Rollalong Pension Scheme

Implementation Statement covering the 12 months to 5 April 2025

The purpose of this Statement is to provide information, which is required to be disclosed in accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, as subsequently amended, including amendments to transpose the EU Shareholder Rights Directive (SRD II) into UK law. It confirms how the investment principles, objectives and policies of the Trustees' Statement of Investment Principles (SIP) dated February 2024 have been implemented.

It also includes the Trustees' voting and engagement policies, as well as details of any review of the SIP during the year, subsequent changes made with the reasons for the changes (if any). A description of the voting behaviour during the year, either by or on behalf of the Trustees, or if a proxy voter was used, is also included within this Statement. This Statement covers the period 06 April 2024 to 05 April 2025.

Investment objectives of the Scheme

During the year the investment objective of the Scheme was to invest the assets "with the aim of preserving capital value" following the completion of a buy-in transaction in December 2023.

Stewardship policy

The Trustees' stewardship policy, as set out in the SIP is as follows.

> The Trustees' voting and engagement policy is to use their investments to improve the Environmental, Social and Governance behaviours of the underlying investee companies. These ESG topics encompass a range of priorities, which may over time include climate change, biodiversity, the remuneration and composition of company boards, as well as poor working practices. The Trustees believe that having this policy and aiming to improve how companies behave in the medium and long term will protect and enhance the value of their investments and is in the members' best interests. The Trustees will aim to monitor the actions taken by the Investment Managers on their behalf and if there are significant differences from the policy detailed above, they will escalate their concerns which could ultimately lead to disinvesting their assets from the Investment Manager.

Review of the SIP & Recent Investment Strategy Changes

The Trustees most recently reviewed the SIP in February 2024 to reflect changes to the Scheme's Investment Strategy that occurred during December 2023. Specifically, the Trustees transferred the Scheme's Defined Benefit (DB) liabilities to an insurer (Aviva) via a buy-in transaction.

The majority of the Scheme's assets were used to fund the buy-in transaction but, due to the strong funding position of the DB Scheme, some assets remained invested (the "Additional Assets"). The updated SIP relates solely to these 'Additional Assets'.

As a result of the buy-in transaction, the Trustees' ultimate target for the investment strategy is to solely allocate the Scheme's "Additional Assets" to a cash fund with the Legal and General Manager Assurance Society (Pensions Management) Limited ("L&G") but, in conjunction with the Employer, this has not yet been fully implemented as 'true up' payments may be required to convert the buy-in into a buy-out.

Investment managers and funds in use

In alignment with the Scheme's investment objectives, the Trustees have put into effect the strategic asset allocation outlined in the table below:

Asset Class	Investment Manager	Fund	Target Asset Allocation as at 05 April 2025	Actual Asset Allocation as at 05 April 2025
Corporate Bonds	L&G	Active Corporate Bond Over 10 Year Fund	0.0%	23.6%
Index-Linked Gilts	L&G	Over 15 Year Index-Linked Gilts Fund	0.0%	28.4%
Cash	L&G	Cash Fund	100.0%	48.0%
Total			**100.0%**	**100%**

Investment Governance

The Trustees are responsible for making investment decisions and seeks advice as appropriate from Broadstone Corporate Benefits Limited ('Broadstone'), as the Trustees' investment consultant.

The Trustees do not actively obtain views of the membership of the Scheme to help form their policies set out in the SIP as the Scheme is comprised of a diverse membership, which the Trustees expect to hold a broad range of views on ethical, political, social, environmental, and quality of life issues.

The Trustees have put in place strategic objectives for Broadstone, as the Trustees' investment consultant, as required by the Investment Consultancy and Fiduciary Management Market Investigation Order 2019 and now the Pensions Regulator. These strategic objectives cover demonstration of adding value, delivery of specialist investment consultancy services, proactivity of investment consultancy advice, scheme management, compliance and service standards.

There were no changes to the objectives put in place for Broadstone which were last reviewed in December 2024. The Trustees are due to formally review these objectives by December 2027 or earlier.

Trustee Policies

The table below sets out how, and the extent to which, the relevant policies in the Scheme's SIP have been followed:

Requirement	Policy	Implementation of Policy
Financially and Non-Financially Material Considerations	The Trustees believe that environmental, social and governance factors are financially material and therefore have a policy to consider these, alongside other factors, when selecting or reviewing the Scheme's investments to ensure the sustainability of any investment selected. However, given that the 'Additional Assets' are solely invested in a cash fund, the Trustees note that the application of this policy is limited.	No deviation from this policy over the year to 05 April 2025
Voting Rights and Engagement	The Trustees' voting and engagement policy is to use their investments to improve the Environmental, Social and Governance behaviours of the underlying investee companies. These ESG topics encompass a range of priorities, which may over time include climate change, biodiversity, the remuneration and composition of company boards, as well as poor working practices. The Trustees believe that having this policy and aiming to improve how companies behave in the medium and long term will protect and enhance the value of their investments and is in the members' best interests. The Trustees will aim to monitor the actions taken by the Investment Managers on their behalf and if there are significant differences from the policy detailed above, they will escalate their concerns which could ultimately lead to disinvesting their assets from the Investment Manager.	No deviation from this policy over the year to 05 April 2025
Capital Structure of Underlying Companies	The Trustees delegate the responsibility for monitoring the make-up and development of the capital structure of investee companies to the Investment Manager. Further, the Trustees do not incentivise the Investment Manager to make decisions based on assessments about medium to long term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity to improve their performance in the medium to long term.	No deviation from this policy over the year to 05 April 2025

Financially and non-financially material considerations

The Trustees note that the manner by which financially material ESG factors will be taken into account in an investment strategy or pooled fund offering will depend on the underlying asset classes within the pooled fund offering and the management style (e.g. active or passive).

The Trustees are satisfied that the funds the Scheme currently invests in are managed in accordance with their views on financially material considerations, as set out below, and in particular with regards to the selection, retention, and realisation of the underlying investments held.

This position is monitored periodically. As part of the monitoring process, the Trustees have access to updates on governance and engagement activities by their investment manager, and input from their investment advisors on ESG matters. These views are also taken into account when appointing and reviewing an investment manager.

The Trustees acknowledge that they are delegating the consideration of financially material factors in relation to determining the underlying holdings to their investment manager, given they are investing in pooled funds.

The Trustees invest across a range of asset classes and styles. The Trustees expect the investment manager to take into account ESG considerations by engaging with the underlying companies and where relevant, by exercising voting rights on these companies.

A summary of the Trustees' views for each of the Scheme's asset classes is outlined below:

Asset Class	Actively or Passively Managed?	Comments
Corporate Bonds	Active	The Trustees expect the Investment Manager to take financially material ESG factors into account, given the active management style of the funds and the ability of the manager to use its discretion to generate higher risk adjusted returns. The Trustees also expect their Investment Manager to engage with the underlying investee companies, where possible, although they appreciate that fixed income assets within the portfolio do not typically attract voting rights.
Index-Linked Gilts	Passive	The Trustee believes there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the investment.
Cash	Passive	The Trustee believes there is limited scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the investment.

Voting rights and engagement activities

The Trustee currently invests in a bulk annuity buy in policy with Aviva and pooled investment funds with L&G. The Trustees acknowledge that this limits their ability to directly influence the investment managers.

The Trustees have delegated engagement activities to the investment manager, and the investment manager reports to the Trustees on how they have voted on behalf of the Trustees for the underlying holdings.

Within the current investment arrangements, the underlying assets held by Aviva in respect of the bulk annuity policy are not expected to attract voting rights given the fixed income nature of the investments. Similarly, the 'Additional Assets' held with L&G do not contain equities and are not expected to attract voting rights given the fixed income nature of the investments.

Engagement activities

The notable engagement activities of the investment manager over the last 12 months is provided below:

- **L&G** engaged significantly with the UK water industry, with L&G's Global Research and Engagement Groups (GREGs) recognising their responsibility to push for change as a major lender in the UK sterling corporate bond market. After providing informal feedback to Ofwat's 2022 consultation on the sector's financial resilience, L&G attended a roundtable event in August 2024 with over 50 other investors, where sentiment was overwhelmingly negative. L&G later engaged in a bilateral call with Ofwat in September to discuss market perceptions. They also engaged with DEFRA, connecting them with the Investment Association and Moody's, and joined an investor roundtable with the environment and financial secretaries. L&G participated in a collaborative working group led by the Investor Forum, discussing concerns with issuers like United Utilities, Severn Trent, and Pennon Group. As an outcome, L&G strongly voiced investor concerns and emphasized the need for regulatory changes. Following Thames Water shareholders' announcement deeming draft regulatory proposals 'uninvestable', L&G joined meetings of an informal bondholder forum at the Investment Association and a group of Thames Water bondholders, advised by Akin Gump Strauss Hauer & Feld LLP and Jefferies Financial Group. Next steps include continuing to engage with peers, Ofwat, DEFRA, and other government departments to advocate for long-term solutions for the UK water industry. L&G will monitor regulatory developments and maintain active participation in discussions to ensure the financial sector's concerns are addressed.

Signatories to the UNPRI (United Nations Principles for Responsible Investment) will receive an overall 'score' which represents how well ESG metrics are incorporated into managers' investment processes. The investment manager will submit a transparency report on their processes across different categories which is then assessed by the UNPRI and graded in a formal report.

For the 2024 UNPRI Assessment Reports, scores are presented as a 'star' rating ranging from ★ to ★★★★★, with more stars representing a higher score.

The latest available UNPRI scores of the Investment Managers are outlined in the table below:

Manager	UNPRI Score
L&G	★★★★★
Median	★★★

The Trustees also consider the investment manager's policies on stewardship and engagement when selecting and reviewing an investment manager.

Monitoring of Investment Arrangements

In addition to any reviews of the investment manager or approaches, and direct engagement with the investment manager (as detailed above), the Trustees receive performance reports on a quarterly basis from their investment manager to ensure the investment objectives set out in their SIP are being met.

Signed: **Date:** 6/3/26

On behalf of the Trustees of The Rollalong Pension Scheme