a measurement framework, with a first set of metrics expected by the end of 2025. M&G met with the company's global sustainability team climate lead and its global sustainability team biodiversity lead to run through the Nature Action 100 benchmark to determine Ørsted's progress in each of the areas.</p> <p>Overall, M&G were satisfied that Ørsted are taking biodiversity seriously and will follow up the company after the initial framework and metrics have been published next year.</p> |
| Octopus Renewable Infrastructure | <p>Due to the fund investing in privately held assets, Octopus has supplied a list of extended case studies on Octopus Energy Generation's engagement activities on behalf of the Octopus Renewables Infrastructure SCSP (ORIP) fund.</p> | <p>Octopus has direct control of the assets under their management through 100% ownership enabling full control of decision making. Regardless of ownership %, it is Octopus' aim to fully engage in all investments Octopus makes</p> <p>An example of significant engagements at firm level include:</p> <p>Octopus is promoting industry-wide collaboration to enhance solar product traceability and responsible production, requiring coordinated efforts from regulators, NGOs, suppliers, and industry bodies to address systemic risks. Octopus have long supported Solar Energy UK's and Solar Power Europe's Solar Stewardship Initiative, launched in October 2022, which engages stakeholders to develop improved standards for solar supply chains</p> |
| Partners Group Direct Lending | <p>Total engagements: 6</p> <p>Corporate: 2 Exit: 4</p> | <p>Partners Group have a clear policy regarding engagement with underlying portfolio companies. Engagements are managed by the investment teams with input from the central ESG team when required.</p> <p>Partners Group have implemented ESG ratchets for a number of prospective investments. Partners Group can measure effectiveness of engagements and borrowers are incentivised for cheaper borrowing.</p> <p>An example of significant engagements at manager level include:</p> <p>Confluent Health – As the controlling investor with Board oversight, Partners Group (PG) have guided Confluent Health to embed ESG priorities into its strategic growth. PG's collaboration focuses on three pillars: expanding equitable healthcare access, advancing workforce development, and leveraging digital innovation to elevate patient outcomes.</p> <p>Key achievements include the adoption of standardised patient outcome tracking systems, enabling data-driven evaluations of therapy effectiveness. The portfolio company has significantly expanded its clinic network, bringing specialised rehabilitation services to underserved communities. Strategic university partnerships have also been reinforced to address talent shortages, creating a pipeline of skilled physical therapists through targeted training programs.</p> <p>Through active governance, Confluent Health's growth now balances financial objectives with measurable societal impact, cementing its position as a leader in accessible, high-quality rehabilitation services.</p> |

Voting (for equity/multi asset funds only)

There were no voting rights attached to the Scheme's investments over the year to 31/03/2025.

| Fund name | Commentary |
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| Octopus Renewable Infrastructure | Octopus, the Scheme's renewable infrastructure manager, invests in private companies specialising in renewable energy or energy transition technologies. When the Fund fully owns a company, Octopus directly oversees all aspects—including strategy, environmental impact, and governance—without needing to exercise formal governance rights. For partially owned assets, Octopus secures contractual rights to align the company's operations with the Fund's investment and ESG policies. Regardless of ownership stake, Octopus emphasises active stewardship, as demonstrated in the engagement section through their detailed voting practices, stewardship framework, and provision of comprehensive case studies. |

The information contain herein, and views expressed by Isio are based solely on information provided by the investment managers.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.