

Trustees' Report – (continued)

Statement of Investment Principles - Implementation Statement

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 2019, as subsequently amended, including amendments to transpose the EU Shareholder Rights Directive (SRD II) into UK law. In particular, it confirms how the investment principles, objectives and policies of the Trustees' Statement of Investment Principles (SIP) dated March 2025 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 and 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 6 April 2024 to 5 April 2025.

Investment Objectives of the Scheme

The Trustees' objectives for setting the investment strategy of the Scheme have been set broadly with regard to the Scheme's Statutory Funding Objective as set out in the Statement of Funding Principles.

The Trustees' investment objectives are as follows:

- To ensure that the assets are of a nature to enable the Trustees to meet the Scheme's benefits as they fall due
- To invest the Scheme's assets in an appropriately diverse and liquid range of investments
- To provide a reasonable match such that the value of the Scheme's assets is not expected to deviate materially from the value of the Scheme's estimated buyout liabilities
- To deliver an expected return which is expected to be at least in line with the return required to maintain the Scheme's estimated buyout funding position

The Trustees appreciate that these objectives are not necessarily mutually exclusive.

The Trustees also recognise that it is currently necessary to accept some risk in the investment strategy to achieve the long-term funding objective.

Stewardship Policy

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

The Trustees believe that in order to protect and enhance the value of the investments, over the time horizon over which the benefits are paid, they must act as a responsible asset owner. The Scheme is also comprised of a diverse membership, expected to hold a broad range of views on ethical, political, social, environmental, and quality of life issues. The Trustees therefore do not explicitly seek to reflect any specific views through the implementation of the investment strategy, both financial and non-financial.

Review of the SIP

The Trustees last reviewed the Statement of Investment Principles (SIP) in March 2025, which was updated to reflect the change in investment strategy.

The Trustees have a policy on financially material considerations relating to Environmental, Social and Governance (ESG) issues, including the risk associated with the impact of climate change. In addition, the Trustees have a policy on the exercise of rights and engagement activities, and a policy on non-financial considerations. These policies are set out later in this Statement and are detailed in the SIP.

Trustees' Report – Statement of Investment Principles - Implementation Statement (continued)

Investment Managers and Funds in Use

The investment funds used for the Scheme as at 5 April 2025 are set out below:

Asset Class	Fund	Target Asset Allocation
Bonds and Gilts	Evelyn Partners Bespoke Mandate	100.0%
Total		100.0%

Investment Governance

The Trustees are responsible for making investment decisions and seek advice as appropriate from Evelyn Partners and Broadstone Corporate Benefits 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.

Trustees' Report – Statement of Investment Principles – Implementation Statement (continued)

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
<p>Financially and Non-Financially Material Considerations</p>	<p>The Trustees recognise that Environmental, Social and Governance (ESG) issues can and will have a material impact on the companies, governments and other organisations that issue or otherwise support the assets in which the Scheme invests. In turn, ESG issues can be expected to have a material financial impact on the returns provided by those assets. The Trustees delegate day-to-day decisions on the selection of investments to the Investment Manager. The Trustees have an expectation that the Investment Manager will consider ESG issues in selecting investments or will otherwise engage with the issuers of the Scheme's underlying holdings on such matters in a way that is expected to improve the long-term return on the associated assets.</p> <p>The Trustees do not currently impose any specific restrictions on the Investment Manager with regard to ESG issues but will review this position from time to time. The Trustees receive information on request from the Investment Manager on its approach to selecting investments and engaging with issuers with reference to ESG issues.</p> <p>With regard to the specific risk to the performance of the Scheme's investments associated with the impact of climate change, the Trustees take the view that this falls within their general approach to ESG issues. The Trustees regard the potential impact of climate change on the Scheme's assets as a longer term risk and likely to be less material in the context of the short to medium term development of the Scheme's funding position than other risks. The Trustees will continue to monitor market developments in this area with their Investment Adviser.</p> <p>Where ESG factors are non-financial (i.e. they do not pose a risk to the prospect of the financial success of the investment) the Trustees believe these should not drive investment decisions. The Trustees expect the Investment Manager, when exercising discretion in investment decision making, to consider non-financial factors only when all other financial factors have been considered and in such a circumstance the consideration of non-financial factors should not lead to a reduction in the efficiency of the investment.</p>	<p>No deviation from this policy over the year to 5 April 2025.</p>

Trustees' Report – Statement of Investment Principles - Implementation Statement (continued)

Trustee Policies (continued)

Voting Rights and Engagement	The Scheme does not currently invest in equities, and therefore the Trustees acknowledge that where it invests in debt instruments there are no attaching voting rights. Where appropriate, 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 is in the members' best interests. The Trustees will aim to monitor the actions taken by the Investment Manager 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 Manager.	No deviation from this policy over the year to 5 April 2025.
Capital Structure of Underlying Companies	Responsibility for monitoring the capital structure of investee companies is delegated to the Investment Manager. The Trustees expect the extent to which the Investment Manager monitors capital structure to be appropriate to the nature of the mandate.	No deviation from this policy over the year to 5 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 will depend on the underlying asset classes within the strategy and the management style (e.g. active or passive).

The Trustees are satisfied that the assets currently invested in by the Scheme are managed in accordance with their views on financially material considerations, 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 the Investment Manager and input from their Investment Adviser on ESG matters. These views are also taken into account when appointing and reviewing investment managers.

The Trustees acknowledge that they are delegating the consideration of financially material factors in relation to determining the underlying holdings to their Investment Manager.

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.

Trustees' Report – Statement of Investment Principles - Implementation Statement (continued)

Financially and Non-Financially Material Considerations (continued)

A summary of the Trustees' views for each asset class in which the Scheme invests is outlined below:

Asset Class	Actively or Passively Managed?	Comments
Government Bonds	Active	The Trustees believe 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 securities.
Investment Grade Corporate Bonds	Active	The Trustees expect the Investment Manager to take financially material ESG factors into account, given the active management style of the allocation 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 investee companies, where possible, although they appreciate that fixed income assets do not typically attract voting rights.
Cash	Passive	The Trustees believe 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 Trustees currently invest in direct holdings within the bespoke mandate managed by Evelyn Partners.

All voting activities have been delegated to the Investment Manager. The Trustees' stewardship policy is detailed at the start of this document although this has not been shared with the Investment Manager to influence what they believe to be the most significant votes.

However, the Trustees periodically meet with Evelyn Partners to engage with them on how they have taken ESG issues and voting rights into account for the investment approaches they manage on behalf of the Trustees. As part of this, the Trustees will seek to challenge their Investment Manager on these matters where they think this is in the best interests of members.

Over the year to 5th April 2025, the Scheme held a bond portfolio with Evelyn Partners and therefore had no voting rights attached to the Scheme's investments.

Trustees' Report – Statement of Investment Principles - Implementation Statement (continued)

Engagement Activities

A notable engagement activity of the Investment Manager over the last 12 months is provided below:

- **Evelyn Partners** engaged with Rio Tinto in 2024 by examining the company's ongoing efforts to reform its workplace culture and safety practices following a damaging report on employee treatment three years prior. The CEO's "Respect" programme has led to improvements in camp conditions, grievance processes, and transparent reporting of progress. Evelyn Partners also raised points around Rio's community relations, particularly following its destruction of Aboriginal heritage sites and its approach to balancing environmental concerns with resource extraction, including the Resolution copper project and the Simandou iron ore mine. The firm noted Rio's 2030 target to reduce carbon emissions by 50%, especially in energy-intensive aluminium operations, and acknowledged efforts to transition toward renewables and process innovations. Evelyn Partners recognised the strategic progress, whilst highlighting that market pressures could challenge consistency in achieving emissions goals and intends to remain a critical yet constructive voice in encouraging further improvements in operational and cultural practices.

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. Investment managers 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 score of the Investment Manager is outlined in the table below.

Manager	2024 UNPRI Rating
Evelyn Partners	★★★★
Median	★★★

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

Monitoring of Investment Arrangements

In addition to any reviews of the Investment Manager or approaches, the Trustees receive performance reports on a quarterly basis from the Investment Manager to ensure the investment objectives set out for the Scheme in the SIP are being met.

Signed:



Date:

2 October 2025

On behalf of the Trustees of the Hall & Pickles 1812 Pension Scheme