

Intertek Pension Scheme

31 March 2026

isio.

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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 Statement of Investment Principles (SIP).

The SIP can be found online at the web address here. Changes to the SIP are detailed on the following page.

This 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 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

During the reporting year the below changes were made in line with the current strategic asset allocation:

- Over the year, several transfers were made between the Columbia Threadneedle Sterling Liquidity Fund and the Trustee bank account. This included disinvestments for cashflow purposes or investing excess cash.
- Portfolio rebalancing took place in April 2025, with £2m transferred from the Insight Buy & Maintain Credit Fund to the Sterling Liquidity Fund to support liquidity and bring allocations back in line with the target.
- The CBRE UK Osiris Property Fund, which began winding down in 2020, continued to return capital during the year. As at the 2026 year-end, approximately £0.3m remained, with the final distribution expected in 2027.

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Implementation Statement

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

Signed

Position	Client Director	Associate Director
Date	29 October 2026	29 October 2026

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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 assets and present value of liabilities from changes in interest rates and inflation expectations.	The Scheme invests in unleveraged gilt funds to provide a partial hedge against the Scheme's interest rate and inflation sensitivities. These assets are not leveraged but produce a series of cashflows that in aggregate are expected to broadly match movements in liabilities.	No actions to report.
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	In recognition of the fact that funds may need to be realised for a number of unanticipated reasons at any time, and the desirability of retaining as high a degree of flexibility as possible to cater for unexpected changes in circumstances, the Trustee will monitor closely the extent to which any assets not readily realisable are held by the Investment Managers and will limit such assets to a level where they are not expected to prejudice the proper operation of the Scheme. The Trustee has considered how easily investments can be realised for the types of assets in which they are currently invested. As such, the Trustee believes that the Scheme currently holds an acceptable level of readily realisable assets. The Trustee will also take into account how easily investments can be realised for any new investment classes they consider investing in, to ensure that this position is maintained in the future. The Trustee will hold cash to the extent considered necessary to meet impending anticipated liability outflows. A bank account is used to facilitate the holding of cash awaiting investment or payment.	No actions to report.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	The Trustee believes that the investment risk arising from the investment strategy is consistent with the overall level of risk being targeted and in-line with its long-term investment objectives.	No actions to report.

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Credit	Default on payments due as part of a financial security contract.	The risk that a third party fails to deliver cash or other assets owed to the Scheme is addressed through the Investment Managers' guidelines with respect to cash and counterparty management.	No actions to report.
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.	The Trustee requires the Scheme's Investment Managers to take ESG and climate change risks into consideration within their decision-making, in relation to the selection, retention or realisation of investments, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest. The Trustee will seek advice from the Investment Consultant on the extent to which their views on ESG and climate change risks may be taken into account in any future investment manager selection exercises. Furthermore, the Trustee, with the assistance of the Investment Consultant, will monitor the processes and operational behaviour of the Investment Managers from time to time, to ensure they remain appropriate and in line with the Trustee's requirements as set out in this Statement.	Further detail provided later in this report.
Currency	The potential for adverse currency movements to have an impact on the Scheme's investments.	This risk is managed by the Scheme investing a proportion of assets in currency hedged funds.	No actions to report.
Strategy	The risk that the Investment Managers' asset allocation deviates from the Trustee's investment policy.	This risk is addressed through regular review of the asset allocation and/or the imposition of investment ranges. In reviewing the investment strategy on a periodic basis, the Trustee will consider the current economic factors affecting the asset classes in which they are invested and the short to medium term outlook for performance by reference to e.g. current and historic yields, GDP growth forecasts and other relevant factors. The Trustee will also consider how far the actual asset allocation has drifted from the strategic asset allocation and take action to rebalance if necessary.	No actions to report.
Manager risk	The risk that an investment manager fails to meet their stated objective.	This risk is addressed through the performance objectives and through the ongoing monitoring of the managers. In monitoring the performance of the Investment Managers the Trustee measures the returns relative to benchmark and objective and the volatility of returns. In addition, the Trustee will regularly review each Investment Manager's approach to risk within each fund in order to highlight any unintended risk being taken.	No actions to report.

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Changes to the SIP

Over the period to 31 March 2026, there were no changes to the Scheme's SIP.

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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. The Trustee has agreed to adopt Isio's criteria for ESG assessment of managers which describes how it monitors and engages with the investment managers regarding the ESG policies. This page details the Trustee's ESG policy. The next page details our view of the managers, our actions for engagement and an evaluation of the engagement activity.

Risk Management	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 Trustee
Approach / Framework	3. The Trustee 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	6. Ongoing monitoring and reporting of how asset managers manage ESG factors is important. 7. ESG factors are dynamic and continually evolving; therefore the Trustee 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 Trustee will, alongside the investment advisor, monitor ESG in relation to the asset managers' investment decisions.
Voting & Engagement	9. The Trustee 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.

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Collaboration	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.

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ESG summary and actions with the investment managers

Manager, fund	ESG Summary	Actions identified
CBRE – Osiris Property Fund	CBRE demonstrates strong firm-level ESG credentials, supported by a comprehensive global sustainability framework and clear policies. The firm has set ambitious net zero commitments across all AUM, targeting net zero for Scope 1 and 2 emissions by 2040 (or sooner) and across all scopes by 2050. There is clear evidence of firm-wide ESG integration, with a dedicated sustainability team embedded across investment processes and responsible for implementing sustainability considerations into day-to-day management activities.	- CBRE to establish a standalone firm-level stewardship policy, with climate and social factors clearly defined as explicit stewardship priorities. - CBRE to strengthen disclosure on firm-wide stewardship outcomes, including examples of engagements, escalation actions, and achieved impact aligned to priority themes.
Columbia Threadneedle – Liability Driven Investment	At firm level, Columbia Threadneedle demonstrates good ESG capabilities underpinned by clear policies, strong governance structures and a high degree of integration across its investment platform. At the fund level, ESG considerations are integrated into counterparty risk management, supported by established assessment frameworks and governance through the Counterparty Credit Committee.	- Columbia Threadneedle to develop and formalise a comprehensive firm-level net zero policy, covering all AUM and supported by clear interim decarbonisation targets. - Columbia Threadneedle to enhance ESG reporting transparency at a firm level by disclosing ESG ratings or scores for underlying holdings. - Columbia Threadneedle to introduce clear fund-level ESG objectives, including forward-looking and measurable targets, to better demonstrate how ESG considerations are embedded in the strategy beyond counterparty risk management.
BlackRock – Strategic Alternative Income Fund	BlackRock demonstrates good ESG capabilities, supported by a firm level ESG policy. BlackRock has set explicit stewardship priorities on which to engage with investee companies, overseen by a central team.	- BlackRock to reconsider its position in relation to CA100+ and NZAMI membership to strengthen its approach to collaborative engagement. - BlackRock to commit to a net zero target, supported by meaningful interim decarbonisation targets.

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	BlackRock also collaborates with initiatives and institutions on ESG risks.	
Insight – Fully Funded Gilt Funds	Insight has a strong net zero commitment by 2050, including interim targets, in line with NZAMI. The manager continues to evidence a robust approach to stewardship, with clearly defined priorities across climate, social and governance themes, alongside structured engagement processes and a comprehensive escalation framework where progress is insufficient. Insight also shows strength in collaboration, actively engaging with industry bodies, policymakers and peers to drive broader market outcomes.	- Insight to enhance reporting capabilities, with potential improvements being the development of reporting of ESG metrics and evidence of higher levels of engagement with policy makers and regulators. - Insight to enhance fund-level ESG integration by introducing clear, forward-looking ESG objectives at the fund level.
Insight – Buy and Maintain Credit Fund		- Insight to build on its ESG integration framework by introducing explicit fund-level ESG objectives across focus areas. - Insight to enhance reporting capabilities, with potential improvements being the development of reporting of ESG metrics and evidence of higher levels of engagement with policy makers and regulators. - Establish a formal exclusion of harmful sectors, such as thermal coal and tar/oil sands. - Insight to consider implementing fund-level ESG objectives or focus areas.
Insight – Secured Finance		- Insight to enhance reporting capabilities, with potential improvements being the development of reporting of ESG metrics and evidence of higher levels of engagement with policy makers and regulators. - Insight to strengthen external ESG positioning at a firm level by improving performance in independent stewardship assessments and demonstrating alignment with evolving industry best practice.

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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 31 March 2026.

Fund name	Engagement summary	Commentary
CBRE Osiris Property Fund	Total engagements: 1 Number of entities engaged: 1 Environmental: 1	Engagement activity is becoming increasingly limited, as the Fund has been in wind-down since March 2020, with only a small proportion of assets remaining at year-end. An example of significant engagement includes: **Tritax London Logistics Fund (TLLF) -** Engagement has focused on increasing influence over sustainability outcomes across the portfolio, particularly through development activity. The manager has set clear expectations that new developments achieve high environmental standards, with a target of BREEAM Excellent or higher and EPC A+. This reflects growing occupier demand for modern, energy-efficient warehouse spaces. In 2025, the Fund commenced construction of a new 115,225 sq. ft unit at the Blackthorne Point estate in Poyle, pre-let to DHL on a 15-year lease. The development targets EPC A+ and BREEAM Excellent ratings, alongside the installation of on-site solar PV (~250 kWp). The site's power supply was upgraded to remove reliance on fossil fuels and enable electric vehicle charging infrastructure, aligning with DHL's net zero ambitions. Additionally, attenuation tanks are being implemented to enhance resilience to surface water flooding.
Columbia Threadneedle Regular Profile Unleveraged Nominal Gilt Fund Columbia Threadneedle Regular Profile Unleveraged Real Gilt Fund	Columbia Threadneedle have not provided a breakdown of their engagement activity at the fund level.	Columbia Threadneedle views responsible investing and broader investment stewardship as part of their duty as an investor acting in the best interests of their clients, and key to managing risk and supporting long term returns. Consequently, Columbia Threadneedle engages where possible with investee companies and financial counterparties, and this includes LDI counterparties. Columbia Threadneedle provides engagements within their Counterparty Engagement Report (most recent paper dated 30 June 2025). These engagements are applicable to the Columbia Threadneedle Liability Driven investment fund.

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BlackRock Strategic Alternative Income Fund	BlackRock has not provided a breakdown of their engagement activity at the fund level.	Given the private market nature of the Strategic Alternative Income Fund, there are no fund specific engagement examples.
Insight Fully Funded Gilts 2041-2050 Insight Fully Funded Gilts 2051-2060	Insight has not provided a breakdown of their engagement activity at the fund level.	Insight views responsible investment and stewardship as integral to managing risk and supporting long-term returns. As part of this approach, the manager undertakes ongoing engagement on ESG issues with counterparties, through a Sustainability Assessment Questionnaire issued every 2 years. Insight provides examples of this activity through its counterparty engagement reporting (most recent paper dated 31 March 2026). These engagements are applicable to the Insight Liability Driven Investment Fund. Please note engagement examples given are at the firm level. An example of significant engagement includes: **Wells Fargo** – This issuer is one of Insight's trading counterparties, with a history of severe conduct issues. The engagement focused on understanding the issuer's sustainability strategy following the removal of its environmental and social risk framework and rollback of climate related targets. The issuer claims to still consider ESG risks, although there are no longer formally defined processes, and no longer maintains a net-zero target for its lending book. The issuer has however made substantial progress addressing historical governance controversies. Insight has concluded the issuer is not appropriate for portfolios with ESG characteristics, and is presenting the outcome of this engagement to Insight's Ratings and Exclusions Group (REG) to consider next steps. Insight has proposed engagement objectives which include restoring due-diligence and escalation processes for ESG framework and reinstating net zero targets.
Insight Buy and Maintain Bond Fund	Total engagements: 134 Number of entities engaged: 74 Environmental: 100 Social: 60 Governance: 32 Financial: 289 Other: 20	Please see above. Please note engagement examples given are at the firm level. An example of significant engagement includes: **Societe Generale** – Insight has undertaken ongoing engagement with the issuer over several years, focusing on climate strategy, financed emissions and transition planning. The latest engagement reviewed progress against previously set objectives, with the issuer highlighting continued alignment to its climate

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		targets and increased integration of ESG factors into risk management, partly driven by evolving regulatory expectations. Insight noted positive progress, including the expansion of transition plan assessments across multiple high-emitting sectors and strengthened climate risk management processes. However, engagement also identified areas for improvement, particularly around transparency of facilitated emissions data and clearer disclosure of how transition assessments translate into client-level outcomes. Insight has set engagement objectives including improving disclosure of facilitated emissions and improving the quality of PCAF (Partnership for Carbon Accounting Financials) data and scores across material sectors. Insight will continue to monitor the issuer's progress against these targets.
Insight Secured Finance II Fund	Total engagements: c.60 Number of entities engaged: c.60	Please see above. An example of significant engagement includes: **VDCDE (Vantage Data Centers) –** Insight engaged with the issuer as part of an ABS transaction backed by four data centres in Germany, focusing on the issuer's ESG targets and the environmental credentials of the new issue, with particular emphasis on energy and water efficiency. Engagement focused on the issuer's Power Usage Effectiveness (PUE), where Insight questioned the strength of the suggested ≤1.5 target. This does not appear to be a formal target and is weaker than the German average (~1.3). Discussions also covered the use of air-cooling systems to reduce water use and aim for near-zero Water Usage Effectiveness (WUE). The engagement identified areas for improvement, including the absence of formal PUE targets and limited disclosure of water efficiency metrics. While the issuer highlighted initiatives underway and best-in-class design features (such as a closed-loop evaporation system), Insight will continue to engage with the issuer on strengthening targets and enhancing disclosure of water usage metrics.

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Voting

Given the Scheme did not have any equity or multi asset mandates incorporated within the investment portfolio over the Scheme year, there is no voting data to report.

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