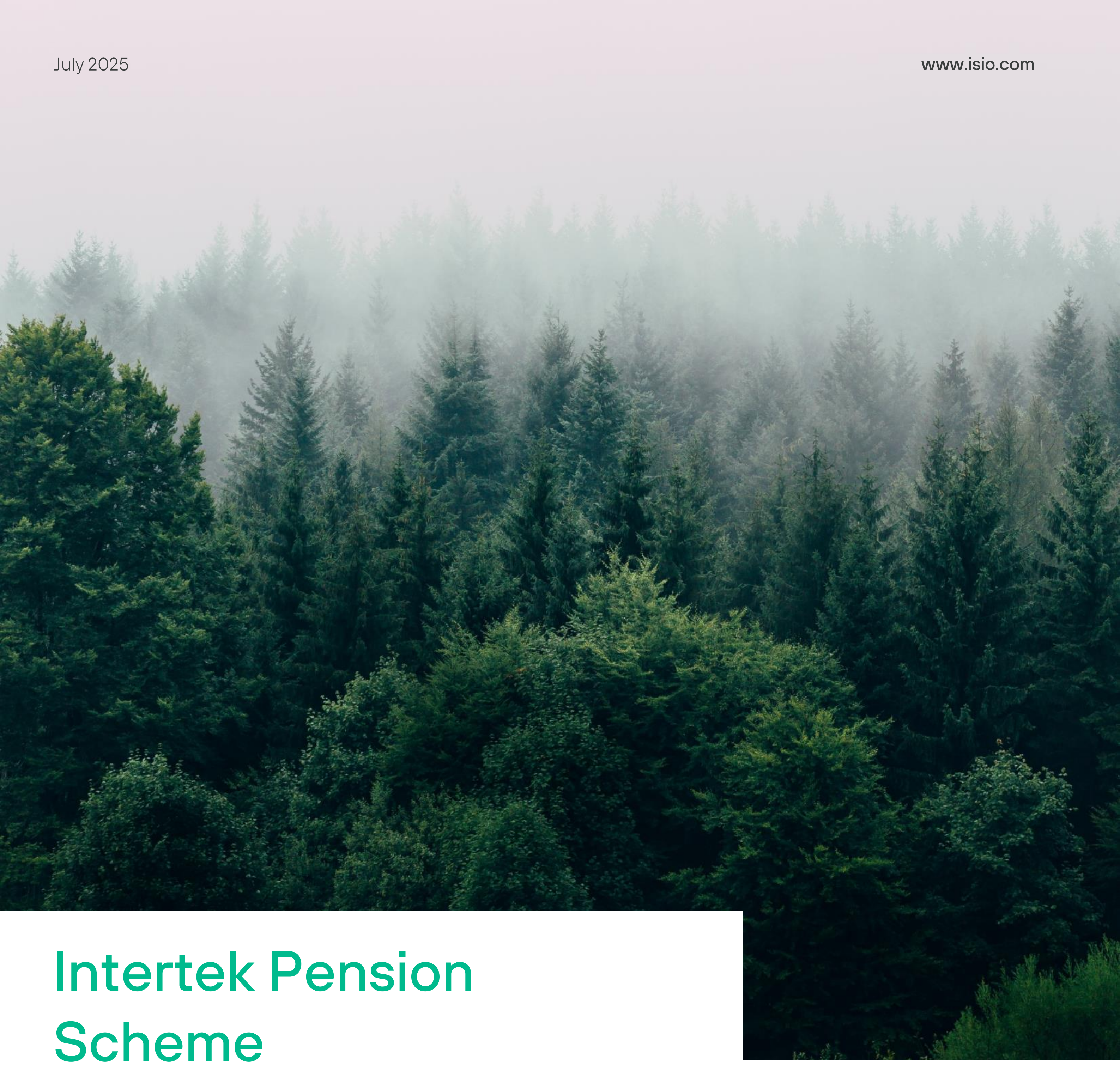

Intertek Pension Scheme

31 March 2025

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 2025 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, a number of 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.
- In March 2025, £8m was disinvested from the Columbia Threadneedle Sterling Liquidity Fund. The proceeds were invested into two fully funded long dated gilt funds held with Insight: £5m was allocated to the LDI Solutions Plus Funded Gilts 2041-2050 Fund, and £3m was allocated to the LDI Solutions Plus Funded Gilts 2051-2060 Fund. This change was designed to rebalance the asset allocation back towards the strategic benchmark and to increase the Scheme's exposure to longer dated gilts and thereby to hedge more of the Scheme's longer-dated liabilities.

Implementation Statement

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

Signed Chris Halewood

Position Client Director, Vidett Trustee Services Limited

Date 10 October 2025

For and on behalf of the Trustee of Intertek Pension Scheme

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.	The Scheme increased its allocation to unleveraged gilts in March 2025 to take advantage of higher gilt yields and to hedge more long-dated liability cashflows.
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 believe 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.

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.	In March 2025, the Scheme increased its allocation to unleveraged gilts and reduced its allocation to cash in order to rebalance back towards its strategic allocation.
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 benchmarks, objectives and volatility of returns. In addition, the Trustee will regularly review each Investment Manager's approach to risk within each fund to highlight any unintended risk being taken.	No actions to report.

Changes to the SIP

Over the period to 31 March 2025 , there were changes to the Scheme's SIP including:

Policies added to the SIP	
Date updated: May 2024	
Engagement and Voting Policy	In order to ensure sufficient oversight of the engagement and voting practices of the managers, the Trustee may periodically meet with its investment managers to discuss engagement which has taken place. The Trustee will also expect its investment adviser to engage with the managers from time to time as needed, and report back to the Trustee on their stewardship credentials. The Trustee will then discuss the findings with the investment adviser, in the context of its own preferences, where relevant. This will include considering whether the manager is a signatory to the UK Stewardship Code. The Trustee recognises the Code as an indication of a manager's compliance with best practice stewardship standards.
Investment Strategy	The Trustee adopted a new strategy where assets are invested in unleveraged gilt funds rather than leveraged LDI, and with a smaller allocation to growth assets (buy & maintain credit and secure income). Investment into unleveraged gilt funds is to provide a partial hedge against the Scheme's interest rate and inflation sensitivities. These assets produce a series of cashflow that in aggregate are expected to broadly match movements in liabilities. The new strategic allocation is: • Unleveraged Gilts – 55% • Buy & Maintain Credit – 20% • Secure Income/Property – 20% • Cash – 5%

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 polices. 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.
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.

ESG summary and actions with the investment managers

Manager, fund	ESG Summary	Actions identified
CBRE – Osiris Property Fund	CBRE has strong ESG credentials with clear firm level policies and commitments including ambitious net zero targets. The manager shows a firm-wide commitment to ESG, responsible for implementing sustainability into day-to-day management of CBRE strategies. However, CBRE does not have a standalone policy with explicit stewardship priorities.	- CBRE to set up a standalone stewardship policy with climate and social factors noted as explicit stewardship priorities. - CBRE to organise having stewardship activity externally assessed within the ShareAction's report.
Columbia Threadneedle – Liability Driven Investment	Columbia Threadneedle introduced regular mandatory ESG training programmes for analysts and the PM team. Columbia Threadneedle has set stewardship priorities across the climate, nature and social categories. More specifically for the Columbia Threadneedle Liability Driven Investment Fund, there are no explicit ESG objectives. Columbia Threadneedle has a Counterparty Credit Committee (CCC) which considers various factors including ESG while assessing the suitability of a counterparty.	- Columbia Threadneedle to consider further refining its ESG policy to clarify its approach to stewardship and topics of focus. - Columbia Threadneedle to integrate the ESG team in asset class or PM team. - Columbia Threadneedle should look to explicitly capture climate, social and nature risks within counterparty level ESG assessments and due diligence process. - Columbia Threadneedle could provide ESG scores/metrics for the counterparties held in the mandate.
BlackRock – Strategic Alternative Income Fund	BlackRock have set explicit stewardship priorities on which to engage with investee companies, overseen by a central team. Blackrock also collaborates with initiatives and institutions on ESG risks.	- BlackRock to introduce firm-level stewardship objectives within their ESG policy. - BlackRock to commit to a Net Zero target, with meaningful interim targets. - Blackrock to reconsider their position in relation to CA100+ and NZAMI membership.
Insight – Fully Funded Gilt Funds	Insight has a strong net zero commitment by 2050, including interim targets, in line with NZAMI.	- Insight to consider incorporating ESG objectives and priorities as part of ESG/RI policy.

	Insight also has a strong approach to stewardship and collaboration, including approach to escalation. There are no specific fund-level ESG objectives for the LDI funds.	- Insight to further expand connections with academic institutions to develop risk management frameworks. - Insight to consider reporting ESG scores and/or metrics for counterparties within the pooled funds or segregated mandates.
Insight – Buy and Maintain Credit Fund	Insight has a strong net zero commitment by 2050, including interim targets, in line with NZAMI. Insight also has a strong approach to stewardship and collaboration, including approach to escalation. The Insight Buy and Maintain Corporate Bond Fund have no specific ESG objectives. Multiple data sources are incorporated within fund level ESG scorecards as part of risk assessment framework, and a number of ESG metrics are included within regular reporting.	- Insight to consider incorporating ESG objectives and priorities as part of ESG/RI policy. - Insight to further expand connections with academic institutions to develop risk management frameworks. - Establish a formal exclusion of thermal coal and tar/oil sands. - Provide reporting relating to nature/biodiversity metrics at fund level.
Insight – Secured Finance	Insight has a strong net zero commitment by 2050, including interim targets, in line with NZAMI. Insight also has a strong approach to stewardship and collaboration, including approach to escalation.	- Insight to consider incorporating ESG objectives and priorities as part of ESG/RI policy. - Insight to further expand connections with academic institutions to develop risk management frameworks.

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 2025.

Fund name	Engagement summary	Commentary
CBRE Osiris Property Fund	Total engagements: 6 Number of entities engaged: 3 Environmental: 6 Note, engagement is increasingly limited for the Fund as it has been in wind down since March 2020.	The manager has had a particular focus on climate as an engagement priority over the year. Following a review of the fund's Sustainability Scorecard, which is used as an internal tool to measure performance relative to other funds, CBRE identified potential areas for improvement. An example of significant engagement includes: **All remaining funds within the Osiris Portfolio –** CBRE reviewed the fund's sustainability scorecard, used to measure performance relative to other funds, and identified potential areas for improvement. CBRE engaged with the manager to understand how they would look to improve various ESG-related data points. Key topics included: (i)Building Certifications, (ii) NZC Targets, (iii) GRESB Performance and (iv) Utility Data Coverage. All underlying managers provided sufficient responses to CBRE IM regarding solutions to improving ESG performance across the fund. CBRE will continue to monitor the manager's progress.
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 31 December 2024). These engagements are applicable to the Columbia Threadneedle Liability Driven investment fund.

Blackrock Strategic Alternative Income Fund	Blackrock have 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	Please note engagement statistics are for the Insight LDI funds, which includes the two fully funded gilt funds in which the Scheme is invested. Total engagements: 126 Number of entities engaged: 75 Environmental: 64 Social: 38 Governance: 26 Financial: 329 Other: 16	Insight strives to demonstrate high standards of accountability and transparency within their stewardship programme. Insight views engagement with issuers as a key part of credit analysis and monitoring and have a dedicated stewardship programme, which includes prioritised ESG engagement themes. Please note engagement examples given are at the firm level. An example of significant engagement includes: **Burberry Group PLC** – Insight developed a biodiversity focused framework to assess natural capital risks in corporate bond portfolios. The framework focused on companies with high water dependencies in water-scarce regions that had not disclosed water risk assessments for their operations or supply chains. To support their research, Insight joined Valuing Water Finance Initiative, with nearly 100 investor signatories. Insight is now the co-lead investor for Burberry Group PLC. As a co-lead investor for the engagement, they are the primary contact with the focus company and aim to drive meaningful improvements on water stewardship and establish a long-term relationship. Insight wrote a letter to the Burberry board and conducted their first direct engagement with the Vice President of Corporate Responsibility, Director of Quality and Senior Manager of Sustainable Manufacturing. Insight intends to organise similar engagements in the future, targeting high risk companies who have not submitted a CDP water questionnaire for example.
Insight Buy and Maintain Bond Fund	Total engagements: 108 Number of entities engaged: 70 Environmental: 78 Social: 36 Governance: 17 Financial: 262 Other: 12	Please see above. Please note engagement examples given are at the firm level. An example of significant engagement includes: **Volkswagen** – Insight engaged with Volkswagen several times due to weak ESG performance which led to a restriction on the issuer in Responsible Horizons funds. Human rights is still an area of concern given the company's supply chain and weak reporting on the topic.

		Insight have engaged with the issuer on how it's managing its suppliers in high risk regions, and whether it would consider including metrics on indirect suppliers within its human rights reporting framework. As a result of engaging with the manager and continued concern regarding human rights due diligence practices, Insight have retained their restriction on the issuer in Responsible Horizons funds. The manager communicated their view on best practice relating to the human rights issues and will monitor for any updates to the issuer's approach.
Insight Secured Finance II Fund	Total engagements: c.60 Number of entities engaged: c.55	Please see above. Please note engagement examples given are at the firm level. An example of significant engagement includes: **Pepper –** Pepper is a significant issuer in the Australian market and is widely held across our portfolio. ESG had previously not formed part of their loan origination process, so Insight identified the issuer and engaged with them to raise this area of concern. Raising the issue and determining their level of engagement is the first step towards better disclosures to enable ESG analytics to be conducted more thoroughly. Furthermore, ESG to date, has not been part of their disclosures at either a corporate or issuer level. Insight raised this as an area of concern and Pepper agreed that disclosures needed to improve, and they will be looking to build on several ESG metrics in their annual reports. This is a positive outcome in terms of disclosures, it's required that the annual report will need to be reviewed to confirm appropriateness. Loan level disclosures and loan practices will also require continued engagement which Insight plan to monitor.

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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