

The Roll Group Pension Scheme

Engagement Policy Implementation Statement for the year ending 5 April 2025

Introduction

The Trustee of the Roll Group Pension Scheme (the “Scheme”) has a fiduciary duty to consider its approach to the stewardship of the investments, to maximise financial returns for the benefit of members and beneficiaries over the long term. The Trustee can promote an investment’s long-term success through monitoring, engagement and/or voting, either directly or through its investment managers.

This statement sets out how, and the extent to which, in the opinion of the Trustee, the policies (set out in the Statement of Investment Principles) on the exercise of rights (including voting rights) attaching to the investments, and engagement activities have been followed during the year ending 5 April 2025. This statement also describes the voting behaviour by, or on behalf of, the Trustee including the most significant votes cast during the year, and whether a proxy voter has been used.

The Trustee, in conjunction with its investment consultant, selects investment managers and chooses the specific pooled funds to use in order to meet specific Scheme policies. The Trustee expects its investment managers to make decisions based on assessments about the financial performance of underlying investments, and that they engage with issuers of debt or equity to improve their performance (and thereby the Scheme’s performance) over an appropriate time horizon.

The Trustee has decided not to take non-financial matters into account when considering policy objectives.

The DC section was wound up completely in September 2024 and assets were transferred to Standard Life Master Trust.

Trustees’ overall assessment

In the opinion of the Trustee, the policies as set out in the SIP have been followed during the year ending 5 April 2025.

The Trustee has, in its opinion, followed the Scheme’s voting and engagement policies during the year, by continuing to delegate to each investment manager, the exercise of rights and engagement activities in relation to investments, as well as seeking to appoint managers that have strong stewardship policies and processes.

Review of the SIP

The Trustee's policies have been developed over time by the Trustee in conjunction with its investment consultant and are reviewed and updated periodically and at least every three years.

The SIP is currently being reviewed to incorporate changes to the investment arrangements made in 2024. This review will result in the Trustees' policy in relation to their arrangements with their investment managers being updated. The current version of the SIP is dated July 2023.

Policy in relation to the kinds of investments to be held

The Trustee has given full regard to their investment powers as set out in the Trust Deed and Rules and has considered the attributes of the various asset classes when deciding which kinds of investments are to be held.

The Scheme may invest in quoted and unquoted securities of UK and overseas markets including:

- Equities
- Fixed interest and index-linked bonds and/or debt instruments.
- Cash
- Property
- Private equity
- Hedge funds and pooled investment vehicles considered appropriate for tax-exempt registered occupational pension schemes

All investments made during the year have been in line with the Statement of Investment Principles.

Investment strategy and objectives

Investment strategy

The Scheme's investment strategy has been agreed by the Trustee having taken advice from the investment consultant in relation to the suitability of investments and the need to diversify and take due account of the Scheme's liability profile along with the level of disclosed surplus or deficit.

The agreed investment strategy is based on an analysis of the Scheme's liability profile, the required investment return and the returns expected from the various asset classes over the long-term. Long-term returns from growth seeking assets, like equities, are expected to exceed the returns from bonds and cash, although returns and capital values may demonstrate higher volatility. The Trustee is prepared to accept this higher volatility in order to aim to achieve the overall investment objectives.

The Trustee's primary objectives are:

- To provide appropriate security for all beneficiaries.
- To achieve long-term growth sufficient to provide the benefits from the Scheme.
- To achieve an appropriate balance between risk and return with regards to the cost of the Scheme and the security of the benefits.

All investments decisions made during the year have been in line with the above objectives.

Policy in relation to the balance between various kinds of investments and the realisation of investments

The appointed investment managers will hold a diversified mix of investments in line with their agreed benchmark and within their discretion to diverge from the benchmark. Within each major market, where relevant, each manager will maintain a diversified portfolio of securities.

Under normal market conditions the Trustee expects to be able to realise investments within a reasonable timescale although there remains the risk that certain assets may become less liquid in times of market stress. Dealing spreads and liquidity are monitored periodically by the investment consultant.

Policy in relation to the expected return on investments

The investment strategy is believed to be capable of exceeding, in the long run, the overall required rate of return assumed in the Scheme Actuary's published actuarial valuation report in order to reach / maintain a fully funded status under the agreed assumptions.

Risk capacity and risk appetite

Policy in relation to risks

Although the Trustee acknowledges that the main risk is that the Scheme will have insufficient assets to meet its liabilities, the Trustee recognises other contributory risks, including the following. Namely the risk:

- Associated with the differences in the sensitivity of asset and liability values to changes in financial and demographic factors.
- Of the Scheme having insufficient liquid assets to meet its immediate liabilities.
- Of the investment managers failing to achieve the required rate of return.
- Due to the lack of diversification of investments.
- Of failure of the Scheme's Sponsoring Employer to meet its obligations.

The Trustee manages and measures these risks on a regular basis via actuarial and investment reviews, and in the setting of investment objectives and strategy.

The Trustee undertakes monitoring of the investment managers' performance against their targets and objectives on a regular basis. The Trustee monitors manager risks through the quarterly investment monitoring reports and cost disclosure documents provided by and discussed with the investment consultant.

Stewardship in relation to the Scheme's assets

Policies in relation to investment manager arrangements

The Scheme's assets are invested in pooled funds which have their own policies and objectives and charge a fee, set by the investment manager, for their services. The Trustee has very limited to no influence over the objectives of these funds or the fees they charge (although fee discounts can be negotiated in certain circumstances).

The Trustee, in conjunction with its investment consultant, has introduced a process to obtain and review the investment holding turnover costs incurred on the pooled funds used by the Scheme on an annual basis.

In addition, the Trustee receives information on any trading costs incurred as part of asset transfer work, as and when these occur. The exercise is only undertaken if the expected benefits outweigh the expected costs.

The investment managers have invested the assets within their portfolio in a manner that is consistent with the guidelines and constraints set out in their appointment documentation. In return the Trustee has paid its investment managers a fee which is a fixed percentage of assets under management.

The investment consultant has reviewed and evaluated the investment managers on behalf of the Trustee, including performance reviews, manager oversight meetings and operational due diligence reviews.

Stewardship of investments

The Trustee has a fiduciary duty to consider its approach to the stewardship of the investments, to maximise financial returns for the benefit of members and beneficiaries over the long term. The Trustee can promote an investment's long-term success through monitoring, engagement and/or voting, either directly or through their investment managers.

The Trustee, in conjunction with its investment consultant, selects investment managers and chooses the specific pooled funds to use in order to meet specific Scheme policies. The Trustee expects its investment managers to make decisions based on assessments about the financial performance of underlying investments, and that they engage with issuers of debt or equity to improve their performance (and thereby the Scheme's performance) over an appropriate time horizon.

Stewardship - monitoring and engagement

The Trustee recognises that the investment managers' ability to influence the companies in which they invest will depend on the nature of the investment.

The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage

the managers to exercise those rights. The investment managers are expected to provide regular reports for the Trustee detailing their voting activity.

The Trustee also delegates responsibility for engaging and monitoring investee companies to the investment managers and expects the investment managers to use their discretion to maximise financial returns for members and others over the long term.

The Trustee seeks to appoint managers that have strong stewardship policies and processes and is supportive of its investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020. Details of the signatory status of each investment manager is shown below:

Investment manager	UN PRI Signatory	UK Stewardship Code Signatory
Legal & General Investment Management	Yes	Yes
M&G	Yes	Yes
Insight	Yes	Yes
TwentyFour Asset Management	Yes	Yes

As all of the investments are held in pooled vehicles, the Trustee does not envisage being directly involved with peer-to-peer engagement in investee companies.

Investment manager engagement policies

The Scheme's investment managers are expected to have developed and publicly disclosed an engagement policy. This policy, amongst other things, provides the Trustee with information on how each investment manager engages in dialogue with the companies it invests in and how it exercises voting rights. It also provides details on the investment approach taken by the investment manager when considering relevant factors of the investee companies, such as strategy, financial and non-financial performance and risk, and applicable social, environmental and corporate governance aspects.

Links to each investment manager's engagement policy or suitable alternative is provided in the Appendix.

These policies are publicly available on each investment manager's website.

The latest available information provided by the investment managers (for mandates that contain public equities or bonds) is as follows:

Implementation Statement for the year ending 5 April 2025

Engagement	M&G Total Return Credit Investment Fund	TwentyFour Sustainable Enhanced Income ABS Fund
Period	01/04/2024-31/03/2025	01/04/2024-31/03/2025
Engagement definition	Purposeful, targeted communication with an entity (e.g. company, government, industry body, regulator) with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.	For TwentyFour's investment grade credit funds, TwentyFour count engagements which are significant discussions on a specific topic. For funds including high yield and ABS TwentyFour also include engagements to gather missing data or challenge data as engagements within those universes, the data availability through 3rd party databases is still very low.
Number of companies engaged with over the year	10	150
Number of engagements over the year	15	230

Engagement	Insight Maturing Buy and Maintain Bond Funds 2021-2025	Insight Maturing Buy and Maintain Bond Funds 2026-2030
Period	01/04/2024-31/03/2025	01/04/2024-31/03/2025
Engagement definition	<p>Philosophically, financial materiality has always been at the core of why Insight have engaged with institutions. A financially material factor is one that is deemed relevant and likely to have a positive or negative impact on the financial value of that investment. It is a core part of their process to engage with issuers on such factors which include, but are not limited to, strategy, capital allocation and competitive positioning. ESG factors can also drive engagement where their analysts believe them to have financial relevance. In this sense they are part of the mosaic of factors that should be considered for effective financial analysis.</p> <p>Increasingly, however, Insight's clients would like them to use their influence, which is generated by their capital, to go beyond engaging solely on financially material issues and to seek, where possible, to mitigate potential externalities by engendering more sustainable practices. In most circumstances more sustainable behaviours are fully aligned to better long-term risk/return profiles of investments and therefore Insight also engage on ESG issues where they think they can influence improved behaviour, providing it is not detrimental to the return potential of investments. These two rationales drive why Insight engage and lead, broadly, to conducting two types of engagement:</p> <ol style="list-style-type: none"> 1. Fundamental engagements – focus on financial materiality and business fundamentals. Typically, these engagements may include ESG issues where they are deemed to be relevant to the investment case, but they do not necessarily involve a longer-term, structured programme. 2. ESG engagements – focus on addressing an issuer's performance or impact relating to one or more ESG issues. Typically, such engagements will be longer term, structured around measurable objectives, and may be influenced by our thematic priorities as a firm. <p>Classical financial analysis organically leads to fundamental engagements as analysts seek to gain full understanding of all the risk factors that may impact an investment. However, systematic analysis of ESG factors requires the consideration of additional data and themes which may be outside of an analyst's normal investigative skillset. To help frame the nature of an engagement Insight look to categorise ESG themes to</p>	

	understand if they fall under a standard fundamental engagement process or if they would benefit from a specific ESG engagement.	
Number of companies engaged with over the year	21	78
Number of engagements over the year	33	125

Exercising rights and responsibilities

The Trustee recognises that different investment managers should not be expected to exercise stewardship in an identical way, or to the same intensity.

The investment managers are expected to disclose annually a general description of their voting behaviour, an explanation of the most significant votes cast and report on the use of proxy voting advisers.

The Trustee does not carry out a detailed review of the votes cast by or on behalf of their investment managers but rely on the requirement for their investment managers to provide a high-level analysis of their voting behaviour.

The Trustee considers the proportion of votes cast, and the proportion of votes against management and believes this to be an important (but not the only) consideration of investor behaviour.

Trustee's assessment

The Trustee has undertaken a review of each investment manager's engagement policy including their policies in relation to financially material considerations.

The Trustee has considered the environmental, social and governance rating for each investment manager provided by the investment consultant, which includes consideration of voting and/or engagement activities. This also includes those funds that do not hold listed equities.

The Trustee has reviewed the investment managers' policies relating to engagement and voting and how they have been implemented and has found them to be acceptable at the current time.

The Trustee recognises that engagement and voting policies, practices and reporting, will continue to evolve over time and are supportive of its investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020.

Appendix

Links to the Engagement Policies for the investment managers and platform provider can be found here:

Investment manager	Engagement Policy (or suitable alternative)
Mobius (Investment Platform Provider)	https://www.mobiuslife.co.uk/uploads/2024/12/d62010978714582e98d1e5e40bc21c26/mobius-life-stewardship-report-2023.pdf
Legal & General Investment Management	https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-engagement-policy.pdf
M&G	https://www.mandg.com/~/_media/Files/M/MandG-Plc/documents/mandg-investments-policies/mg-investments-engagement-policy-may-2022.pdf
Insight	https://www.insightinvestment.com/globalassets/documents/responsible-investment/stewardship-code/uk-eu--stewardship-code-report-2025.pdf
TwentyFour	https://www.twentyfouram.com/regulatory

Information on the most significant engagement case studies for M&G as a company for the funds containing public equities or bonds as at 31 March 2025 (latest available) is shown below:

M&G – Firm-level	Case Study 1	Case Study 2	Case Study 3
Name of entity engaged with	CAPITAL ONE FINANCIAL CORPORATION	ERAMET SA	FORD MOTOR CREDIT COMPANY LLC
Topic	Environment - Net Zero/Decarbonisation (including Net Zero	Environment -Nature and Biodiversity	Environment - Net Zero/Decarbonisation (including Net Zero

	Commitments and Climate Transition Plans)		Commitments and Climate Transition Plans)
Rationale	US financial company Capital One is set to acquire Discover Financial Services - which offers credit cards, student loans and banking services - at the end of 2024. As part of M&G's due diligence, they wanted to ensure that Capital One's sustainability credentials were of a similar calibre to Discover's, and specifically asked the company to set a scope 2 emissions reduction target (it currently has scope 1 and scope 3 targets), to publish its scope 3 category 15 emissions, and to include that in its scope 3 target.	To encourage the company to make a public commitment to adhere to globally accepted standards in its treatment of indigenous people and FPIC in all jurisdictions in which it operates, to encourage the company to share publicly detailed information on the environmental impacts in Indonesia, with evidence of steps being taken to mitigate and remediate impacts and to encourage the company to demonstrate publicly what stakeholder engagement they have done / do to identify and manage their impacts, with a deadline of end of February 2026.	To encourage automotive manufacturing company Ford to confirm its commitment to getting back on track with its emissions targets, to update its external disclosures to explain the measures it is taking to get back on track, to affirm and detail how its investment plan is evolving to delivery any adjustment to its transition plan and to set a science-approved net-zero target to reinforce its commitment.
What the investment manager has done	M&G met with the company's head of climate and a member of the investor relations team.	M&G had a call with representatives from the company to make their expectations known.	M&G wrote a letter to the company to make their expectations known.

<p>Outcomes and next steps</p>	<p>Capital One currently reports 100% renewable energy use, primarily through RECs with a degree of onsite, and as such felt that a scope 2 target was inappropriate. Having previously spoken with the Science Based Target initiative and its approach, which informed M&G that 'maintenance targets' could be set in these circumstances, it was suggested that the company publish such a target to help ensure it would remain focused on renewable sourcing. It was not aware of maintenance targets, and said this would be considered. In terms of category 15 'financed emissions', the company informed M&G that it was currently in the second generation of estimating those emissions, and that it would be publishing the number once it was confident with the calculation. In terms of target setting, Capital One</p>	<p>On 15 January 2025, Eramet was flagged by ESG data provider RepRisk for violating United Nations Global Compact (UNGC) principles, specifically those related to human rights and environmental standards based on allegation made by NGO Survival International. Of particular contention was Eramet's involvement in Indonesia through its indirect interest in PT Weda Bay Nickel Mine.</p> <p>The company confirmed that the Eramet group has been present in Indonesia since 2006 through PT Weda Bay Nickel (WBN), in association with the Indonesian state-owned company PT Antam. In 2017, the private Chinese company Tsingshan joined the joint venture, acquiring a majority stake. Operations started at the end of 2019. PT Weda Bay Nickel's activity is located in</p>	<p>Engagement Request Made</p> <p>M&G wrote to Ford as part of their Climate Engagement Programme. As part of M&G's assessment they have undertaken an evaluation of Ford's transition planning. M&G commend Ford for the work undertaken to date. M&G commended Ford on their strong near-term targets, which they noted have been validated by SBTi and there are several areas where further detail would be appreciated. M&G's key questions for Ford are listed below.</p> <p>Key questions</p> <ul style="list-style-type: none"> · Independent analysis of your emissions performance versus your target by the Transition Pathway Initiative (TPI), suggests that your emissions performance is currently off track. Do you believe you are
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is primarily a consumer finance business, and reductions are dependent on consumer preference - it has made estimates on credit card use - while auto financing is primarily driven by the rate of change to EVs. While the commercial business is relatively small, it has also begun making estimates, but these clients are primarily middle market, often private companies, and disclosure can vary. Additional target setting would be considered, and M&G will follow up once the acquisition has completed.

the Indonesia Weda Bay Industrial Park (IWIP), an industrial zone inaugurated in 2018 in Halmahera central district.

Responding to the NGO allegations regarding its treatment of the O'Hongana Manyawa peoples, the company explained that, in Indonesia, there is no legislative or regulatory framework laying down the conditions for implementing a Free Prior Informed Consent (FPIC) process in line with international standards. Although Indonesia voted in favor of the United Nations Declaration on the Rights of Indigenous Peoples, it has not ratified ILO Convention 169, the only binding international instrument protecting the rights of indigenous peoples. The Indonesian Constitution recognizes the existence of customary law communities

deviating from your emissions targets? If so, can you affirm your commitment to getting on track within the next three years?

· Can you detail, and update your external disclosures accordingly, the measures you are undertaking to get on track? Can you specify the actions undertaken and their relative impact on achievement of decarbonisation targets? Additionally, do you expect any change to your expectation that 40% to 50% of your sales will be electric vehicles (EVs) by 2030?

· Can you affirm and detail how your investment plan is evolving to deliver any adjustment to your transition plan? Can you specify total level of capital expenditure and identify how this will be allocated to different activities within your transition plan? Can you

("Masyarakat Hukum Adat"). Certain laws grant specific rights to these communities (e.g., the 1960 Agrarian Law and the 1999 Forestry Law). Recognition of a community as a customary law community must be established by regulation of the local government (province or district), after deliberation by the local parliament.

The O'Hongana Manyawa (also known as Forest Tobelo or Tobelo Dalam) are a mixed group of nomadic and semi-nomadic people who live in the forests of Halmahera Island. The company explained that the O'Hongana Manyawa are not currently recognized in Indonesia as an indigenous people under international law, nor as a customary law community under the Indonesian constitution. Nevertheless, the company confirmed that PT Weda Bay

update your disclosures to reflect these changes?

- It is our understanding that your net zero commitment was recently removed from the Science Based Targets initiative (SBTi) website. Do you plan to set a science-approved net-zero target to reinforce your commitment? M&G asked the company to update them on its plans to address the above questions and will seek a follow up meeting to discuss its approach and understand timescales.

Appendix: Transition Assessment Framework

The framework assesses planning and disclosures that M&G believe are core to managing the energy transition:

1. Emissions disclosure: Companies should disclose scope 1 and 2 GHG emissions

Nickel has identified this community as potentially vulnerable and requiring special monitoring. Based on international expertise, a protocol has been put in place to govern interactions with groups from this community. Under this protocol, when contact is initiated by these groups or inadvertently, PT Weda Bay Nickel employees are required to adopt culturally appropriate behavior to preserve them. An employee awareness program has been in place for about ten years.

When asked why it has not applied an FPIC automatically, the company explained that the subsidiary (PT Weda Bay Nickel) made a decision to respect local law, however, it was keen to point out that PT Weda Bay Nickel has implemented the specific protocols as mentioned above.

The company confirmed that it has

and material scope 3 GHG emissions in accordance with the Greenhouse Gas Protocol.

2. NZ Commitment: Companies should disclose an ambition to achieve net zero GHG emissions to ensure their business is consistent with the goals of the Paris Agreement. Companies should disclose the date by when they seek to achieve net zero and include material scope 1, 2 and 3 emissions.

3. Targets: Companies should set science-based near-term targets to reduce their GHG emissions in line with the goals of the Paris Agreement. These targets should include scope 1, scope 2 and scope 3 GHG emissions, where they are material. Where appropriate, companies should seek external validation from organisations such as the Science

made a public commitment to adhere to globally accepted standards in its treatment of indigenous people and Free, Prior, Informed Consent (FPIC) in the jurisdictions in which it operates in its publicly available Human Rights report.

The company confirmed that, at Eramet's instigation, Eramet and Tsingshan decided in 2022 to commit the PT Weda Bay Nickel mine to IRMA (Initiative for Responsible Mining Assurance), the most demanding standard in the international mining sector. The first internal IRMA self-assessments were carried out in 2022 and 2023. Following these self-assessments, a dedicated action plan was drawn up. It is currently being implemented and monitored on a regular basis. An independent third-party audit is scheduled to start in 2026. Once the IRMA cycle has been

Based Target initiative (SBTi).

Companies should also consider setting long-term targets to reach net zero and describe how they will neutralise and residual emissions.

4. Transition plan disclosure and quantification:

Companies should disclose a transition plan describing how they will deliver their near-term emissions reduction targets. Companies should outline the specific decarbonisation levers that will deliver their emissions reduction. The role these levers play should be quantified to enable an assessment of their relative importance and feasibility of delivery. Companies should report annual progress against each lever identified.

5. Investment plan: Companies should allocate sufficient financial resources to deliver their transition plan and disclose the related capital and

completed, IRMA audit reports will be published by IRMA and made public.

R&D expenditure. Transition-aligned capital allocation should specify the total and annual amounts up to the near-term target year and, where feasible, broken down for each decarbonisation lever.

Information on the most significant engagement case studies for TwentyFour Asset Management LLP as a company for the funds containing public equities or bonds as at 31 March 2025 (latest available) is shown below:

TwentyFour – Firm-level	Case Study 1	Case Study 2	Case Study 3
Name of entity engaged with	Computershare	Stellantis Financial Services España, E.F.C., S.A	Principality Building Society
Topic	Social - Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying)	Environment - Climate change; Social - Inequality	Environment - Climate change;
Rationale	As performance has deteriorated in UK Mortgages, particularly those originated before the global financial crisis, TwentyFour have engaged directly with servicers, who manage arrears and help borrowers. TwentyFour met with Computershare, one of the largest third	At the end of October 2024, Eastern Spain suffered catastrophic flash floods, which were particularly serious in Valencia. Given the severity of flooding, TwentyFour considered its impact on Spanish Auto ABS from	Following the launch of Principality's residential mortgage-backed security (RMBS) transaction TwentyFour noticed a lack of EPC data and although the company had committed to Net Zero targets for Scope 3, they left

	<p>party servicers in the UK, managing legacy mortgage portfolio and recently originated owner occupied and Buy-To-Let mortgages. TwentyFour conducted onsite due diligence in Skipton to review resources, processes and strategies implemented to deal with arrears. TwentyFour were concerned for legacy borrowers in the cost of living crisis and wanted to check that the servicer of the mortgages was treating these customers fairly.</p>	<p>physical damage of the vehicles and the potential increase in arrears, especially in transactions with large exposure to Valencia. In early November, just a few days after the flood, TwentyFour engaged with the Head of Financial Services at Stellantis, the servicer of Auto ABS Spanish Loans 2024-1, a transaction backed by a pool of EUR 600 million auto loans to Spanish borrowers, in order to understand their strategy to assist the affected borrowers.</p>	<p>out 'Financed emissions' from their published data. TwentyFour had a meeting with their ESG team to address these issues and seek clarity on their ESG strategy in relation to the UN SDG 13, Climate Action.</p>
<p>What the investment manager has done</p>	<p>Performance deterioration has accelerated for legacy mortgages (those originated before the Global Financial Crisis) following a sustained cost of living pressure and increase in interest rates, as those borrowers are paying floating interest rates. While arrears reported have increased, at the site</p>	<p>TwentyFour were informed by Stellantis that they will be managing arrears in line with the Spanish government's measures. The measures include 3-month forbearance on interest and principal and an additional 9-month forbearance on principal repayment.</p>	<p>Since Principality's previous transaction they have improved the EPC coverage significantly (from 46% to 79%), and they are still mapping the remaining part of the portfolio. In addition, Principality is also on course to meet their target to</p>

visit TwentyFour obtained very useful insight on underlying data and how borrowers in arrears are performing, including the behavioural patterns of said borrowers. TwentyFour became comfortable that Computershare has a large team to deal with increasing arrears cases. In fact, they reach out to all customers in arrears and establish contact with the majority for which they find a solution such as setting up a payment plan. For those owner occupied borrowers where their mortgage is coming to final maturity and who are more than 3 months in arrears, Computershare will work with the borrowers to proceed with a voluntary sale of the property. Litigation is really used as a last resort measure, as outcomes are more favourable when the borrower can

Stellantis indicated that the volume of forbearance request was still relatively small. Additionally, TwentyFour received clarification that the borrowers will be indemnified under the government's catastrophic risk insurance scheme which the borrowers can use to make payments under the auto loans.

finance new homes with EPC of B or above. Regarding net zero, they explained that although they would like to set a target for the decarbonisation of their mortgage book they don't believe it's possible to set a meaningful target until there is more certainty over the Government's policy and investment plans in relation to achieving its net zero commitment under the Paris Agreement.

	cooperate with Computershare.		
Outcomes and next steps	<p>While late stage arrears are expected to decrease, repossessions are expected to rise for those legacy mortgages coming to final maturity. This will take a few months to be reflected in the reported data. Therefore TwentyFour took actions and have significantly decreased their exposure to legacy mortgages ahead of any potential market impact.</p> <p>As a result of their engagement, Computershare will also share additional data on arrears reporting proportion of monthly payments actual paid by borrowers compared to amounts due, which will allow TwentyFour to improve their cashflow forecasting for Residential Mortgage Backed Securities.</p>	<p>While the transaction's exposure to Valencia and other most affected areas is limited and TwentyFour assessed that material deterioration in performance is not expected, they have nonetheless reduced their exposure to limit the potential impact of volatility, particularly in high-yield Spanish auto ABS bonds.</p>	<p>TwentyFour believe this is a sensible approach and they value the effort and ambitious targets they have set internally on EPC ratings. TwentyFour are happy with their level of engagement and will continue to monitor progress.</p>

Information on the most significant engagement case studies for Insight as a company for the funds containing public equities or bonds as at 31 March 2025 is shown below:

Insight - Firm-level	Case Study 1	Case Study 2	Case Study 3
Name of entity engaged with	Volkswagen AG	The Toronto-Dominion Bank	Wells Fargo & Co
Topic	Environment - Climate change Social - Human and labour rights Social - Conduct, culture and ethics	Others - Governance Controversy	Environment - Natural Resource use/impact Environment - Climate change
Rationale	<p>Volkswagen is a global automobile manufacturer. Insight have engaged with this issuer on ESG factors several times over recent years due to weak ESG performance which has led to a restriction on the issuer in Responsible Horizons funds.</p> <p>Most pertinent to this engagement, is their previous discussions with the issuer about a controversy related to a plant operated with a local partner under a joint venture in the Xinjiang region of China.</p> <p>The plant allegedly used the forced</p>	<p>The Toronto-Dominion Bank is a Canadian multinational banking and financial services corporation.</p> <p>This engagement was organised to discuss a governance controversy the issuer faced in 2024, related to an anti-money laundering (AML) violation.</p> <p>In 2024, the US Department of Justice and other regulators opened several different AML violations related to laundering money gained through illicit means as well as bribery issues. For investors, the AML</p>	<p>Wells Fargo is one of the largest US banks and diversified community-based financial services company, with a significant global presence.</p> <p>The issuer responded to Insight's initial counterparty questionnaire in 2022 but was unresponsive to their requests for a more detailed engagement. The bank did not respond to Insight's 2024 questionnaire and was unresponsive, initially, to engagement requests. Insight escalated this when the issuer's Insight Prime ESG rating was downgraded to</p>

labour of ethnic minorities through a coercive state sponsored labour-transfer programme. As a result, the issuer was flagged by a ratings company as a violation of United Nations Global Compact (UNGC) principles. An audit was conducted and a summary report was released by the issuer in December 2023 which found no evidence of forced labour. As a result, the external ratings agency subsequently removed the red flag. The issuer has since sold the plant in Xinjiang, however human rights is still an area of concern given the company's supply chain and weak reporting on the topic.

The issuer has a high number of direct suppliers and a fifth of these suppliers are considered to operate in high-risk regions so are

controversy in the US is concerning, given the US market is key for the bank's growth. In addition, the US Office of the Comptroller of the Currency (OCC) placed a limit on the issuer's maximum capitalisation.

The AML controversy caused a slight deterioration in the issuer's governance controversy score, but did not cause it to materially weaken. However, the issuer scored poorly on several questions in Insight's counterparty sustainability questionnaire, thus Insight engaged to ask for additional detail.

a worst in class rating.

Following the Insight Prime ESG rating downgrade, Insight held two engagements with the issuer, one in late 2024 and the other occurring in Q1 2025. The focus of the first engagement was to discuss the issues with the bank's poor Prime ESG rating. The objective of the Q1 2025 engagement was to gain clarity on some of the issuer's actions that indicate it is deprioritising environmental and social risk management. For example, the issuer withdrew from the Net Zero Banking Alliance (NZBA). Its environmental and social impact frameworks reference the Equator Principles, from which the issuer also withdrew in early 2024.

assessed further via questionnaires and risk audits. The issuer also appears to only have a reactive process to putting in measures for indirect suppliers, to respond to risks or breaches. This falls short of their understanding of the EU's Corporate Sustainability Due Diligence Directive (CSDDD). Therefore, Insight wanted to engage with the issuer again to understand how it plans to evolve its approach for due diligence.

<p>What the investment manager has done</p>	<p>Insight asked the issuer about how it's managing its suppliers operating in high-risk regions. The issuer only highlighted a focus on human rights compliance and awareness that human rights violations are pervasive within its supply chain.</p> <p>Insight queried whether the issuer</p>	<p>Insight asked the issuer about progress made in its AML procedures developed in light of the AML controversy. The issuer supplied details about the progress made to date.</p> <p>For example, the issuer overhauled its AML programme's leadership and</p>	<p>Regarding the withdrawal from the NZBA, Insight asked the issuer for its rationale and to clarify the impact on its decarbonisation strategy. The issuer offered that it originally joined the NZBA to share ideas with its peers on the development of decarbonisation models and strategies. The issuer stated</p>
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<p>would consider including metrics on indirect suppliers within its human rights reporting framework for direct suppliers. The issuer responded that it has a dedicated officer and function to conduct deep dives into parts of its supply chain that may be sensitive to human rights violations.</p> <p>Finally, Insight asked the issuer whether it intends to increase its coverage and assessments of its direct suppliers with self-assessment questionnaires and auditing coverage. The issuer highlighted it has instituted specific KPIs related to responsible and sustainable supply chains. 79% of its issuers are rated positively, representing 79% of its total procurement volume, with a target of greater than 95% by 2040.</p>	<p>talent, including the appointment of a new US Head of Financial Crime Risk Management and a new AML Officer, both of whom have proven leadership and experience. The issuer has added 40 new leaders and over 700 new AML specialists.</p> <p>The issuer also 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. In addition, the issuer revealed it has introduced new standards, processes and stronger training across its operations to better prevent, detect and</p>	<p>membership provided marginal benefits at the beginning, but it did not take long for antitrust lawyers to prevent communication between banks around this type of collaboration and several environmental finance forums became subject to greater scrutiny in the US. In addition, the issuer stated 17 State Attorney Generals have pursued the bank and other financial institutions for their work with NZBA and deemed it collusive. The issuer mentioned high legal expense causing the issuer to struggle with balancing legal battles and supporting communities.</p> <p>On its environmental and social impact framework and the Equator Principles, Insight asked the issuer if its environmental and social risk</p>
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		measure financial crime risk, as well as improve escalation	management due diligence approach remains in line with the standards of the Equator Principles. The issuer stated it believes its current approach aligns with the same standard. While the references to the Equator Principles are no longer mentioned on its websites, the issuer stated it has preserved all the people and due diligence requirements within its process involved with aligning to those principles and do not envision this changing. The issuer stated it follows the risk management aspects of the Equator Principles highly.
Outcomes and next steps	Given the continued concern regarding the company's human rights due diligence practices, Insight have retained their restriction on the issuer in Responsible Horizons funds.	Despite the various controls implemented, Insight think some of the coercive action taken by US regulators are likely to remain in place for a long time. The bank's expenses have soared due to increased spending	The engagement with the issuer allowed Insight to gain access to senior stakeholders in the bank's ESG programme. Despite the withdrawal from the Equator Principles and NZBA, the message from the

<p>Insight communicated to the issuer their view on best practice relating to the human rights issues and will monitor for any updates to the issuer's approach.</p>	<p>on staff and risk and control infrastructure, and it must now retain independent compliance monitors and spend to enhance its compliance programme as part of a multiyear remediation agreement.</p>	<p>engagement was that the bank's ambition remains unchanged. However, inconsistent messaging from different members of the ESG team was noted (across the two engagements conducted in 2024 and 2025).</p>
	<p>Given the severity of the controversy, Insight escalated the issue and downgraded the issuer's impact bond framework to Red, meaning it is uninvestible in Responsible Horizons funds.</p>	<p>These inconsistencies led Insight to send the issuer a list of recommendations they expect the bank to implement during the next year which would help demonstrate its continued commitment to sustainability.</p>
		<p>Restrictions on the issuer remain given the worst in class Insight Prime ESG rating.</p>
