

# **The Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme**

**Annual report for the year ended 31 October  
2025**

Scheme Registration Number 10118733

# Table of contents

The Trustees' Report	1
Independent Auditor's Report to the Trustees of The Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme	15
Summary of Contributions payable in the year	18
Independent Auditor's Statement about Contributions to the Trustees of The Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme	19
The Financial Statements	20
Notes to the Financial Statements	22
Certificate of Adequacy of Contributions	46
Schedule of Contributions	47
Chair's Statement	49
Statement of Investment Principles – DB Section	60
Statement of Investment Principles – DC Section	65
Implementation Statement	79

# The Trustees' Report

## Introduction

This report relates to the operation of The Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme ("the Scheme") during the year ended 31 October 2025.

The Scheme was established by a trust deed dated 21 October 1946. The Scheme aims to provide pensions related to members' earnings and contributions before retirement and pensions and lump sum benefits for widows and dependants. Employees of group companies can apply to become pension scheme members for admittance to the Scheme at monthly intervals.

The Defined Benefit ("DB") section was closed to new members in 2002 and thereafter new members joined the Defined Contribution ("DC") section of the Scheme. The DB section ceased accruing future benefits as at 30 November 2017 and all remaining active members were transferred to the DC section.

Members retiring from the DC section of the Scheme have to transfer their funds out of the Scheme in order to access their benefits.

Members are able to make additional voluntary contributions (AVCs) to secure additional benefits. The Scheme also covers members for death benefits.

## Management of the Scheme

The names of the Trustees of the Scheme who served during the year and those serving at the date of approval of this report are as follows:

Name	Nominated/appointed by	Date of appointment	Date of resignation
Cullum McAlpine	Employer		
Andrew R Bolt	Members		31 December 2025
Gillian Bush	Members		
Joseph P Duddy	Members		
Katherine A Jarvis – Independent Trustee	Employer		
Ted Picken	Members	19 March 2026	
Miles C Shelley	Employer		

The power of appointment of a new Trustee and the power of removal of a Trustee is vested in Sir Robert McAlpine Limited ("the Principal Employer") and this power must be exercised by deed. Three of the six Trustees are nominated by the members in accordance with the Occupational Pension Schemes (Member Nominated Trustees and Directors) Regulation 2006.

Each Trustee is expected to ensure that they meet the Trustee knowledge and understanding requirements, including a working knowledge of the Scheme Rules, the Statement of Investment Principles ("SIP"), documents setting out the Trustees' policies, sufficient knowledge and understanding of the law relating to pensions and trusts and the principles relating to funding and investment. Where there is uncertainty, relevant advisers are referred to when necessary. A Skills and Training Log has been developed and is maintained by the Secretary to the Pension Trustees. General training is made available as part of, or in addition to, Trustee Meetings.

## The Trustees' Report (Cont)

### Management of the Scheme (Cont)

The Trustees held six full meetings during the year under review and the Trustees' attendance was as follows:

Name	Number of meetings attended
Cullum McAlpine	4
Andrew R Bolt	4
Gillian Bush	6
Joseph P Duddy	4
Katherine A Jarvis	3
Miles C Shelley	5

Each Trustee is entitled to receive at least ten days' notice of meetings, although in practice dates are normally fixed well in advance.

The Trustees have delegated the day-to-day management and operation of the Scheme's affairs to professional organisations.

### Changes to Scheme Rules

During the year a deed of amendment was prepared in relation to a change in the definition of pensionable salary for a sub-section of the Scheme's membership. This was signed on 29 January 2026.

There have been no other changes to the Scheme Rules during the year under review.

### The Principal Employer

The name and address of the Principal Employer is as follows:

Sir Robert McAlpine Ltd, Concept House, Home Park Mill Link, Kings Langley, Hertfordshire, United Kingdom, WD4 8UD

Other Participating Employers include:

- Sir Robert McAlpine Capital Ventures Limited
- Renewable Energy Systems UK Limited
- RES Digital Solutions Limited
- Newarthill Limited
- McAlpine Limited
- RES Energy Services Limited
- Sir Robert McAlpine Enterprises Limited
- Abacus Developments Limited

## The Trustees' Report (Cont)

### Scheme advisers

The Trustees retain a number of professional advisers in connection with the operation of the Scheme. The advisers currently appointed are as follows:

Scheme Actuary	Shireen Anisuddin (FIA), Hymans Robertson LLP
Advising Actuaries	Hymans Robertson LLP
Administrator of the Scheme benefits	FIL Life Investments Limited (Defined Contributions section) Hymans Robertson LLP (Defined Benefit section)
Independent Auditor	JW Hinks LLP
Investment Managers	FIL Life Insurance Limited Schroders Investment Solutions Ltd Patrizia Peripheral Europe Limited Partnership
Independent Financial Adviser	Broadstone Risk & Healthcare Ltd (life assurance arrangements only)
Custodians of the Scheme assets	KAS Bank N.V.
Bankers	Lloyds Bank plc
Covenant Adviser	Mercer Ltd
Legal Adviser	CMS Cameron McKenna Nabarro Olswang LLP
Secretary to the Trustees	Kevin J Pearson BSc, ACA (resigned 30 April 2025) Lauren Haworth BSc (appointed 28 April 2025)

### Changes in and other matters relating to Scheme advisers

Except for those noted on the previous page there have been no other changes to Scheme advisers and other matters during the Scheme year under review.

### Financial development of the Scheme

During the year the value of the net assets increased by £36,626,000 to £582,691,000 as at 31 October 2025. The increase comprised net withdrawals from dealings with members of £10,997,000 together with a net increase from the return on investments of £47,623,000.

### Scheme Audit

The financial statements on pages 20 to 45 have been prepared and audited in accordance with regulations made under sections 41(1) and (6) of the Pensions Act 1995.

### Tax status of Scheme

The Scheme is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 and, to the Trustees' knowledge, there is no reason why the Scheme's registered status should be prejudiced or withdrawn.

## The Trustees' Report (Cont)

### Scheme membership

#### Defined Benefit Section

	Number as at start of year	Changes in year	Number as at end of year
Preserved pensioners	639		
ill health retirement		(1)	
transferred out		(1)	
retired		(42)	
died		(3)	
		<hr/>	
		(47)	592
Pensioners	817		
new pensioners		42	
died		(38)	
		<hr/>	
		4	821
Pension beneficiaries	298		
new		16	
died		(31)	
		<hr/>	
		(15)	283
	<hr/>		<hr/>
Total members	<b>1,754</b>		<b>1,696</b>

#### Defined Contribution Section

	Number as at start of year	Changes in year	Number as at end of year
Active members	1,549		
late notifications		(14)	
joiners		169	
left – not retaining an entitlement		(4)	
left – retaining an entitlement		(268)	
retired		(3)	
died		(1)	
		<hr/>	
		(121)	1,428
Preserved pensioners	1,510		
late notifications		22	
new		268	
transferred out		(149)	
retired		(12)	
died		(2)	
ceased		(3)	
		<hr/>	
		124	1,634
	<hr/>		<hr/>
Total members	<b>3,059</b>		<b>3,062</b>

The member numbers shown above reflect the number of member records held by the Scheme.

The same member may be included within both the DB and DC sections of the Scheme, and some may have more than one period of service and so are included more than once.

## The Trustees' Report (Cont)

### Pension increases

The pension increases applied to pensions in payment as at 1 May 2025 were as follows:

- Pensions in excess of the Guaranteed Minimum Pension, accrued prior to 6 April 1997 :- 2.5% per annum
- Pensions accrued after 6 April 1997: 2.7% per annum
- Pensions accrued after 6 April 2005: 2.5% per annum

Some pensions on payment continue to include a discretionary increase of 2.5%.

### Transfer values

All cash equivalents (transfer values) paid during the year were calculated and verified in the manner required by the Pension Schemes Act 1993 and subsequent amendments. No discretionary benefits are included in the calculation of transfer values.

A cash equivalent is the amount which a Scheme member is entitled under social security legislation to have applied as a transfer payment to another permitted pension arrangement or a buy-out policy.

A discount of 2.0% was applied to transfer values during the period (2024: 2.0%). A review of the discount applied is due to take place in 2026.

### Data Protection Act 2018 and General Data Protection Regulation

Under the General Data Protection Regulation (GDPR) and the Data Protection Act 2018 regulations, pension scheme trustees are classed as data controllers, with legal responsibility for compliance falling to them. Scheme Actuaries are also classed as data controllers (jointly with the trustees) in accordance with guidance issued by the Actuarial Profession. Hymans Robertson LLP and FIL Life Insurance Limited act as a data processor as the administrators of the Scheme.

The Trustees have worked with their advisers to receive relevant training, and continue to do so to ensure continued compliance with data protection legislation.

### The General Code of Practice

The Trustees are aware of and adhere to the General Code of Practice issued by The Pensions Regulator (TPR). The objectives of the Code are to protect members' benefits, reduce the risk of calls on the Pension Protection Fund (PPF) and to promote good administration.

### The Pensions Regulator: Record Keeping

TPR issues guidance on all aspects of pension scheme data record keeping to all those responsible for the data (trustees) and those who administer pension schemes. The guidance covers both common data and scheme-specific (conditional) data. The guidance sets out good practice in helping trustees to assess risks associated with record keeping. Improved data means that trustees and employers will be able to make a more precise assessment of their financial liabilities. Schemes are expected to keep their data under regular review and set targets for the improvement in the standard of data recorded. More information can be found at:

<https://www.thepensionsregulator.gov.uk/en/trustees/contributions-data-and-transfers/record-keeping>

## The Trustees' Report (Cont)

### GMP equalisation

On 26 October 2018 the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. In April 2025 arrears payments totalling £2,157,411 were made for the majority of pensioner and beneficiary members in respect of GMP rectification and equalisation.

On 20 November 2020, the High Court handed down a second judgment involving the Lloyds Banking Group's defined benefit pension schemes. This latest judgment confirms that defined benefit schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Trustees have considered the next steps as the scheme has experienced significant historical transfers out which will be subject to adjustment as a result of this second ruling. The Trustees have calculated the total adjustment due and this is c£0.03m, the next stage of the project is tracing the past leavers to see if these values can be settled.

### Contact for further information

If, as a Scheme member, you wish to obtain further information about the Scheme, including copies of the Scheme documentation, your own pension position, or who to contact in the event of a problem or complaint, please write to:

Lauren Haworth  
Sir Robert McAlpine Limited  
Concept House  
Home Park Mill Link  
Kings Langley  
Hertfordshire  
WD4 8UD

Email: [lauren.haworth@srm.com](mailto:lauren.haworth@srm.com)

## The Trustees' Report (Cont)

### Statement of Trustees' Responsibilities

#### Trustees' responsibilities in respect of the financial statements

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland, are the responsibility of the Trustees. Pension Scheme regulations require, and the Trustees are responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging the above responsibilities, the Trustees are responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis, and for ensuring that the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Scheme will continue as a going concern.

The Trustees are also responsible for making available certain other information about the Scheme in the form of an Annual Report.

The Trustees also have a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

#### Trustees' responsibilities in respect of contributions

The Trustees are responsible under pensions legislation for preparing, maintaining, and from time to time reviewing and if necessary revising a schedule of contributions showing the rates of contributions payable towards the Scheme by or on behalf of the Employer and the active members of the Scheme and the dates on or before which such contributions are to be paid.

The Trustees are also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for adopting risk-based processes to monitor whether contributions are made to the Scheme by the Employer in accordance with the Schedule of Contributions. Where breaches of the Schedule occur, the Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

## The Trustees' Report (Cont)

### Report on Actuarial Liabilities

As required by Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS102), the financial statements do not include liabilities in respect of promised retirement benefits.

Under Section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefits to which members are entitled, based on pensionable service to the valuation date, assessed using the assumptions agreed between the Trustees and the Employer and set out in the Statement of Funding Principles, as noted below.

The 2021 valuation and related Recovery Plan were completed and submitted to the Pensions Regulator ("TPR") in July 2023. An initial, minor delay in concluding the Valuation was agreed with TPR and a six-month extension period was sought. This showed that at 31 October 2021:

The value of the Technical Provisions was: £682.1 million

The value of the assets was: £530.9 million

Therefore the Scheme had a funding deficit of £151.2 corresponding to a funding level of 77.8%.

The method and significant actuarial assumptions used to determine the technical provisions are as follows (all assumptions adopted are set out in the Appendix to the Statement of Funding Principles):

#### Method

The actuarial method to be used in the calculation of the Technical Provisions is the Projected Unit Method.

#### Actuarial assumptions – The key assumptions used are:

**Discount interest rate:** Market implied gilt yield curve plus 1.5% at 31 October 2020, linear tapering to long-term target of gilts+0.5% p.a. by 31 October 2035 (i.e. gilt yield curve plus 1.43% p.a. at 31 October 2021)

**Future Retail Price Index inflation:** market implied gilt yield curve.

**Future Consumer Price Index inflation:** RPI curve less 1% p.a. prior to 31 January 2030. RPI curve less 0.1% p.a. from 1 February 2030.

**Pension increases:** LPI pension increases curves derived from RPI, adjusted for the impact of the cap and floor

**Pay increases:** in line with deferred revaluation increases, as future salary increases are assumed to be lower than CPI, underpinned by statutory revaluation

The financial statements on pages 20 to 45 do not take into account liabilities which fall due after the year end. As part of the triennial valuation, the Scheme Actuary considers the funding position of the Scheme and the level of contributions payable.

## The Trustees' Report (Cont)

### Investment management

The overall management of the Trustees' investments is the responsibility of the Trustees. However, the day-to-day management of the Scheme's asset portfolio is the responsibility of the investment managers, who operate within the guidelines of their specific mandates.

Over the year under review, the Defined Benefit ("DB") investments of the Scheme were managed by Schroders Investment Solutions Ltd (Schroders Solutions). Patrizia Peripheral Europe Limited Partnership act as investment manager on a non-discretionary basis. The Defined Contribution ("DC") investments of the Scheme were managed by FIL Life Insurance Limited.

The Trustees delegate the task of investment management to external professional investment managers. The Trustees set the investment strategy for the Scheme after taking advice from the Scheme's investment adviser. The Trustees have put in place a mandate with their investment managers which implements this strategy.

When choosing investments, the Trustees and the fund managers (to the extent delegated) are required to have regard to the criteria for investment set out in the Occupational Pension Schemes (Investment) Regulations 2005 (regulation 4). The Trustees' responsibilities also include:

- Taking into account social, environmental or ethical considerations in the selection, retention and realisation of investments.
- Voting and corporate governance in relation to the Scheme's assets.

The Trustees expect that the investment managers will take into account these responsibilities in the exercise of their delegated duties. These matters are, however, kept under review by the Trustees, in consultation with their investment managers.

### Statement of Investment Principles

In accordance with the Pensions Act 1995, the Trustees have prepared a Statement of Investment Principles ("SIP"), which sets out its policy on investment issues, including risks, diversification of investments and details of the key elements of the investment arrangements of the Scheme.

Additionally, the SIP outlines how the Scheme takes into account financially material considerations, including Environmental, Social and Governance ("ESG") factors, in its investment decision making process.

Separate SIPs are now issued for the DB and the DC sections, copies of which are available online at <https://www.srm.com/pensions>

The SIPs adopted in the year were last updated in September 2025 for the DB Section and February 2025 for the DC Section of the Schemes respectively. All of the investments are regarded as marketable by the Trustees.

### Departures from investment principles

There were no significant departures from the stated principles during the year under review. Small deviations from the benchmark allocation are to be expected as a result of fluctuations in asset prices.

## The Trustees' Report (Cont)

### DB Investment Strategy

Over the year under review, the DB investments of the Scheme were managed by Schroders Investment Solutions Ltd.

The Trustees' long-term objective for the Scheme is to target an investment return objective of approximately 1.9% per annum (net of fees) in excess of the returns on the Liability Benchmark Portfolio ("LBP").

In addition to framing the investment objective, the Trustees are responsible for setting the split of assets between return-seeking assets (the Discretionary Investment Fund and Advisory Assets) and liability-matching assets (known as the Liability Hedging assets).

With consideration of the Scheme's liabilities and desired investment objectives, the Trustees have adopted a 50% allocation to return-seeking assets, split between the Discretionary and Advisory assets, a 40% allocation to the liability-matching assets and a 10% allocation to Cashflow Matching Credit Assets. Schroders Solutions has full discretion to implement the Trustees' chosen investment strategy within the Discretionary Investment Fund, liability hedging portfolio and Cash Flow Matching Credit Assets only, as described below.

#### Liability Hedging Assets ('LHA')

The LHA is invested in a portfolio of directly held gilts. The LHA also comprises the liability hedging strategy via swaps (contracts between the Scheme and a counterparty bank) which aims to further reduce sensitivity to changes in interest rates and inflation (beyond that provided by the directly held gilts) and hence reduce the impact of movements in these on the Scheme's funding level. The Trustees delegate the ongoing management of the liability hedging levels to Schroders Solutions.

#### Advisory Assets ('AA')

The AA currently invests in a more static manner across both traditional equity and bond funds but also has allocations to more specialist asset classes that are not available or cost effective for larger investors with large asset pools.

#### Cashflow Matching Credit Assets ('CMCA')

The CMCA is Invested in high quality investment grade credit to efficiently match a proportion of the Scheme's liability cashflows.

#### Discretionary Investment Fund ('DIF')

The DIF holds a diverse portfolio of assets that are expected, in the longer term, to exceed the growth in the value of the Scheme's liabilities. Schroders Solutions may invest the DIF assets in a number of different asset classes subject to a number of restrictions.

The objective for the DIF is to achieve a return of at least 3.125% per annum in excess of the return on cash, after the deduction of fees, over rolling three-year periods. The DIF is invested in a diversified portfolio, including equities, global government and emerging market bonds, hedge funds, leveraged loans and other alternative assets.

## The Trustees' Report (Cont)

### DB Asset Allocation

The asset allocation of the Scheme's DB investments at the year-end are shown in the following table:

DB Section - Asset Class	31 October 2025 (%)	31 October 2024 (%)
<b>Advisory Fund</b>	<b>12.2</b>	<b>9.6</b>
Equities	1.2	1.5
Property	2.3	2.2
Alternatives	5.2	5.9
Cash & Sovereign Bonds	3.5	0.0
<b>Discretionary Fund</b>	<b>46.6</b>	<b>43.5</b>
Equities	21.6	20.2
Property	1.0	0.9
Return Seeking Credit	9.3	9.9
Commodities	2.3	1.1
Alternatives	7.6	3.6
Cash & Sovereign Bonds	4.8	7.8
<b>Liability Hedging Assets</b>	<b>39.2</b>	<b>43.1</b>
IG Index Linked Bonds	18.7	15.5
IG Fixed Interest Bonds	25.2	30.9
Swaps	(4.6)	(6.5)
Cash*	(0.1)	3.2
<b>Cash Flow Matching Credit</b>	<b>2.0</b>	<b>3.8</b>
Cash	0.8	0.1
Return Seeking Credit	1.2	3.7
<b>Total Fund</b>	<b>100.0</b>	<b>100.0</b>

\*Cash includes the unrealised profit/loss on the forward contracts used for the purpose of currency hedging. Figures are subject to rounding.

### DB Investment Performance

Performance of the Scheme's assets against the objectives is shown below:

Portfolio Section	12 Months	3 Years p.a.	5 Years p.a.
<b>Total Portfolio</b>	3.8%	1.0%	-6.8%
Objective	2.5%	-1.2%	-9.9%
<b>Relative</b>	1.3%	2.2%	3.1%

Performance is shown net of fees to the extent that fees are paid from assets.

## The Trustees' Report (Cont)

### DC Investment Strategy

The Defined Contribution ("DC") investments of the Scheme were managed by FIL Life Insurance Limited.

The Trustees' investment objectives are:

- To achieve returns in excess of general price inflation in the long term
- To achieve security of capital, low growth/volatility, or protection against annuity rate movements for members closer to retirement

The Trustees have made a default lifestyle strategy available to members which they believe is in the best interest of members and beneficiaries. Additionally, the Trustees have made available a range of other investment funds which members can choose to invest their contributions into. Where a member has not made an active selection, their contributions will be invested in the default strategy provided. The choice of investment options for all members is designed to enable them to choose investments that are adequately diversified and suitable for their profile.

The Trustees continually review the investment options available to DC Section members with their advisers. The Trustees recognise the importance of regularly monitoring and reviewing the appropriateness of the investment arrangements.

### DC Asset Allocation

The asset allocation of the Scheme's DC investments at the year-end are shown in the following table:

<b>DC Section – Asset Class</b>	<b>31 October 2025 (%)</b>	<b>31 October 2024 (%)</b>
<b>Fund</b>		
Cash Fund	1.5%	1.8%
Cautious Growth Fund	22.6%	22.1%
Corporate Bonds Fund	0.6%	0.7%
Future World Annuity Aware Fund	1.5%	2.0%
Future World Inflation Linked Annuity Aware Fund	0.6%	0.9%
Global Equity 60/40 Hedged Fund	0.0%	0.0%
Global Equity Fund	17.3%	16.7%
ESG Global Equity Fund	4.1%	4.1%
Diversified Growth Fund	0.4%	0.6%
Long Term Growth Fund	12.3%	12.6%
Retirement Focus Fund	3.7%	3.0%
Shariah Fund	0.4%	0.3%
Stable Growth Fund	27.2%	27.8%
UK Equity Fund	7.8%	7.6%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## The Trustees' Report (Cont)

### DC Investment Performance

Performance of the Scheme's assets against the objectives is shown below:

DC Section – Asset Class	12 Months	3 Years p.a.	5 Years p.a.
<b>Fund</b>			
<b>Cash Fund</b>	<b>4.4%</b>	<b>4.5%</b>	<b>n/a</b>
<i>Benchmark</i>	4.4%	4.5%	n/a
<b>Cautious Growth Fund</b>	<b>7.9%</b>	<b>8.1%</b>	<b>3.1%</b>
<i>Benchmark</i>	7.9%	8.2%	8.4%
<b>Corporate Bonds Fund</b>	<b>-5.8%</b>	<b>1.8%</b>	<b>-9.3%</b>
<i>Benchmark</i>	-4.6%	2.3%	-8.9%
<b>Future World Annuity Aware Fund</b>	<b>-2.0%</b>	<b>3.2%</b>	<b>-6.5%</b>
<i>Benchmark</i>	-4.6%	0.3%	-8.0%
<b>Future World Inflation Linked Annuity Aware Fund</b>	<b>-5.8%</b>	<b>-0.7%</b>	<b>-8.5%</b>
<i>Benchmark</i>	-7.8%	-3.5%	-7.4%
<b>Global Equity 60/40 Hedged Fund</b>	<b>16.0%</b>	<b>16.8%</b>	<b>13.3%</b>
<i>Benchmark</i>	16.3%	17.5%	13.8%
<b>Global Equity Fund</b>	<b>17.2%</b>	<b>17.9%</b>	<b>13.3%</b>
<i>Benchmark</i>	17.7%	18.3%	13.7%
<b>ESG Global Equity Fund</b>	<b>16.1%</b>	<b>n/a</b>	<b>n/a</b>
<i>Benchmark</i>	16.0%	n/a	n/a
<b>Diversified Growth Fund</b>	<b>8.7%</b>	<b>8.4%</b>	<b>5.6%</b>
<i>Benchmark</i>	17.9%	19.2%	14.4%
<b>Long Term Growth Fund</b>	<b>16.0%</b>	<b>14.6%</b>	<b>10.0%</b>
<i>Benchmark</i>	15.8%	12.5%	11.7%
<b>Retirement Focus Fund</b>	<b>7.1%</b>	<b>6.9%</b>	<b>1.2%</b>
<i>Benchmark</i>	7.1%	6.7%	3.6%
<b>Shariah Fund</b>	<b>15.9%</b>	<b>18.2%</b>	<b>n/a</b>
<i>Benchmark</i>	16.3%	20.0%	n/a
<b>Stable Growth Fund</b>	<b>11.5%</b>	<b>11.4%</b>	<b>7.0%</b>
<i>Benchmark</i>	11.2%	10.1%	9.9%
<b>UK Equity Fund</b>	<b>15.0%</b>	<b>13.8%</b>	<b>12.5%</b>
<i>Benchmark</i>	15.3%	14.3%	12.9%

n/a = Fund has not been launched long enough for this data to be available

## The Trustees' Report (Cont)

### Custodian arrangements

Each investment manager will appoint a custodian of the Scheme's assets under their management. The custodians are responsible for the safekeeping, monitoring and reconciliation of documentation relating to the ownership of listed investments. Investments are held in the name of the custodians' nominee companies, in line with common practice for pension scheme investments.

The Trustees are responsible for ensuring the Scheme's assets continue to be securely held and seek confirmation from the investment managers that this is the case.

### Nature, disposition, marketability, security and valuation

The Trustees have considered the nature, disposition, marketability, security and valuation of the Scheme's investments and considers them to be appropriate relative to the reasons for holding each class of investment.

### Employer-related investments

One investment, included within Equities, consists of 2,800 BM\$1.00 shares in Paget Health Services (Holdings) Limited acquired at a cost of BM\$ 10,091,766 on 27 November 2010. The Newarthill group, of which the Principal Employer, Sir Robert McAlpine Limited, is a member, owns 58.0% of the share capital of Paget Health Services (Holdings) Limited. The value of this investment at 31 October 2025 was £12,579,189 being 2.2% of net assets (2024: £14,963,967 being 2.7% of net assets).

## Approval of Trustees' Report

This report was approved by the Trustees on

Date: \_\_\_\_\_

Signed on behalf of the Trustees:

\_\_\_\_\_  
Trustee

# Independent Auditor's Report to the Trustees of The Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme

## Opinion

We have audited the financial statements of the Sir Robert McAlpine Staff Pension and Life Assurance Scheme ("the scheme") for the year ended 31 October 2025 which comprise the Fund Account, the Statement of Net Assets available for Benefits and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the scheme during the year ended 31 October 2025 and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

## Basis for opinion

We have audited the financial statements of the Sir Robert McAlpine Staff Pension and Life Assurance Scheme ("the scheme") for the year ended 31 October 2025 which comprise the Fund Account, the Statement of Net Assets available for Benefits and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

## Conclusions relating to going concern

In auditing the financial statements we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the scheme's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## Independent Auditor's Report to the Trustee of The Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme (Cont)

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of Trustees

As explained more fully in the Statement of Trustee's Responsibilities set out on page 8, the scheme's Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intends to liquidate the scheme or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

As explained more fully in the Statement of Trustee's Responsibilities set out on page 8, the scheme's Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intends to liquidate the scheme or to cease operations, or has no realistic alternative but to do so.

Specific areas considered were as follows:

- Enquire of management and others to gain an understanding of the organisation including operations and financial reporting; review activities susceptible to fraud or error.
- Obtain an understanding of and evaluate the internal control system including an assessment of the adequacy of arrangements for segregation of duties and responsibilities.
- Confirm investment valuations (and related investment income) directly with investment managers.
- Test to ensure that contributions due to the scheme have been received in full accordance with the Schedule of Contributions.
- Test benefits payable to members for completeness, accuracy and authorisation.
- Perform analytical procedures of account balances and classes of transactions to enable variances to be identified and investigated.

## Independent Auditor's Report to the Trustee of The Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme (Cont)

### Auditor's responsibilities for the audit of the financial statements (Cont)

Owing to the inherent limitations of an audit, there is a risk that we may not detect all irregularities including those leading to material misstatements in the financial statements or non-compliance with regulation.

This risk increases the more that the compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

### Use of our report

This report is made solely to the scheme's Trustees in accordance with Regulation 3 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to it in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees for our audit work, for this report or for the opinions we have formed.

**JW Hinks LLP**  
Statutory Auditor  
19 Highfield Road  
Edgbaston  
Birmingham  
B15 3BH

**Date:**

## Summary of Contributions payable in the year

During the year, the contributions payable to the Scheme by the Employer under the Schedule of Contributions were as follows:

<b>Defined Benefit Section</b>	<b>2025 £'000</b>	<b>2024 £'000</b>
Employer contributions in respect of funding expenses	1,250	1,250
Employer deficit funding contributions	3,175	-
Employer contributions in respect of augmentations	426	278
Contributions payable under the Schedule of Contributions and as reported in Financial Statements	<b>4,851</b>	<b>1,528</b>

<b>Defined Contribution Section</b>	<b>2025 £'000</b>	<b>2024 £'000</b>
Employer normal contributions	17,893	18,343
Members' normal contributions	267	108
Contributions payable under the Schedule of Contributions	<b>18,160</b>	<b>18,451</b>
Members' additional voluntary contributions	3,233	2,896
Total contributions payable as reported in Financial Statements	<b>21,393</b>	<b>21,347</b>

Date: \_\_\_\_\_

Signed on behalf of the Trustees:

\_\_\_\_\_  
Trustee

## Independent Auditor's Statement about Contributions to the Trustees of The Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme

We have examined the Summary of Contributions to the Sir Robert McAlpine Staff Pension and Life Assurance Scheme for the year ended 31 October 2025, set out on the previous page.

This report is made solely to the Scheme's Trustees, as a body, in accordance with The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an Auditor's Statement about Contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustees, as a body, for our audit work, for this report or for the opinions we have formed.

### Statement about contributions payable under the Schedule of Contributions

In our opinion contributions payable for the year ended 31 October 2025 as reported in the Summary of Contributions and payable under the schedule of contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the Scheme actuary on 28 July 2023.

### Scope of work on Statement about Contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the attached Summary of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the scheme and the timing of those payments under the Schedule of Contributions.

### Respective responsibilities of trustees and the auditor

As explained more fully in the Statement of Trustee's Responsibilities, the Scheme's Trustees are responsible for ensuring that there is prepared, maintained and from time to time revised a schedule of contributions and for monitoring whether contributions are made to the Scheme by the Employer in accordance with the Schedule of Contributions.

It is our responsibility to provide a Statement about Contributions paid under the schedule of contributions and to report our opinion to you.

**JW Hinks LLP**  
**Statutory Auditor**  
19 Highfield Road  
Edgbaston  
Birmingham  
B15 3BH

**Date:**

# The Financial Statements

## Fund Account

for the year ended 31 October 2025

	Note	31 October 2025			31 October 2024
		Defined Benefit Section £'000	Defined Contribution Section £'000	Total £'000	Total £'000
<b>Contributions and benefits</b>					
Employer contributions		4,851	17,893	22,744	18,343
Employee contributions		-	3,500	3,500	4,532
Total contributions	5	4,851	21,393	26,244	22,875
Transfers in	6	-	2,749	2,749	1,233
Other income	7	-	-	-	391
		4,851	24,142	28,993	24,499
Benefits paid or payable	8	(25,181)	(1,274)	(26,455)	(23,644)
Payments to and on account of leavers	9	(496)	(11,897)	(12,393)	(14,607)
Reversal of provision back payments	23	-	-	-	2,800
Administrative expenses	10	(975)	(91)	(1,066)	(877)
Life assurance premiums	11	-	(76)	(76)	(75)
		(26,652)	(13,338)	(39,990)	(36,423)
<b>Net additions/(withdrawals) from dealings with members</b>		(21,801)	10,804	(10,997)	(11,924)
<b>Returns on investments</b>					
Investment income	12	18,235	35	18,270	19,056
Change in market value of investments	13	(4,579)	34,665	30,086	49,913
Investment management expenses	14	(721)	(1)	(722)	(776)
Currency gains/(losses)		(11)	-	(11)	53
<b>Net returns on investments</b>		12,924	34,699	47,623	68,246
<b>Net increase/(decrease) in the fund during the year</b>		(8,877)	45,503	36,626	56,322
Transfers between sections	26	(35)	35	-	-
<b>Net assets of the Scheme</b>					
<b>At 1 November</b>		338,745	207,320	546,065	489,743
<b>At 31 October</b>		329,833	252,858	582,691	546,065

The notes on pages 22 to 45 form part of these financial statements.

## The Financial Statements (Cont)

### Statement of Net Assets

available for benefits as at 31 October 2025

	Note	31 October 2025			31 October 2024
		Defined Benefit Section £'000	Defined Contribution Section £'000	Total £'000	Total £'000
<b>Investment assets:</b>					
Equities	13	20,566	-	20,566	24,432
Bonds	13	154,924	-	154,924	171,726
Pooled investment vehicles					
-designated to members	16	8,833	250,007	258,840	212,460
-not designated to members	16	145,682	-	145,682	143,622
Derivatives	17	12,459	-	12,459	15,944
Funds with brokers	13	5,151	-	5,151	7,054
		<u>347,615</u>	<u>250,007</u>	<u>597,622</u>	<u>575,238</u>
<b>Investment liabilities:</b>					
Derivatives	17	(27,044)	-	(27,044)	(36,592)
		<u>(27,044)</u>	<u>-</u>	<u>(27,044)</u>	<u>(36,592)</u>
<b>Total net investments</b>		320,571	250,007	570,578	538,646
<b>Current assets</b>	22	13,113	2,970	16,083	11,231
<b>Current liabilities</b>	23	(3,851)	(119)	(3,970)	(3,812)
<b>Net assets of the Scheme at 31 October available for benefits</b>		<u>329,833</u>	<u>252,858</u>	<u>582,691</u>	<u>546,065</u>

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which takes into account such obligations for the Defined Benefit Section, is dealt with in the Report on Actuarial Liabilities on page 8 of the Annual Report and these financial statements should be read in conjunction with this report.

The notes on pages 22 to 45 form part of these financial statements.

These financial statements were approved by the Trustees on

Date: \_\_\_\_\_

Signed on behalf of the Trustees:

\_\_\_\_\_  
Trustee

# Notes to the Financial Statements

## 1. Basis of preparation

The individual financial statements have been prepared, on a going concern basis, in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland, and the guidance set out in the Statement of Recommended Practice (Revised 2018).

## 2. Identification of the financial statements

The Scheme is established as a trust under English law. The address for enquiries to the Scheme is included in the Trustees' Report.

## 3. Accounting policies

The principal accounting policies of the Scheme which are applied consistently are as follows:

### Critical accounting judgments and estimation uncertainty

- Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.
- There are no critical judgments in applying the accounting policies.
- Key accounting estimates and assumptions - the Trustees make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. For the Scheme, the Trustees believe that the investments falling within Level 3 of the fair value hierarchy (see note 19) have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year. Additionally, the provision for non-GMP equalisation backpay owed to members (see note 23) represents a significant accounting estimate. This provision has been valued by the Scheme Actuary and the provision's value is updated regularly whilst the investigative work continues.

### Currency

- The Scheme's functional and presentational currency is pounds sterling. Monetary items denominated in foreign currency are translated into sterling using the closing exchange rates at the Scheme year-end. Differences arising on investment balance translation are accounted for in change in market value of investments during the year. Foreign currency transactions are recorded in sterling at the spot exchange rate at the date of the transaction.

### Contributions

- Employee contributions, including Additional Voluntary Contributions (AVCs), are accounted for by the Trustees when they are deducted from pay by the Employer.
- Employer normal contributions include contributions in respect of salary sacrifice arrangements made available to the members by the Employer.
- Employer normal contributions that are expressed as a rate of salary are accounted for on the same basis as the employees' contributions, in accordance with the Schedule of Contributions in force during the year.
- Employer augmentation contributions are accounted for in accordance with the agreement under which they are payable.
- Employer deficit funding contributions are accounted for on the due dates on which they are payable under the Schedule of Contributions or on receipt if earlier with the agreement of the Employer and Trustees.
- Other contributions made by the Employer to reimburse costs and levies payable by the Trustees are accounted for on the due dates on which they are payable in accordance with the Schedule of Contributions under which they are payable.

### Other income

- Claims on term insurance policies and other forms of income are accounted for on an accruals basis.

## Notes to the Financial Statements (Cont)

### 3. Accounting policies (Cont)

#### Payments to members

- Pensions in payment are accounted for in the period to which they relate.
- Where members have a choice regarding the form and timing of their benefit, benefits are accounted for on an accruals basis on the later of the date of retiring or leaving and the date the option is exercised. Other benefits are accounted for on an accruals basis on the date of retiring or leaving.
- Individual transfers in or out of the Scheme are accounted for when member liability is accepted or discharged which is normally when the transfer amount is received or paid.
- Where the Trustees agree or are required to settle tax liabilities on behalf of a member (such as where lifetime or annual allowances are exceeded) with a consequent reduction in that member's benefits receivable from the Scheme, any taxation due is accounted for on the same basis as the event giving rise to the tax liability and shown separately within "Benefits paid or payable".

#### Expenses and other payments

- Administrative expenses are met by the Scheme and are accounted for on an accruals basis.
- Investment management expenses and rebates are accounted for on an accruals basis and shown net within "Returns on investments". Transaction costs are included in the cost of purchases and sale proceeds.

#### Investment income

- Dividends from quoted securities are accounted for when the security is declared ex-dividend.
- Income from bonds is accounted for on an accruals basis and includes interest bought and sold on investment purchases and sales.
- Rents are earned in accordance with the terms of the lease and on an accruals basis.
- Income from pooled investment vehicles is accounted for when declared by the fund manager.
- Income from cash and short term deposits is accounted for on an accruals basis.
- Investment income arising from the underlying investments of the pooled investment vehicles is reinvested within the pooled investment vehicles and reflected in the unit price. Thus, it is reported within "Change in market value".

#### Investments

- The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.
- Equities are valued at the closing bid price or, if single priced, at the closing single price as advised by the investment managers.
- Accrued interest is excluded from the market value of bonds and is included in "funds with brokers".
- Unitised pooled investment vehicles have been valued at the latest available bid price or single price provided by the pooled investment manager. Shares in other pooled arrangements have been valued at the latest available net asset value (NAV) determined in accordance with fair value principles, provided by the pooled investment manager.
- Bonds are stated at their clean prices. Accrued income is accounted for within "Investment income" and within "funds with brokers".
- Over the counter (OTC) derivatives are valued using the following valuation techniques:
  - i. Swaps – current value of future cash flows arising from the swap determined using discounted cash flow models and market data at the reporting date.
  - ii. Forward foreign exchange (Forward FX) – the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.
  - iii. Options are valued at their mark to market value. If a quoted market price is not available on a recognised exchange their fair value is calculated using pricing models such as Black-Scholes, where inputs are based on market data at the year end date.

## Notes to the Financial Statements (Cont)

### 4. Comparative disclosures for the Fund Account and Statement of Net Assets

The following table shows a split of the totals for the prior year included within the financial statements between the Defined Benefit and Defined Contribution Sections.

#### Fund Account

		Year ended 31 October 2024		
	Note	Defined Benefit Section £'000	Defined Contribution Section £'000	Total £'000
<b>Contributions and benefits</b>				
Employer contributions		1,528	18,343	18,343
Employee contributions		-	3,004	3,004
Total contributions	5	1,528	21,347	22,875
Transfers in	6	-	1,233	1,233
Other income	7	-	391	391
		1,528	22,971	24,499
Benefits paid or payable	8	(22,475)	(1,189)	(23,664)
Payments to and on account of leavers	9	(877)	(13,730)	(14,607)
Reversal of provision back payments	23	2,800	-	2,800
Administrative expenses	10	(840)	37	877
Life assurance premiums	11	-	75	75
		(21,392)	(15,031)	(36,423)
<b>Net (withdrawals)/additions from dealings with members</b>		(19,864)	7,940	(11,924)
<b>Returns on investments</b>				
Investment income	12	19,004	52	19,056
Change in market value of investments		17,929	31,984	49,913
Investment management expenses	14	(776)	-	(776)
Currency gains/(losses)		53	-	53
<b>Net returns on investments</b>		36,210	32,036	68,246
<b>Net increase in the fund during the year</b>		16,346	39,976	56,322
Transfer between sections	26	-	-	-
<b>Net assets of the Scheme</b>				
At the beginning of the year		322,399	167,344	489,743
<b>At the end of the year</b>		338,745	207,320	546,065

## Notes to the Financial Statements (Cont)

### 4. Comparative disclosures for the Fund Account and Statement of Net Assets (Cont)

#### Statement of Net Assets

available for benefits as at 31 October 2024

	Note	Defined Benefit Section £000	Defined Contribution Section £000	Total £000
<b>Investment assets:</b>				
Equities	13	24,432	-	24,432
Bonds	13	171,726	-	171,726
Pooled investment vehicles				
-designated to members	16	8,110	204,350	212,460
-not designated to members	16	143,622	-	143,622
Derivatives	17	15,944	-	15,944
Funds with brokers	13	7,054	-	7,054
		370,888	204,350	575,238
<b>Investment liabilities:</b>				
Derivatives	17	(36,592)	-	(36,592)
		334,296	204,350	538,646
<b>Total net investments</b>				
	22			
<b>Current assets</b>		8,204	3,027	11,231
<b>Current liabilities</b>	23	(3,755)	(57)	(3,812)
<b>Total net assets available for benefits</b>		338,745	207,320	546,065

## Notes to the Financial Statements (Cont)

### 5. Contributions

	Defined Benefit Section £'000	2025 Defined Contribution Section £'000	Total £'000
Employer contributions			
Normal	-	17,893	17,893
Deficit funding	3,175	-	3,175
Expenses contributions	1,250	-	1,250
Augmentation	426	-	426
	4,851	17,893	22,744
Employee contributions			
Normal	-	267	267
Additional voluntary contributions	-	3,233	3,233
	-	3,500	3,500
	4,851	21,393	26,244
	Defined Benefit Section £'000	2024 Defined Contribution Section £'000	Total £'000
Employer contributions			
Normal	-	18,343	18,343
Deficit funding	-	-	-
Expenses contributions	1,250	-	1,250
Augmentation	278	-	278
	1,528	18,343	19,871
Employee contributions			
Normal	-	108	108
Additional voluntary contributions	-	2,896	2,896
	-	3,004	3,004
	1,528	21,347	22,875

The Defined Benefit Section of the Scheme is closed and has no active members.

The latest Schedule of Contributions was certified on 28 July 2023 and stated that no deficit contributions were due to the Scheme until 31 July 2025. Deficit funding contributions of £3.175m were received in accordance with a recovery plan in order to improve the Scheme's funding position.

In addition, the Schedule of Contributions stipulates that the Participating Employers pay £1.25m contribution each year towards meeting the cost of the Scheme's expenses. These were received as expected.

Employer normal contributions include contributions in respect of salary sacrifice arrangements made available to certain members by the Employer.

## Notes to the Financial Statements (Cont)

### 6. Transfers in

	Defined Benefit Section £'000	2025 Defined Contribution Section £'000	Total £'000
Individual transfers in from other Schemes		2,749	2,749

	Defined Benefit Section £'000	2024 Defined Contribution Section £'000	Total £'000
Individual transfers in from other Schemes	-	1,233	1,233

### 7. Other income

	Defined Benefit Section £'000	2025 Defined Contribution Section £'000	Total £'000
Claims on term insurance policies	-	-	-

	Defined Benefit Section £'000	2024 Defined Contribution Section £'000	Total £'000
Claims on term insurance policies	-	391	391

## Notes to the Financial Statements (Cont)

### 8. Benefits paid or payable

	Defined Benefit Section £'000	2025 Defined Contribution Section £'000	Total £'000
Pensions	23,106	-	23,106
Commutation of pensions and lump sum retirement benefits	2,075	634	2,709
Lump sum death benefits	-	613	613
Taxation where lifetime or annual allowance exceeded	-	27	27
	25,181	1,274	26,455

	Defined Benefit Section £'000	2024 Defined Contribution Section £'000	Total £'000
Pensions	20,675	-	20,675
Commutation of pensions and lump sum retirement benefits	1,669	335	2,004
Lump sum death benefits	-	854	854
Taxation where lifetime or annual allowance exceeded	131	-	131
	22,475	1,189	23,664

In April 2025 arrears payments totalling £2,157,411 were made for the majority of pensioner and beneficiary members in respect of GMP rectification and equalisation. These costs are reflected in pensions above.

Taxation arising on benefits paid or payable is in respect of members whose benefits exceeded the lifetime or annual allowance and who elected to take lower benefits from the Scheme in exchange for the Scheme's settling their tax liability.

### 9. Payments to and on account of leavers

	Defined Benefit Section £'000	2025 Defined Contribution Section £'000	Total £'000
Individual transfers to other schemes	496	11,897	12,393

	Defined Benefit Section £'000	2024 Defined Contribution Section £'000	Total £'000
Individual transfers to other schemes	877	13,730	14,607

## Notes to the Financial Statements (Cont)

### 10. Administrative expenses

	Defined Benefit Section	2025 Defined Contribution Section	Total
	£'000	£'000	£'000
Actuarial and administration fees	760	-	760
Audit fee	11	11	22
Legal and other professional fees	160	72	232
PPF Levies	27	5	32
Other costs	17	3	20
	975	91	1,066

	Defined Benefit Section	2024 Defined Contribution Section	Total
	£'000	£'000	£'000
Actuarial and administration fees	540	-	540
Audit fee	12	12	24
Legal and other professional fees	206	17	223
PPF Levies	65	5	70
Other costs	17	3	20
	840	37	877

Administrative expenses are mostly met by the Scheme.

The Scheme does not reimburse Sir Robert McAlpine Limited for any expenses that are incurred by the company except where it is acting as agent for the Scheme.

### 11. Other payments

	Defined Benefit Section	2025 Defined Contribution Section	Total
	£'000	£'000	£'000
Premiums on term insurance policies		76	76

	Defined Benefit Section	2024 Defined Contribution Section	Total
	£'000	£'000	£'000
Premiums on term insurance policies	-	75	75

A policy is held with Legal & General to cover the Scheme against lump sum payments in the event of a member's death during service up to normal retirement date.

## Notes to the Financial Statements (Cont)

### 12. Investment income

	Defined Benefit Section £'000	2025 Defined Contribution Section £'000	Total £'000
Dividends from equities	2,153	-	2,153
Income from bonds	4,267	-	4,267
Net rents from properties	1	-	1
Income from pooled investment vehicles	11,341	-	11,341
Interest on cash deposits	393	35	428
Management fee rebates	80	-	80
	18,235	35	18,270

  

	Defined Benefit Section £'000	2024 Defined Contribution Section £'000	Total £'000
Dividends from equities	4,585	-	4,585
Income from bonds	3,391	-	3,391
Net rents from properties	15	-	15
Income from pooled investment vehicles	10,411	-	10,411
Interest on cash deposits	453	52	505
Management fee rebates	149	-	149
	19,004	52	19,056

## Notes to the Financial Statements (Cont)

### 13. Reconciliation of investments

	Value at 31 October 2024 £'000	Purchases at cost and derivative payments £'000	Sales proceeds and derivative receipts £'000	Change in market value £'000	Value at 31 October 2025 £'000
<b>Defined Benefit Section</b>					
Equities	24,432	-	-	(3,866)	20,566
Bonds	171,726	52,048	(62,538)	(6,312)	154,924
Pooled investment vehicles					
-designated to members	8,110	520	(1,072)	1,275	8,833
-not designated to members	143,622	74,193	(79,388)	7,255	145,682
Derivatives	(20,648)	30,341	(21,347)	(2,931)	(14,585)
	327,242	157,102	(164,345)	(4,579)	315,420
Funds with brokers	7,054				5,151
	334,296				320,571
<b>Allocated to members</b>					
<b>Defined Contribution Section</b>					
Pooled investment vehicles	204,350	44,459	(33,467)	34,665	250,007

Pooled investment vehicles designated to members within the DB Section relate to contributions (Employer and Member) invested into DC investment funds, while Members remained within the DB section of the Scheme.

Direct transaction costs during the year were as follows:

<b>Defined Benefit Section</b>	<b>2025</b> <b>£'000</b>	<b>2024</b> <b>£'000</b>
Custody fees	43	48
Custody transaction fees	1	34
	44	82

In addition to the transaction costs disclosed above, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles and charges made within those vehicles. The amount of indirect costs is not separately provided to the Scheme.

The DC Section investments purchased by the Scheme are allocated to provide benefits to the individuals on whose behalf corresponding contributions are paid. The investment manager holds the investment units on a pooled basis for the Trustees. The Scheme administrator allocates investment units to members. Accordingly, the assets identified as designated to members in the net assets statement do not form a common pool of assets available for members generally. Members each receive an annual statement confirming the contributions paid on their behalf and the value for their money purchase rights.

The Trustees may hold investment units representing the value of Employer contributions that have been retained by the Scheme that relate to members leaving the Scheme prior to vesting.

## Notes to the Financial Statements (Cont)

### 13. Reconciliation of investments (Cont)

DC assets are allocated to members and the Trustees as follows:

<b>Defined Contribution Section</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Members	250,007	204,350
Trustees	-	-
	<u>250,007</u>	<u>204,350</u>

### 14. Investment management expenses

	Defined Benefit Section	2025 Defined Contribution Section	Total
	£'000	£'000	£'000
Administration, management and custody	720	-	720
Bank and interest charges	1	1	2
	<u>721</u>	<u>1</u>	<u>722</u>

	Defined Benefit Section	2024 Defined Contribution Section	Total
	£'000	£'000	£'000
Administration, management and custody	775	-	775
Bank and interest charges	1	-	1
	<u>776</u>	<u>-</u>	<u>776</u>

### 15. Taxation

The Scheme is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax.

## Notes to the Financial Statements (Cont)

### 16. Pooled investment vehicles

The Scheme's investments in pooled investment vehicles at the year-end comprised:

	2025	2024
	£'000	£'000
<b>Defined Benefit Section</b>		
Equities	142,113	130,483
Bonds	8,266	16,320
Diversified Growth	3,967	4,897
Cash	169	32
	154,515	151,732
<b>Defined Contribution Section</b>		
Equities	72,951	58,031
Bonds	1,436	1,395
Diversified Growth	171,767	144,924
Cash	3,853	-
	250,007	204,350

The Diversified Growth Fund holds a variety of investments including equities, bonds, derivatives, commodities and property.

Included within the DB Section are pooled investment vehicles designated to members totalling £8.8m (2024: £8.1m). These relate to contributions (Employer and Member) invested into DC investment funds, while Members remained within the DB section of the Scheme. The remaining £145.7m (2024: £143.6m) are pooled investment vehicles not designated to members.

The DC Section investments purchased by the Scheme are allocated to provide benefits to the individuals on whose behalf corresponding contributions are paid. The investment manager holds the investment units on a pooled basis for the Trustees. The Scheme administrator allocates investment units to members. Accordingly, the assets identified as designated to members in the net assets statement do not form a common pool of assets available for members generally. Members each receive an annual statement confirming the contributions paid on their behalf and the value for their money purchase rights.

## Notes to the Financial Statements (Cont)

### 17. Derivatives

#### OBJECTIVES AND POLICIES

The Trustees have authorised the use of derivatives by their investment managers as part of their investment strategy for the Scheme as follows:

Swaps – the Trustees' aim is to match as far as possible the Liability Driven Investment (LDI) portfolio and the Scheme's long term liabilities, in particular in relation to their sensitivities to interest rate movements. The Trustees have entered into OTC interest rate swaps during the year that extend the duration of the fixed income portfolio to match more closely the long term liabilities of the Scheme.

Options – equity option contracts have been entered into in order to allow the Scheme to benefit from potentially greater returns from equities whilst minimising the risk of loss through adverse market movements.

Forward FX – in order to maintain appropriate diversification of investments within the portfolio and take advantage of overseas investment returns, a proportion of the underlying investment portfolio is invested overseas. To balance the risk of investing in foreign currencies whilst having an obligation to settle benefits in GBP (sterling), a currency hedging programme, using forward FX contracts, has been put in place to reduce the currency exposure of these overseas investments to the targeted level.

At the year end the Scheme had the following derivatives:

	2025		2024	
	Asset £'000	Liability £'000	Asset £'000	Liability £'000
Interest rate swaps	8,145	(23,853)	11,302	(30,427)
Total return swaps	799	(56)	-	(2,389)
Options	3,509	(2,451)	4,642	(3,776)
Forward FX contracts	6	(684)	-	-
	<u>12,459</u>	<u>(27,044)</u>	<u>15,944</u>	<u>(36,592)</u>

A summary of the Scheme's outstanding derivative contracts at the year-end aggregated by key characteristics is set out below:

#### i. OTC Swaps

Nature	Notional	Expires	Asset value	Liability value
	amounts £'000		£'000	£'000
Interest rate swaps	99,235	<10 years	8,145	(19,303)
Interest rate swaps	13,600	11-20 years	-	(4,550)
Total return swaps	<u>68,055</u>	<10 years	<u>799</u>	<u>(56)</u>
<b>Total 2025</b>	<u>180,890</u>		<u>8,944</u>	<u>(23,909)</u>
Total 2024	<u>261,148</u>		<u>11,302</u>	<u>32,816</u>

At the year end the Scheme held collateral comprising of bonds and cash totalling £15,154 (2024: £19,718) in respect of the OTC swaps (£000's).

#### ii. Options

Nature	Notional	Expires	Asset value	Liability value
	amounts £'000		£'000	£'000
Derivative Options	<u>18,421</u>	<10 years	<u>3,509</u>	<u>(2,451)</u>
<b>Total 2025</b>	<u>18,421</u>		<u>3,509</u>	<u>(2,451)</u>
Total 2024	<u>14,913</u>		<u>4,642</u>	<u>3,776</u>

## Notes to the Financial Statements (Cont)

### 17. Derivatives (Cont)

#### iii. Forward FX

Contract	Settlement date	Currency bought	Currency sold	Asset value	Liability value
				£'000	£'000
Forward OTC	26/11/2025	GBP	EUR	-	(68)
Forward OTC	26/11/2025	GBP	JPY	6	-
Forward OTC	26/11/2025	GBP	USD	-	(616)
<b>Total 2025</b>				<u>6</u>	<u>(684)</u>
Total 2024				-	-

### 18. AVC investments

The Trustees hold assets invested as part of the Scheme to secure additional benefits for those DB members who have previously elected to pay additional voluntary contributions to an in-house AVC arrangement. The value of these AVC funds are included in the DB section of the Scheme assets.

### 19. Fair value hierarchy

The fair value of financial instruments has been disclosed using the following fair value hierarchy:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

A fair value measurement is categorised in its entirety on the basis of the lowest level input which is significant to the fair value measurement in its entirety.

The Scheme's investment assets and liabilities fall within the above hierarchy levels as follows:

	As at 31 October 2025			Total £'000
	Level 1 £'000	Level 2 £'000	Level 3 £'000	
<b>Defined Benefit Section</b>				
Equities	-	3,964	16,602	20,566
Bonds	-	154,924	-	154,924
Pooled investment vehicles	-	154,515	-	154,515
Derivatives	-	(14,585)	-	(14,585)
Funds with brokers	5,151	-	-	5,151
	<u>5,151</u>	<u>298,818</u>	<u>16,602</u>	<u>320,571</u>
<b>Defined Contribution Section</b>				
Pooled investment vehicles	-	250,007	-	250,007

## Notes to the Financial Statements (Cont)

### 19. Fair value hierarchy (Cont)

Defined Benefit Section	As at 31 October 2024			Total £'000
	Level 1 £'000	Level 2 £'000	Level 3 £'000	
Equities	-	4,894	19,538	24,432
Bonds	-	171,726	-	171,726
Pooled investment vehicles	-	151,732	-	151,732
Derivatives	-	(20,648)	-	(20,648)
Funds with brokers	7,054	-	-	7,054
	7,054	307,704	19,538	334,296
<b>Defined Contribution Section</b>				
Pooled investment vehicles	-	204,350	-	204,350

### 20. Investment risk disclosures

#### Investment risks

FRS 102 requires the disclosure of information in relation to certain investment risks as follows:

- Credit risk – one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Market risk – comprises the following three types of risk:
  1. Interest rate risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market interest rates
  2. Currency risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in foreign exchange rates
  3. Other price risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market prices (other than those due to interest rates and currency).

The Trustees determine their investment strategy after taking advice from a professional investment adviser. The Scheme has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustees manage investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Scheme's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustees by regular reviews of the investment portfolio.

Further information on the Trustees' approach to risk management, credit and market risk is set out below.

#### Defined Benefit Section

##### Investment strategy

The investment objectives of the Defined Benefit (DB) section are:

- The acquisition of suitable assets, having due regard to the risks, which will generate income and capital growth to pay, together with contributions from the Principal Employer, the benefits which the Scheme provides as they fall due;
- To limit the risk of the assets being assessed as failing to meet the liabilities over the long term, having regard to any Statutory Funding requirement; and
- To achieve a return on investments which is expected to at least meet the Scheme Actuary's assumptions over the long term.

The Trustees set the investment strategy for the Scheme taking into account the strength of the Employer Covenant, the long-term liabilities of the Scheme and the funding agreed with the Employer. The investment strategy is set out in its SIP.

## Notes to the Financial Statements (Cont)

### 20. Investment risk disclosures (Cont)

The DB strategy as at 31 October 2025 is to hold:

- 40% in investments which move in line with the long-term liabilities of the Scheme. This is referred to as Liability Driven Investment (LDI) and comprises gilt and leveraged index-linked gilt and swaps held with Schroders Solutions, the purpose of which is to hedge against the impact of interest rate and inflation movements on long term liabilities.
- 50% in return seeking investments comprising UK and overseas equities (including the use of pooled investment vehicles), investment property, PPP investments and swaps (to hedge against the impact of interest rate and inflation movements).
- 10% in Cashflow matching investments comprising global investment grade corporate bonds that will pay coupon and maturity proceeds to the Scheme, the purpose of which is to reduce the need to sell other assets over the short to medium term.

### Risk Exposures Summary

The following table summarises the extent to which various classes of investments are affected by the risks noted above:

Defined Benefit Section	Credit risk	Currency risk	Interest rate risk	Other price risk	2025 £000	2024 £000
<b>Investment Type</b>						
Equities	-	○	-	●	20,566	24,432
Bonds	○	-	●	-	154,924	171,726
Pooled investment vehicles	○	○	○	○	154,515	151,732
Derivatives	○	-	○	○	(14,585)	(20,648)
Funds with Brokers	○	○	-	-	5,151	7,054
<b>Total</b>					<b>320,571</b>	<b>334,296</b>

Key: The risk noted affects the fund significantly (●) or partial (○) or none/immaterial (-).

#### Market risk: Interest rates

The Scheme is subject to interest rate risk because some of the Scheme's investments are held in bonds, interest rate swaps, either as segregated investments or through pooled vehicles, and cash. However, the overall interest rate exposure of the Scheme's assets hedges part of the corresponding risks associated with the Scheme's liabilities. The net effect will be to reduce the volatility of the funding level, and therefore the Trustees believe that it is appropriate to have exposure to interest rate risk in this manner.

Under the Scheme's liability hedging strategy if interest rates fall the value of these investments will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise these investments will fall in value as will actuarial liabilities because of an increase in the discount rate.

#### Market risk: Currency

The Scheme is subject to currency risk because some of the Scheme's investments are held in overseas markets via pooled investment vehicles. The Trustees' policy for managing this risk is detailed in the Statement of Investment Principles.

Currency risk is mitigated by delegating management of currency exposures at total portfolio level to Schroders Solutions. Schroders Solutions implement currency hedging through the use of hedged shared classes of pooled funds (where available) and the use of FX forward contracts.

Net of currency hedging, 6.7% of the Scheme's holdings were exposed to overseas currencies as at year-end (2024: 6.3%).

## Notes to the Financial Statements (Cont)

### 20. Investment risk disclosures (Cont)

#### Market risk: Other price

Other price risk arises principally in relation to the Scheme's return seeking portfolio which may include various asset classes (i.e. alternatives, bonds, equities, cash and investment properties) held in pooled vehicles. The Scheme manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets. According to the Scheme's Statement of Investment Principles, each investment manager is expected to manage broadly diversified portfolios and to spread assets across a number of individual shares and securities. In addition, the asset allocation is detailed in the Appendix of the SIP document and is monitored on a regular basis by the Trustees.

#### Credit risk

The Scheme is subject to credit risk because the Scheme directly invests in bonds, OTC derivatives and has cash balances. The Scheme also invests in pooled investment vehicles and is therefore indirectly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles. The Trustees' policy for managing credit risk is detailed in the Statement of Investment Principles.

Credit risk arising on derivatives held directly depends on whether the derivative is exchange traded or over the counter (OTC). The Scheme holds OTC derivative contracts which are not guaranteed by any regulated exchange and therefore the Scheme is subject to risk of failure of the counterparty. Credit risk for OTC derivative contracts is mitigated by placing restrictions on Schroders Solutions which ensure that new contracts are only entered into with counterparties that are investment grade. The credit risk in respect of OTC swaps is further reduced by collateral arrangements.

Credit risk arising on bonds held directly is mitigated by Schroders Solutions choosing to only invest in government bonds, where the credit risk is minimal, or corporate bonds which are rated at least investment grade.

Directly held cash balances are at financial institutions which are at least investment grade credit rated. This is the position at the year-end.

Indirect credit risk arises in relation to underlying investments held in bond and cash pooled investment vehicles. This risk is mitigated by the Trustees mandating Schroders Solutions that the underlying investment in sub-investment grade debt may not exceed 30% of the general allocation.

Both direct and indirect credit risk is mitigated by holding a diversified portfolio to minimise the impact of default by any one issuer. The Trustees monitor the investment strategy adopted by Schroders Solutions to ensure that the arrangement remains diversified.

Direct credit risk arises in respect of pooled investment vehicles. The Scheme's general allocation is invested across a large number of different pooled funds which have various legal structures in various domiciles (e.g. open-ended investment companies, unit trusts, limited partnerships etc.).

The direct credit risk associated with these managers is also mitigated by:

- the regulatory environments in which those managers operate;
- diversification amongst a large number of pooled arrangements; and
- due diligence checks by Schroders Solutions on the appointment of new pooled managers, and monitoring on an ongoing basis for any changes to the operating environment of each manager.

## Notes to the Financial Statements (Cont)

### 20. Investment risk disclosures (Cont)

A summary of the pooled investment vehicles\* by type of arrangement is as follows:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Authorised Unit Trust	2,457	5,077
Investment Trust	7,354	7,501
Exchange Traded Fund	40,923	25,839
ICVC	12,454	7,407
Limited Liability Company	3,930	3,605
Limited Partnership	1,992	1,946
Mutual Fund	23,756	42,630
Open ended investment companies	30,731	37,977
SICAV	14,410	8,143
Fonds Commun de Placement (FCP)	1,645	1,153
ETC	3,773	2,344
Cayman Islands Exempted Company	2,257	-
	145,682	143,622

\*Undesignated Pooled Investment Vehicles only. Excludes Pooled investment vehicles designated to members within the DB Section. See note 13 for more details.

### Defined Contributions Section

Overall investment policy falls into two parts. Setting the investment strategy for the Scheme's assets is fundamentally the responsibility of the Trustees (acting on professional advice, as they deem appropriate from their investment consultants) and is driven by their investment objectives. The remaining elements of the investment policy are related to the day to day management of the assets, which is delegated to a professional investment manager.

The Scheme has exposure to the above risks because of the investments it makes to implement its investment strategy. The Trustees have identified and seek to manage the Scheme's investment risks by taking them into account when setting the Scheme's strategic investment objectives. The investment objectives and risk management are implemented through the careful selection of pooled investment funds accessed through a long term insurance policy with FIL Life Insurance Limited ("FIL Life") that are consistent with them. The Trustees monitor their investment objectives and risks through regular reviews of the investment portfolios.

#### Investment strategy

The main priority of the Trustees when considering the investment policy for the Scheme is to make available investment funds, which serve to meet the varying investment needs and risk tolerances of the members. The Trustees also recognise that members may not believe themselves qualified to take investment decisions. As such, the Trustees make available a default investment strategy, which they believe to be broadly appropriate, having taken expert advice, for any member not wishing to make his or her own investment choices.

The Trustees also makes available a range of self-select funds to members who are comfortable to build their own bespoke investment strategy. The investment objectives are implemented through the insurance policy in place with FIL Life and are monitored by the Trustees through regular reviews of the investment portfolios.

The Trustees monitor the underlying risks by reviewing investment performance and risk through regular investment reviews. Additionally, the Trustees' investment adviser provides help in monitoring the investment managers, both in the form of written reports and attendance at meetings as required by the Trustees.

Day-to-day management of the assets is delegated to a number of third party professional investment managers, who are all authorised or regulated. The Trustees expect the investment managers to manage the assets delegated to them under the terms of their contracts, including the management of credit and market risks. The investment managers have full discretion to buy and sell investments on behalf of the Scheme, subject to agreed constraints and applicable legislation.

## Notes to the Financial Statements (Cont)

### 20. Investment risk disclosures (Cont)

The Trustees recognise that it is not possible to specify investment restrictions where assets are managed via pooled funds and furthermore, it is FIL Life that has the direct relationship with the third parties offering the funds (and not the Trustees).

#### Direct credit risk

The Scheme is subject to direct credit risk through its unit-linked insurance policies, which are unrated, with FIL Life, which it uses to access the Scheme's fund range. FIL Life is regulated by the Financial Conduct Authority and the Prudential Regulation Authority. FIL Life invests the Scheme's assets in its own investment unit-linked funds, the majority of which invest in pooled investment funds managed by other investment firms either accessed directly or through reinsurance arrangements with other life insurance companies. In the event of FIL Life becoming insolvent, the Scheme is protected by the Financial Services Compensation Scheme ("FSCS") against losses attributable to FIL Life and may be able to make a claim for 100% of its policy value, although noting that compensation is not guaranteed.

The underlying investment vehicles (of the unit-linked funds) and reinsurance arrangements are not covered by the FSCS in the event of insolvency or failure of the underlying investment firm, its custodian or any third-party reinsurer (in the case of reinsurance arrangements). Any payment of claims in these events would therefore depend on the legal context of the triggering event, the structure of contractual relationships and the priority of claims.

The Scheme is also subject to indirect credit and market risk arising from the underlying investments held in the funds:

- Indirect credit risk arises in relation to cash pooled investment vehicles and underlying bond investments held in the bond funds;
- Indirect currency risk arises from the sterling priced pooled investment vehicles which hold unhedged underlying investments denominated in foreign currency;
- Indirect market risk arises where the underlying investments of a pooled investment vehicle is exposed to interest rate or other price risks. These include bond and cash pooled investment vehicles.

The Trustees have considered the indirect risks in the context of the investment strategy. The risks disclosed here relate to the Scheme investments as a whole. As members are able to choose their own investments from the range of funds offered by the Trustees, it should be noted that member level of risk exposure will be dependent on the funds chosen by members.

## Notes to the Financial Statements (Cont)

### 20. Investment risk disclosures (Cont)

During the year, the following pooled investment funds were exposed to underlying (indirect) credit, currency, interest rate and other price risks arising from the underlying financial instruments held:

Defined Contribution Section	Credit risk*	Currency risk	Interest rate risk	Other price risk	2025 £000	2024 £000
<b>Fund</b>						
Cash Fund	●	○	○	○	3,853	3,667
Cautious Growth Fund	●	●	●	●	56,500	45,179
Corporate Bonds Fund	●	○	●	○	1,436	1,395
Future World Annuity Aware Fund	●	●	●	●	3,628	4,007
Future World Inflation Linked Annuity Aware Fund	●	●	●	●	1,552	1,740
Global Equity 60/40 Hedged Fund	●	●	○	●	58	44
Global Equity Fund	●	●	○	●	43,268	34,154
ESG Global Equity Fund	●	●	○	●	10,135	8,292
Diversified Growth Fund	●	●	●	●	908	1,188
Long Term Growth Fund	●	●	●	●	30,673	25,821
Retirement Focus Fund	●	●	●	●	9,340	6,031
Shariah Fund	●	●	○	●	1,063	537
Stable Growth Fund	●	●	●	●	68,103	56,710
UK Equity Fund	●	○	○	●	19,490	15,585
<b>Total</b>					<b>250,007</b>	<b>204,350</b>

Key: The risk noted affects the fund significantly (●) or partial (○) or none/immaterial (-).

\*Column shows both Direct and Indirect Credit Risk.

### 21. Concentration of investments

The following investments each account for more than 5% of the Scheme's net assets at the year-end:

	2025		2024	
	£'000	%	£'000	%
Fidelity Stable Growth Fund	69,108	11.8	57,731	10.6
Fidelity Cautious Growth Fund	58,680	10.0	47,221	8.7
Fidelity Global Equity Fund	46,404	7.9	36,944	6.8
Fidelity Long Term Growth Fund	30,814	5.3	n/a	n/a
BNY Mellon Global Equity Fund	n/a	n/a	39,519	7.3

n/a – below 5%

## Notes to the Financial Statements (Cont)

### 22. Current assets

	Defined Benefit Section £'000	2025 Defined Contribution Section £'000	Total £'000
Contributions due from Employer in respect of:			
Employers	-	278	278
Employees	-	68	68
Other debtors	55	502	557
Cash balances	13,058	2,122	15,180
	13,113	2,970	16,083
	Defined Benefit Section £'000	2024 Defined Contribution Section £'000	Total £'000
Contributions due from Employer in respect of:			
Employers	-	-	-
Employees	-	-	-
Other debtors	385	501	886
Cash balances	7,819	2,526	10,345
	8,204	3,027	11,231

Contributions due to the Scheme at the year end have been paid subsequent to the year end in accordance with the Schedule of Contributions.

## Notes to the Financial Statements (Cont)

### 23. Current liabilities

	Defined Benefit Section £'000	2025 Defined Contribution Section £'000	Total £'000
Taxation and social security	427	-	427
Accrued benefits	115	24	139
Accrued expenses	506	11	517
Other creditors	573	84	657
Provision	2,200	-	2,200
GMP equalisation provision	30	-	30
	3,851	119	3,970

  

	Defined Benefit Section £'000	2024 Defined Contribution Section £'000	Total £'000
Taxation and social security	406	-	406
Accrued benefits	58	19	77
Accrued expenses	497	23	520
Other creditors	594	15	609
Provision	2,200	-	2,200
GMP equalisation provision	-	-	-
	3,755	57	3,812

#### Provision

In 2019, a non-GMP equalisation issue was identified for pre 1988 male members which led to a benefit rectification exercise. The majority of current members were corrected in September 2023 and back payments paid out, however reserves for future back payments for the remaining members impacted and historic members (deaths and transfers out) of c£2.2m are held. The provision shown is considered a prudent estimate. The movement in the provision since the previous accounting period was £Nil (2024: £2.8m).

#### GMP Equalisation Provision

Additionally, on 20 November 2020, the High Court handed down a judgment confirming that defined benefit schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Trustees have calculated the total adjustment due and this is c£0.03m; the next stage of the project is tracing the past leavers to see if these values can be settled. The provision shown is considered a prudent estimate.

## Notes to the Financial Statements (Cont)

### 24. Related party transactions

Sir Robert McAlpine Limited provides the day-to day administration and other services (including the fees and expenses of two of the Trustees) to the Scheme. Total fees due to the Independent Trustee amount to £126,195 (2024: £116,075) of which £18,720 (2024: £17,500) relates to the current period. In addition, total fees due to another Trustee amount to £3,104 (2024: £3,180). The Scheme does not reimburse the company for these expenses (as referred to in note 10).

There have been no other related party transactions during the year (2024: Nil). Three of the Trustees were members of the Scheme at the year-end (2024: three). The contributions paid on behalf of these members were in line with the Schedule of Contributions. Investment transactions with related parties are disclosed in "Employer-related investments" within Note 25 below.

### 25. Employer-related investments

Included in investments at the year end are shares in an Employer related company.

One investment, included within Equities, consists of 2,800 BM\$1.00 shares in Paget Health Services (Holdings) Limited acquired at a cost of BM\$ 10,091,766 on 27 November 2010. The Newarthill group, of which the Principal Employer, Sir Robert McAlpine Limited, is a member, owns 58.0% of the share capital of Paget Health Services (Holdings) Limited. The value of this investment at 31 October 2025 was £12,579,189 being 2.2% of net assets (2024: £14,963,967 being 2.7% of net assets).

As at the year-end, no other investments were held in shares of any of the Participating Employers (2024: Nil).

### 26. Transfers between sections

	2025	
	DB Section	DC Section
	£'000	£'000
Reclassification of assets from DB to DC	(35)	35
	2024	
	DB Section	DC Section
	£'000	£'000
Reclassification of assets from DB to DC	-	-

### 27. Contingent liabilities

#### GMP Equalisation

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Trustees considered this in detail in order to determine the impact on the Scheme members' benefits. Under the ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. Accordingly, in April 2025 arrears payments totalling £2,157,411 were made for the majority of pensioner and beneficiary members in respect of GMP rectification and equalisation (see note 8).

On 20 November 2020, the High Court handed down a second judgment involving the Lloyds Banking Group's defined benefit pension schemes. This latest judgment confirms that defined benefit schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Trustees have considered the next steps as the scheme has experienced significant historical transfers out which will be subject to adjustment as a result of this second ruling. The Trustees have calculated the total adjustment due and this is c£0.03m; the next stage of the project is tracing the past leavers to see if these values can be settled. A provision has been recognised accordingly in note 23 of these financial statements.

## Notes to the Financial Statements (Cont)

### 27. Contingent liabilities (Cont)

#### Ruling on amendment of Contracted-Out Salary-Related pension schemes

The Virgin Media Ltd v NTL Pension Trustees II decision, handed down by the High Court on 16 June 2023, considered the implications of section 37 of the Pension Schemes Act 1993. In a judgment delivered on 25 July 2024, the Court of Appeal unanimously upheld the decision of the High Court and the case has the potential to cause significant issues in the pensions industry.

In June 2025, the Government announced that they will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards.

On 1 September 2025, the Government published a series of draft amendments to the Pension Schemes Bill 2025. These amendments include new clauses implementing the Government's promised remedy following the Court of Appeal decision. The relevant amendments are due to come into force two months after the Pension Schemes Bill receives Royal Assent. Having consulted with their advisers, the Trustees have determined that there is no immediate need for action, but they will monitor developments.

# Certificate of Adequacy of Contributions

DocuSign Envelope ID: 67CA3057-CE91-472D-BD8B-BEEDBE811DB2

The Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme | [Hymans Robertson LLP](#)

## The Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme

### Schedule of Contributions – Actuarial Certificate

#### Adequacy of contributions

In my opinion, the contributions shown in this schedule are such that the statutory funding objective could have been expected on 31 October 2021 to be met by the end of the period specified in the recovery plan dated 28 July 2023.

#### Consistency with statement of funding principles

In my opinion, this schedule of contributions is consistent with the statement of funding principles dated 28 July 2023.

Please note that the adequacy of contributions statement in this certificate relates to the Scheme's statutory funding objective. For the avoidance of doubt this certificate does not mean that the contributions shown in this schedule would be enough to secure the Scheme's full liabilities with annuities if the Scheme were to wind up.

Signature

Date

28 July 2023

Name

Shireen Anisuddin

Qualification

Fellow of the Institute and Faculty of Actuaries

Name of Employer

Hymans Robertson LLP

Address

1 London Wall, London EC2Y 5EA

This certificate is provided to meet the requirements of regulation 10(6) of The Occupational Pension Schemes (Scheme Funding) Regulations 2005.

# Schedule of Contributions



The Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme | Hymans Robertson LLP

## The Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme

### Schedule of Contributions

This schedule sets out the contributions that will be paid to The Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme (the "Scheme"). This schedule is dated 28 July 2023 and applies from 31 July 2023 until 31 May 2030. It replaces the previous schedule dated 31 August 2020.

This schedule has been prepared with the agreement of Sir Robert McAlpine Limited and Renewable Energy Systems Limited ("the Employers") and after taking the advice of Shireen Anisuddin (the Scheme Actuary). This schedule has been certified by the Scheme Actuary and the certificate is included in the appendix.

#### Defined Benefit (DB) Section

##### Member contributions

The DB Section of the Scheme is closed and has no active members. No member contributions or Employers' contributions for new benefits are due to be paid to the Scheme under this schedule.

##### Employers' deficit reduction contributions

The 31 October 2021 actuarial valuation showed that the Scheme had a funding deficit relative to the Scheme's statutory funding objective. The Employers shall pay deficit recovery contributions from 31 July 2023 in line with the table below, payable quarterly in arrears (by 31 January, 30 April, 31 July and 31 October) unless otherwise specified. Please note when calculating the deficit reduction contributions due we have not allowed for post valuation experience, but we have allowed for the c£21m contribution paid in March 2022 as part of the RES Distribution Matching Agreement.

Time period	Contributions
<b>One-off contribution payable on 31 July 2023</b>	£35m
<b>1 August 2023 to 31 October 2023</b>	£0m
<b>1 November 2023 to 31 October 2024</b>	£0m
<b>1 November 2024 to 31 October 2025</b>	£3.175m (i.e. £1.5875m payable by 31 July and 31 October 2025)
<b>1 November 2025 to 31 October 2026</b>	£9.9m (i.e. £1.65m payable by 31 January and 30 April 2026, and £3.3m payable by 31 July and 31 October 2026)
<b>1 November 2026 to 31 October 2027</b>	£13.7m
<b>1 November 2027 to 31 October 2028</b>	£14.4m
<b>1 November 2028 to 31 October 2029</b>	£15.1m
<b>1 November 2029 to 31 May 2030</b>	£8.2m

Employers' contributions are due to be paid to the Scheme not later than 19 days after the end of the quarter to which they relate.

## Schedule of Contributions (Cont)

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The Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme | Hymans Robertson LLP

The Employers shall also pay to the Scheme any additional contributions that may be required from time-to-time under the Scheme's Trust Deed and Rules e.g. augmentation payments, on the advice of the Scheme Actuary as required.

The Employers may also pay any additional contributions from time to time that it so chooses.

### Expenses, Levies, Fees and Insurance Premiums

In addition to the deficit reduction contributions from the quarter ended 31 July 2023 (inclusive), the Employers will pay a £1.25m p.a. (payable quarterly in arrears) fixed contribution towards the costs of administering the Scheme, including an allowance for the Pensions Protection Fund levy and other levies collected by the Pensions Regulator. This contribution will cover the following items:

- the Pension Protection Fund levy;
- the Pension Protection Fund administration levy;
- the Pension Regulator's general levy;
- fees payable to the Scheme's administrators and other professional advisors; and
- other Scheme expenses that are reasonably incurred in the course of the Trustees performing their duties.

This expenses contribution will be reviewed as part of the 31 October 2024 valuation.

Life insurance premiums are payable in addition by the Employers.

### Additional contingent contributions

The Trustees and Employers have retained the agreement entitled the 'RES Distribution Matching Arrangement – 2018 Actuarial Valuation dated 25 August 2021 (the 'Agreement')'. The Agreement provides that additional contributions could be due if certain conditions are met, further details are set out in the Agreement. The effect of any such additional contributions would be to reduce the period over which the Scheme's shortfall would otherwise be expected to be eliminated.

### Defined Contribution (DC) Section

Members in the defined contribution section contribute, at their own choice, at a rate of between 6% and 8% of their Pensionable Salary and the Employers match the member's contributions.

In addition, the Employers contribute an extra 1% for members with 15 or more years' service, with no additional member contributions being required.

Employers' contributions are due to be paid to the Scheme not later than 19 days after the end of the month to which they relate.

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The Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme | Hymans Robertson LLP

### Prepared by the Trustees of the Scheme

Signature ..... on behalf of the Trustees  
Print name **Kate Jarvis** ..... Position **Trustee**  
Date **28-Jul-2023 | 16:57 BST** .....

### Agreed by the Employers

Signature ..... on behalf of Sir Robert McAlpine Limited  
Print name **Leighton More** ..... Position **CFO**  
Date **28-Jul-2023 | 16:53 BST** .....

The Scheme is a multi-employer Scheme. Sir Robert McAlpine Limited is the Principal Employer under the Scheme's Trust Deed and Rules and is nominated to act on behalf of all participating sponsors in the Scheme for the purpose of section 229(1) of the Pensions Act 2004.

This schedule of contributions is provided to meet the requirements of section 227 of the Pensions Act 2004.

# Chair's Statement

## Statement Regarding DC Governance

For the Twelve Months Ending 31 October 2025

Annual Governance Statement by the Chair of the Trustees

### Introduction

Governance requirements apply to defined contribution ("DC") pension arrangements, to help members achieve a good outcome from their pension savings. The Trustees of the Sir Robert McAlpine Pension & Life Assurance Scheme (the "Scheme") are required to produce a yearly statement (which is signed by the Chair of Trustees) to describe how these governance requirements have been met in relation to:

1. *the investment options in which members' funds are invested (this means the "default arrangement" and other funds members can select or have assets in, such as self-select or "legacy" funds);*
2. *the requirements for processing financial transactions;*
3. *the charges and transaction costs borne by members;*
4. *an illustration of the cumulative effect of these costs and charges;*
5. *net returns of the investment options;*
6. *a 'value for members' assessment; and*
7. *Trustee knowledge and understanding.*

This statement covers the period from 1 November 2024 to 31 October 2025.

### 1. Investment options

Members who join the Scheme and who do not choose an investment option are placed into the Default Lifestyle arrangement (the "default lifestyle").

Following the investment strategy review in 2023, the Trustees also automatically transferred members previously invested in the Ethical fund within the self-select range to the newly created ESG Equity fund. Consequently, the ESG Equity fund is now considered an additional default arrangement within the Scheme.

The Trustees have in place a Statement of Investment Principles ("SIP") which governs decisions about investments and sets out the aims and objectives of the Scheme's investment strategy, including full information about the default lifestyle arrangement.

In particular it covers:

- the Trustees' investment policy, including policies on risk, balancing and realising assets, return and ethical investing; and
- how the default investment strategy is intended to ensure that assets are invested in the best interests of members and beneficiaries.

The Trustees regularly review the default investment strategy, particularly in response to significant changes in investment market conditions, member demographics, or the regulatory framework. The last

## Chair's Statement (Cont)

full strategy review was undertaken in 2023, with the resulting changes implemented in 2024. In addition, during the 2024/2025 Scheme year, the Trustees explored fossil fuel free fund options and agreed to introduce the BlackRock Developed World Fossil Fuel Screened Fund. This fund was made available to members in December 2025.

The next strategy review is scheduled for 2026.

The performance of the funds underlying the default investment strategy is formally reviewed quarterly as part of the quarterly investment reporting to the Trustees provided by Fidelity, the bundled administration and platform provider.

You can find the latest SIP at [https://www.srm.com/media/lehj5lvr/srm-dc-sip\\_feb-25.pdf](https://www.srm.com/media/lehj5lvr/srm-dc-sip_feb-25.pdf)

### *Default Strategy Asset Allocation as at 31 October 2025*

From 1st October 2023, the Trustees are required to disclose the underlying percentage of assets allocated to each of the asset classes shown below in their default arrangement, at different stages of the lifestyle process:

Asset Class (%)	25-year-old member	45-year-old member	55-year-old member	65-year-old member (1 day prior to State Pension Age)
Cash	0.0	0.0	0.0	25.0
Corporate bonds, UK government bonds and overseas government bonds.	0.0	30.0	50.0	37.5
Listed equities	100.0	70.0	50.0	37.5
Private equity	0.0	0.0	0.0	0.0
Infrastructure	0.0	0.0	0.0	0.0
Other property/real estate	0.0	0.0	0.0	0.0
Other private debt/credit	0.0	0.0	0.0	0.0
Any other assets	0.0	0.0	0.0	0.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Fidelity (data, as at 31 October 2025). Schroders Solutions (calculations, as at December 2025).

## Chair's Statement (Cont)

### 2. Processing financial transactions

The core financial transactions (including investment of contributions, transfers in and out, and transfers of assets between different funds within the Scheme) have been processed promptly, accurately, and in accordance with the Service Level Agreement (SLA) with the Service Provider. The Administration Sub-Committee (ASC) monitors this by reviewing quarterly Administration Reports issued by the Service Provider.

In line with the reporting arrangements, there are robust controls in place to ensure that core financial transactions continue to be processed promptly and accurately. Any serious breaches of, or excessive delays in meeting, the SLA are monitored by the Pensions Department and initially reported quarterly to the ASC. If an issue remains unresolved, details are escalated to the full Trustee Board for further consideration and action.

The processing of member contributions is independently reconciled by the Pensions Department, providing an additional control over the Service Provider's processing of these transactions. Further scrutiny of transactions, as well as reporting and controls, is detailed in the Audit Report, which forms part of the Scheme's Annual Report & Accounts.

The Scheme Secretary provides the ASC with a quarterly report showing the date contributions are paid into the Scheme by the Employers, and the date contributions are received and invested by the Service Provider each month. Any instances of late payment are reported to the ASC with reasons for the delay and actions to prevent reoccurrence.

During the year there was a delay in the payment of contributions to the Service Provider for RES Energy members in respect of May, June and August payrolls. The delay was due to an issue with the Service Provider setting up RES Energy as a new participating employer on their systems. All contributions were received by the Scheme within the statutory deadlines and therefore did not result in a breach, but some contributions were invested later than would otherwise be expected. Monthly calls have been set up between the Service Provider and the Payroll team to ensure these issues do not reoccur.

### 3. Charges and transaction costs

'Charges' means administration charges other than transaction costs (see below). Members bear charges that are deducted from the funds in which their benefits are invested. The charges differ between the investment funds that are available. The Trustees are required to calculate the charges and transaction costs paid by members during the assessment period and assess the extent to which these charges and transaction costs represent good value for members.

Transaction costs are a complicated issue as they are associated with different member, Trustees or manager actions. Transaction costs can be split into three areas:

## Chair’s Statement (Cont)

### 1. *Transaction costs incurred by members as part of changes in the fund range*

No transaction costs were incurred in the twelve months ending 31 October 2025 since there were no changes to the fund range.

### 2. *Transaction costs incurred by members buying and selling funds as part of the default lifestyle option*

A member in the default lifestyle is required to buy and sell assets when automatically switching between funds within the lifestyle. We estimate that over a member’s life, the cost of entering the lifestyle option, switching between funds and subsequently redeeming assets upon retirement for each £1 of income invested is c.1.68% in a worst-case scenario. This equates to an average of 0.04% per annum, as at 31 October 2025.

A breakdown of the cost estimate on a worst-case basis is provided in the table below. Our calculations do not take account of netting trades within the funds (e.g. cancelling out selling common underlying funds between the blends). It also assumes that a member pays a cost of “bid price – mid price” for any sale of assets and “mid-price – offer price” for any purchase of assets (hence the “worst-case scenario”).

Members will experience varying levels of cost depending on their position within the lifestyle. Actively contributing members would have experienced at least one source of transition cost on the contributions they made over the year. Deferred members may or may not have experienced transition costs of this nature, depending on if they phased between funds or not. These costs will continue in the future at a level expected to be similar to below.

Lifestyling is carried out automatically for members who are invested in the default lifestyle. Market conditions are considered in the context of deciding on the composition of the funds in the lifestyle, but not when automatically phasing members between funds. The funds are established and governed in a way which is cognisant of market conditions, therefore it is not necessary (or practical) to consider market conditions for each member each month when lifestyling.

The funds are priced on a “single swinging basis”, meaning they may be priced at bid or offer on any day, depending on the net cashflow (from all investors in/out of the fund) that day. Therefore, in practice, the cost incurred is unlikely to be the full amount above and may even provide an uplift, should fund prices swing favourably. Members will also experience varying levels of costs depending on their position within the lifestyle. Therefore, it is not practical to split out the actual costs incurred by each member.

The table below sets out the total “worst-case” transaction costs for each fund within the default lifestyle. Transaction costs are shown over the 12 months to 31 October 2025 and have been sourced from the Scheme’s investment platform provider, Fidelity.

<b>Movement between funds</b>	<b>Worst case cost</b>
Buy Long Term Growth Fund	0.16%
Sell Long Term Growth Fund -> Buy Stable Growth Fund	0.34%

## Chair's Statement (Cont)

Sell Stable Growth Fund -> Buy Cautious Growth Fund	0.49%
Sell Cautious Growth Fund -> Buy Retirement Focus Fund	0.48%
Sell Retirement Focus Fund	0.21%
<b>Total:</b>	<b>1.68%</b>
<b>Total (p.a.)</b>	<b>0.04%</b>

Source: Fidelity (data, as at June 2025, Schroders Solutions (calculations, as at December 2025).

Assumption:(1) members join the Scheme 40 years from retirement

(2) price swings are all unfavourable to members

(3) no netting of trades occurs

(4) no investment return (i.e., the only effect on the amount invested is from transaction costs)

### 3. "Frictional costs" incurred by members due to funds internally buying and selling underlying assets (e.g. stocks or bonds)

As part of day-to-day trading activities, the funds may incur "frictional costs". Frictional costs are categorised as explicit costs and implicit costs. Explicit costs are directly observable and in most cases managers are in position to report them. Examples of explicit costs include broker fees, transaction taxes and custody fees. Implicit costs cannot be observed in the same way but do have an impact on fund performance. Examples of implicit costs include bid-offer spreads and market impact.

These costs would be incurred every time a fund manager makes a trade within that fund and are intended to improve investment returns, reduce risk, or contribute to the smooth running of a fund. Some costs will be cognisant of market conditions (e.g. some active investment decisions), and some costs are in respect of decisions not linked to market conditions.

The table below sets out the total transaction costs for each fund within the default and self-select range.

	Fund	Frictional transaction costs 1 November 2024 to 31 October 2025 <sup>1</sup>
<b>Default Lifestyle Funds</b>	Long Term Growth	0.03%
	Stable Growth	0.03%
	Cautious Growth	0.03%
	Retirement Focus	0.05%
<b>Self-Select Funds</b>	L&G Future World Inflation-Linked Annuity Aware Fund	0.00%
	Cash Fund	0.13%
	Corporate Bond Over 15 Years Fund	0.03%
	Global ESG Equity Fund	0.04%
	Global Equity	0.04%
	Shariah Fund	0.01%
	UK Equity Fund	0.01%
L&G Global Equity Fixed Weights (60:40) Index Fund <sup>2</sup>	0.08%	

<sup>1</sup> Transaction costs are shown as at 30 September 2025. This is due to transaction cost data being produced on a quarterly basis and data availability at the time of reporting.

<sup>2</sup> As part of the changes implemented in 2020, the fund is no longer available as a self-select option.

## Chair's Statement (Cont)

	L&G Future World Annuity Aware (previously the Pre-Retirement Fund)	0.00%
	L&G Diversified Fund <sup>2</sup>	0.03%

Source: Fidelity, data as at 30 September 2025

The Total Expense Ratios ("TERs") applicable to the funds underlying the default lifestyle, and the self-select options, as of 30 September 2025 are set out in the table below:

	Fund	Total Expense Ratios (TERs) p.a.
<b>Default Lifestyle Funds</b>	Long Term Growth	0.25%
	Stable Growth	0.24%
	Cautious Growth	0.23%
	Retirement Focus	0.24%
<b>Self-Select Funds</b>	L&G Future World Inflation-Linked Annuity Aware Fund	0.26%
	Cash Fund	0.23%
	Corporate Bond Over 15 Years Fund	0.23%
	Global ESG Equity Fund	0.22%
	Global Equity	0.21%
	Shariah Fund	0.57%
	UK Equity Fund	0.21%
	L&G Global Equity Fixed Weights (60:40) Index Fund <sup>2</sup>	0.21%
	L&G Future World Annuity Aware (previously the Pre-Retirement Fund)	0.23%
L&G Diversified Fund <sup>2</sup>	0.31%	

#### 4. Illustration of the cumulative effect of these costs and charges

Below is an illustrative example of the cumulative effect over time of the application of charges and costs on the value of a member's accrued rights. The example outlines the effects of fund charges (the TERs above) and transaction costs (also above) across the Scheme's fund range.

Projected pension pot, in today's terms										
Years	Default Lifestyle Fund		Cash Fund		UK Equity Fund		Global Equity 60/40 Fund		Global Equity	
	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Gross of all charges	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Net of TER and frictional transaction costs
1	£97,500	£97,200	£95,800	£95,400	£99,300	£99,000	£99,300	£99,000	£99,300	£99,000
3	£129,000	£128,000	£123,000	£122,000	£135,000	£134,000	£135,000	£134,000	£135,000	£134,000
5	£162,000	£160,000	£150,000	£148,000	£174,000	£173,000	£174,000	£172,000	£174,000	£172,000
10	£248,000	£243,000	£217,000	£211,000	£284,000	£279,000	£284,000	£278,000	£284,000	£278,000
20	£440,000	£424,000	£345,000	£331,000	£567,000	£550,000	£567,000	£544,000	£567,000	£546,000
30	£662,000	£629,000	£468,000	£440,000	£962,000	£920,000	£962,000	£907,000	£962,000	£911,000
40	£919,000	£860,000	£584,000	£541,000	£1,510,000	£1,420,000	£1,510,000	£1,390,000	£1,510,000	£1,400,000

## Chair's Statement (Cont)

Projected pension pot, in today's terms										
	Corporate Bond Over 15 Years Fund		Future World Inflation-Linked Annuity Aware Fund		Shariah Fund		Global ESG Equity Fund		Diversified Fund	
Years	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Net of TER and frictional transaction costs
1	£100,000	£99,900	£99,300	£99,000	£99,300	£98,700	£99,300	£99,000	£97,500	£97,200
3	£138,000	£138,000	£135,000	£134,000	£135,000	£133,000	£135,000	£134,000	£129,000	£128,000
5	£181,000	£179,000	£174,000	£172,000	£174,000	£170,000	£174,000	£172,000	£162,000	£159,000
10	£304,000	£298,000	£284,000	£278,000	£284,000	£272,000	£284,000	£278,000	£248,000	£242,000
20	£645,000	£622,000	£567,000	£547,000	£567,000	£524,000	£567,000	£547,000	£440,000	£421,000
30	£1,170,000	£1,110,000	£962,000	£913,000	£962,000	£856,000	£962,000	£912,000	£662,000	£621,000
40	£1,970,000	£1,830,000	£1,510,000	£1,410,000	£1,510,000	£1,290,000	£1,510,000	£1,410,000	£919,000	£845,000

Projected pension pot, in today's terms										
	Long Term Growth Fund		Stable Growth Fund		Cautious Growth Fund		L&G Future World Annuity Aware Fund		Retirement Focus	
Years	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Net of TER and frictional transaction costs
1	£97,500	£97,200	£97,500	£97,300	£97,500	£97,300	£99,300	£99,000	£97,500	£97,200
3	£129,000	£128,000	£129,000	£128,000	£129,000	£128,000	£135,000	£134,000	£129,000	£128,000
5	£162,000	£160,000	£162,000	£160,000	£162,000	£160,000	£174,000	£173,000	£162,000	£160,000
10	£248,000	£243,000	£248,000	£243,000	£248,000	£243,000	£284,000	£279,000	£248,000	£243,000
20	£440,000	£424,000	£440,000	£425,000	£440,000	£425,000	£567,000	£549,000	£440,000	£423,000
30	£662,000	£628,000	£662,000	£630,000	£662,000	£630,000	£962,000	£918,000	£662,000	£627,000
40	£919,000	£858,000	£919,000	£860,000	£919,000	£861,000	£1,510,000	£1,420,000	£919,000	£855,000

Projected pension pot, in today's terms						
	Annuity Targeting Lifestyle Fund		Cash Targeting Lifestyle		Old Lifestyle (closing Dec 2025)	
Years	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Net of TER and frictional transaction costs
1	£97,500	£97,200	£97,500	£97,200	£99,300	£99,000
3	£129,000	£128,000	£129,000	£128,000	£134,000	£134,000
5	£162,000	£160,000	£162,000	£160,000	£174,000	£172,000
10	£248,000	£243,000	£248,000	£243,000	£284,000	£278,000
20	£440,000	£424,000	£440,000	£424,000	£542,000	£521,000
30	£662,000	£629,000	£662,000	£629,000	£787,000	£739,000
40	£939,000	£879,000	£879,000	£821,000	£1,090,000	£1,000,000

Source: Fidelity, data, as at 31 October 2025.

## Chair's Statement (Cont)

### Notes:

- Values shown are estimates and are not guaranteed;
- Transaction costs are calculated as the average of the previous five years, using a proxy fund where a full five-year data is not available.
- Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation;
- Assumes inflation of 2.5% per annum;
- Assumes a starting pot size of £82,000;
- Assumes charges in future years are equal to charges today;
- Assumes a member is aged 25 years old now and stops contributing at age 65;
- Assumes a monthly contribution amount of £1,200 per calendar month which increases in line with assumed inflation of 2.5% per annum; please note that this contribution is net of the amount that the sponsoring employer deducts from member contributions to fund the employer's group life insurance policy. This contribution is currently 2.5%.
- Assumes the contribution amount applies for both gross and net values in the tables above;
- The accumulation rates used, as set out below, are those provided by Fidelity. Returns are as follows:

	Fund	Real accumulation rate per annum (gross of charges)
Default Lifestyle Funds	Long Term Growth	1.5%
	Stable Growth	1.5%
	Cautious Growth	1.5%
	Retirement Focus	1.5%
Self-Select Funds	L&G Future World Inflation-Linked Annuity Aware Fund	3.5%
	Cash Fund	-0.5%
	Corporate Bond Over 15 Years Fund	4.5%
	Global ESG Equity Fund	3.5%
	Global Equity	3.5%
	Shariah Fund	3.5%
	UK Equity Fund	3.5%
	L&G Global Equity Fixed Weights (60:40) Index Fund <sup>2</sup>	3.5%
	L&G Future World Annuity Aware (previously the Pre-Retirement Fund)	3.5%
	L&G Diversified Fund <sup>2</sup>	1.5%

Source: Fidelity, data as at 31 October 2025.

The above illustration has been prepared with due regard to the Department for Work and Pensions' guidance ("Cost and charge reporting: guidance for trustees and managers of occupational schemes"), published in February 2018.

<sup>2</sup> As part of the changes implemented in 2020, the fund is no longer available as a self-select option.

## Chair's Statement (Cont)

### 5. Net returns of the investment options

From 1 October 2021, the Trustees are required to calculate and state the return on investments from the Scheme's default and self-select funds, net of transaction costs and charges. The Trustees should include as a minimum the net return for the scheme year or longer where possible.

The information set out below shows the net performance for the funds in which members were invested or have been able to invest during the scheme year. The performance has been calculated using the method provided in the Department for Work and Pensions' guidance ('The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ('the 2021 Regulations'), published in June 2021.

#### Default strategy

Age of member in 2025 (years)	5 years (p.a.) (1 Nov 2020 - 31 Oct 2025)	3 years (p.a.) (1 Nov 2022 - 31 Oct 2025)	1 year (1 Nov 2024 - 31 Oct 2025)
25	11.4%	15.6%	20.6%
45	8.0%	12.2%	15.9%
55	4.0%	8.8%	12.2%

#### Annuity Lifestyle (available from February 2024)

Age of member in 2025 (years)	1 year (1 Nov 2024 - 31 Oct 2025)
25	20.6%
45	15.9%
55	4.3%

#### Cash Lifestyle (available from February 2024)

Age of member in 2025 (years)	1 year (1 Nov 2024 - 31 Oct 2025)
25	20.6%
45	15.9%
55	4.3%

#### Old Default strategy\*

Age of member in 2025 (years)	5 years (p.a.) (1 Nov 2020 - 31 Oct 2025)	3 years (p.a.) (1 Nov 2022 - 31 Oct 2025)	1 year (1 Nov 2024 - 31 Oct 2025)
25	14.7%	16.9%	22.6%
45	6.2%	9.2%	11.9%
55	6.2%	9.2%	11.9%

\*closing December 2025

#### Self-select funds

Self-select Funds	5 years (p.a.)	3 years (p.a.)	1 year
Long Term Growth Fund	11.4%	15.6%	20.6%

## Chair's Statement (Cont)

Stable Growth Fund	8.0%	12.2%	15.9%
Cautious Growth Fund	4.0%	8.8%	12.2%
Retirement Focus Fund	1.8%	7.1%	10.3%
L&G Future World Inflation linked Annuity Aware Fund	-7.8%	-0.1%	-0.2%
Cash Fund	2.8%	4.5%	4.3%
Corporate Bond Over 15 Years Fund	-8.2%	2.3%	4.0%
Global ESG Equity Fund *	n/a	n/a	20.6% <sup>3</sup>
Global Equity Fund	14.6%	18.2%	20.3%
Shariah Fund	15.8%	21.7%	20.2%
UK Equity Fund	14.7%	14.5%	22.6%
L&G Global Equity Fixed Weights (60:40) Index Fund <sup>2</sup>	14.7%	16.9%	22.6%
L&G Future World Annuity Aware Fund (previously the Pre-Retirement Fund)	-5.7%	2.5%	4.4%
L&G Diversified Fund <sup>2</sup>	6.2%	9.2%	11.9%

Source: Fidelity, as at 31 October 2025. Schroders Solutions (calculations as at December 2025).

\*In February 2024, the Global ESG Equity Fund replaced the Ethical fund.

### 6. Value for members' assessment

The Trustees consider that the Scheme offers good value for members, as the costs and charges deducted from members' pots are reasonable in relation to the benefits and services provided.

Value for members is evidenced both qualitatively (through the Trustees' assessment of the appropriateness of the investment strategy, and the strength of internal controls and services provided by the administrator and underlying investment managers), and quantitatively (through strong investment performance and effective protection against downside risk).

The most recent value for members assessment was conducted in February 2026 and considered whether the total cost of Scheme membership represented good value for members. In particular, value for members is demonstrated through:

- Competitive charges. It was concluded that, with an average annual fee of 0.24% for the default funds, the Scheme represents good value for its members. Charges for the self-select funds were also assessed as being within the typical range for their respective asset classes across the wider market.
- Good investment performance. The funds have, on average, performed broadly in line with their short- and long-term objectives as communicated to members.
- Good Scheme management and governance. The Trustees support members by being receptive to feedback and accommodating member requests. This includes offering a supportive self-

<sup>3</sup> From the date of inception, 19 February 2024.

<sup>2</sup> As part of the changes implemented in 2020, the fund is no longer available as a self-select option

## Chair's Statement (Cont)

select range comprising two alternative lifestyle strategies, four blended funds, seven broad asset class self-select funds, and two thematic funds (including an Islamic Global Equity fund and a fossil-fuel-free fund, which became available in early 2026).

- Strong administration support. Administration is provided through a bundled arrangement with Fidelity.
- Strong investment governance. This is supported by the Investment Adviser, including a bespoke investment strategy that takes account of members' needs and controls risk in line with time to retirement, with an increasing focus on protection as retirement approaches.

### *7. Trustee knowledge and understanding*

The Trustees are required to have appropriate levels of "trustee knowledge and understanding". This is achieved in a number of ways including (but not limited to):

- All Trustees have completed the Pensions Regulator's "Trustee Toolkit" training to ensure that they have a working knowledge of pensions and trust law and funding and investment principles. The Trustees have a working knowledge of the Scheme's governing documents, including the trust deed and rules and the statement of investment principles.
- All new Trustees are encouraged to complete the Pensions Regulator's "Trustee Toolkit" training within 6 months of their appointment and are also provided with Scheme specific training by the Scheme's actuarial and investment advisers.
- The Trustees' combined knowledge and understanding, together with the advice available to them from their appointed professional advisers, means that the Trustees are able to properly exercise their duty as Trustees of the Scheme.
- An annual Trustee training self-assessment is undertaken to highlight any areas where additional training is required (either for individual Trustees or for the Trustee Board as a whole) and an annual training plan is prepared to address any knowledge gaps.
- Appropriate training is undertaken at or outside of regular Trustees meetings and Trustees are encouraged to ask for further training as required.
- The Scheme's professional advisers provide topic-specific training ahead of any large project being undertaken or significant decision being required of the Trustees.
- During the year the Trustees received training on the following topics:
  - Cyber security
  - The Defined Benefit Funding Code of Practice
  - Employer covenant monitoring and assessment
  - Fossil fuel-free funds
  - Autumn Budget
  - Virgin Media case

# Statement of Investment Principles – DB Section

## 1. Introduction

The Trustee of the Sir Robert McAlpine Limited Staff Pension & Life Assurance Scheme (the 'Scheme') has prepared this Statement of Investment Principles for the Defined Benefits section of the Scheme with effect from October 2025. It has been prepared in accordance with applicable legislation, taking into account guidance from The Pension Regulator and written advice from an independent investment adviser as required.

The purpose of the SIP is to set out Trustee's investment strategy in high level, including the investment objectives, investment strategy and other investment policies Trustee has adopted. Detail on how the SRM Scheme's investment strategy is implemented is set out in a separate Statement of Investment Implementation ('SII') document (which is maintained by the Trustees).

The Trustee must review the SIP in consultation with Sir Robert McAlpine ('the Sponsoring Employer') at least every three years; and without delay after any significant change in investment policy or circumstances of the Scheme.

## 2. Scheme/Plan governance

The Trustee is responsible for the governance of the Scheme's assets and the investment of these assets in the best interests of members and beneficiaries. The Trustee exercises its powers of investment in accordance with the Trust Deed and Rules of the Scheme and applicable law. Where the Trustee is required to make an investment decision, the Trustee must receive advice from the relevant advisers first. It believes that this ensures that it is appropriately familiar with the issues concerned.

The Trustee has delegated day-to-day investment of the Scheme's assets to be undertaken through the fiduciary management service of Schroders Investment Solutions Limited hereafter referred to as the 'Fiduciary Manager'. The Trustee is satisfied that the Fiduciary Manager has the appropriate knowledge and experience for managing the investments of the Scheme and they carry out their role in accordance with the criteria for investment set out in the Occupational Pension Schemes (Investment) Regulations 2005 (the "Investment Regulations"), the principles contained in this SIP and any applicable investment guidelines and restrictions agreed with the Trustee.

The Trustee acknowledges the potential for conflicts of interest as part of ongoing Fiduciary Management business activities. As an FCA regulated firm, the Fiduciary Manager is required to prevent or manage conflicts of interest. Where third party managers the Scheme invests in ("the Underlying Managers") are also regulated, they may be required to manage conflicts of interest as are applicable in their jurisdiction of incorporation or operations. The Fiduciary Manager monitors these conflicts as part of its regulatory filings (where applicable), and as part of ongoing review. The Fiduciary Manager's Conflict of Interest policy is available to be shared to Trustee when required.

The Trustee considers that the governance structure is appropriate for the Scheme as it allows the Trustee to make the important decisions on investment policies, while delegating the day-to-day aspects to the Fiduciary Manager as appropriate.

## 3. Investment objectives and strategy

The primary objective of the Trustee of the Scheme with regard to investment policy is to meet the benefit payments promised to the Scheme's members as they fall due. Hence, the Trustee has defined the investment strategy with due regard to the Scheme's liabilities.

The Trustee has set the following investment strategy:

1. The acquisition of suitable growth and matching assets, having due regard to the risks set out in this SIP, which will generate income and capital growth to pay, together with any contributions from members or the Sponsoring Employer, the benefits which the Scheme provides as they fall due.
2. To limit the risk of the assets failing to meet the liabilities over the long-term having regard to any statutory funding requirement.
3. To achieve a return on investments which is expected to at least meet the Scheme Actuary's assumptions over the long term.

Growth assets comprise a diversified range of investments including (but not limited to) developed and emerging market equities, corporate bonds and alternative assets, which are held with the aim of outperforming the Scheme's liabilities over the medium term.

## Statement of Investment Principles – DB Section (Cont)

Matching assets comprise investments include (but not limited to) UK government bond and derivative exposures, which are held with the aim of matching the interest rate and inflation sensitivities of the Scheme's expected liabilities.

### 4. Arrangement with the Fiduciary Manager

The Trustee has appointed the Fiduciary Manager to advise and implement the Scheme's investment strategy. The Fiduciary Manager manages assets directly on behalf of the Trustee as well as having delegated authority to appoint, monitor and change the Underlying Managers. The Fiduciary Manager is appointed to carry out its role on an ongoing basis.

The Trustee and Fiduciary Manager have agreed a Fiduciary Management Agreement setting out the scope of the Fiduciary Manager's activities, performance objectives, charging basis and other relevant matters. The Fiduciary Manager has been provided with a copy of this SIP and is required to exercise its powers with a view to giving effect to the principles contained herein and in accordance with subsection (2) of Section 36 of the Pensions Act 1995.

The Trustee periodically reviews the overall value-for-money of using the Fiduciary Manager, and information in relation to the costs associated with investing is included in the quarterly monitoring report. The Trustee is satisfied that these arrangements, together with the contractual agreements in place, incentivise the Fiduciary Manager:

- To align its investment strategy and decisions with the Trustee's investment policies, and
- To assess and make decisions based on the medium- to long-term financial and non-financial performance of issuers of debt or equity, and to engage with such issuers to improve performance.

### 5. Arrangement with the Underlying Managers

The Investment Regulations require the Trustee to disclose its policies in relation to its arrangements with its Underlying Managers who are appointed by the Fiduciary Manager.

The Trustee incentivises its Underlying Managers via the Fiduciary Manager to align their investment strategies with the SIP. However, the Scheme's investments are generally made via pooled investment funds, in which the Scheme's investments are pooled with those of other investors. As such, direct control of the process of engaging with the companies that issue these securities, whether for corporate governance purposes (such as capital structure) or other financially material considerations, may not be aligned with the Trustee's investment policies.

Where it can be determined, the Fiduciary Manager assesses whether Underlying Manager remuneration arrangements are aligned with the Trustee's objectives. The Fiduciary Manager regularly reviews the Underlying Managers on behalf of the Trustee in order to incentivise the Underlying Managers. These reviews include evaluation of the investment performance, remunerations and turnover cost of the investment funds in comparison to the peers.

The method and time horizon for evaluating and remunerating Underlying Managers is determined by criteria set by the Fiduciary Manager.

### 6. Monitoring

The Trustee will monitor the performance of the Fiduciary Manager against the agreed performance objectives.

The Trustee, or any other suitably qualified adviser on behalf of the Trustee, regularly reviews the activities of the Fiduciary Manager to satisfy themselves that the Fiduciary Manager continues to carry out their work competently, exercises its powers of investment with a view to giving effect to the principles in this SIP and has the appropriate knowledge and experience to manage the assets of the Scheme.

If the Trustees is not satisfied that the Fiduciary Manager is aligned with its policies, it will consider making changes to the Fiduciary Manager's mandate as necessary.

## Statement of Investment Principles – DB Section (Cont)

### 7. Derivatives

The Trustee may enter into contracts with counterparties, including investment banks, in order to execute derivative transactions. The Trustee has taken advice on the suitability of the contracts and has delegated responsibility to the Fiduciary Manager to implement these instruments. Derivative instruments are typically used for risk management purposes in the portfolio.

### 8. Realisation of investments

The majority of assets the Scheme holds can be realised easily when required. The Trustee will ensure that the Fiduciary Managers are made aware of the cashflow requirements of the Scheme. The Fiduciary Manager will be responsible for ensuring that, in normal market conditions, sufficient assets are readily realisable to meet any disinvestments required by the Trustee to meet these cashflows.

### 9. Risk management

The Trustee recognises a number of risks involved in the investment of the assets of the Scheme. The Trustee will keep these risks and how they are measured and managed under regular review. The main risks include, but are not limited to:

- **Funding and asset/liability mismatch risk** – the risk that the funding level is adversely affected due to a mismatch between the assets and liabilities. This risk is managed in the following ways:
  - o A liability benchmark or 'LB' is used as a proxy for the liabilities to measure the approximate changes in the present value of the Scheme's liabilities (due to changes to the relevant gilt yields only). The Trustee monitor this change relative to the change in asset values on quarterly basis. The LB is reviewed following each actuarial review, or when significant market or Scheme events (e.g. a significant change in inflation expectations) occur.
  - o The Trustee recognises the risk of a negative impact on the funding level due to changes in the Scheme Actuary's assumptions. This is managed by aiming for a higher overall investment return than implied by the liability discount rate.
  - o When setting and reviewing investment strategy, the Trustee examines how the investment strategy impacts on downside risk. Downside risk of the investment strategy is also measured by reference to the LB and can therefore also be assessed as part of the quarterly review process.
  - o This risk is also monitored through regular actuarial and investment reviews.
- **Underperformance risk** – the risk of underperforming the benchmarks and objectives set by the Trustee. This risk is minimised using the following techniques:
  - o Appropriate diversification across asset classes, within sectors and between individual stocks to minimise the effect of a particular stock or sector performing badly.
  - o The use of instruments and strategies designed to control the extent of downside exposure.
  - o The selective use of active management when appropriate given market conditions, and where the benefits of active management (risk and/or return) of the asset class being considered, are expected to outweigh the additional costs/fees.
  - o Regular monitoring of the managers' performance, processes, and capabilities with respect to their mandate and by the diversification across multiple Underlying Managers by the Investment Manager.
- **Cashflow risk** – the risk that the Scheme is unable to meet benefit payments as they fall due. This is addressed through the monitoring of the cashflow requirement of the Scheme to control the timing of any investment/disinvestment of assets.

## Statement of Investment Principles – DB Section (Cont)

- The Trustee has also put in place a dedicated cashflow matching portfolio that is intended to mitigate the risk caused by significantly high levels of benefit payments.
- **Environmental Social and Governance (“ESG”) risk including Climate risk** – the risk of adverse performance due to ESG related factors including climate change. The Trustee recognises climate change as a systemic, long-term material financial risk to the value of the Scheme’s investments. The Trustee is supportive of the Paris Agreement and will aim to achieve a carbon neutral portfolio (net zero) by 2050 or sooner. This risk is addressed by the following:
  - Climate change scenarios being considered as part of the Trustee’s regular review of investment strategy from time to time (if applicable).
  - The Fiduciary Manager’s ESG assessment at the point of investment with Underlying Managers.
  - The Trustee monitoring the overall ESG characteristics including carbon metrics of the portfolio in the quarterly governance report.
- **Sponsor risk** – the risk of the Sponsoring Employer becoming unable to support the Scheme which, for reasons of prudence, has been taken into account when setting the asset allocation strategy. This is addressed by the Trustee regularly reviewing the covenant of the Sponsoring Employer.

### 10. Financially material investment considerations

Financially material considerations include (but are not limited to) ESG considerations (including, but not limited to, climate change) which the Trustee considers to be financially material to the Scheme.

The Trustee believes that certain ESG factors can have an impact on financial performance and part of its fiduciary duty is to incorporate this information into its investment decisions to reduce investment risk and enhance portfolio returns over the length of time needed for the funding of future benefits of the Scheme. The Trustee considers a wide range of ESG risks, including, but not limited to, corporate governance, human rights, labour and environmental standards and it believes that climate risk presents a material financial risk to the assets.

The Trustee currently does not have a standalone ESG policy but the Trustee’s policy is to delegate the monitoring and overall management of financially material ESG risks and opportunities to the Fiduciary Manager. The Trustee is comfortable with the delegation given the approach the Fiduciary Manager takes towards ESG and climate related risks and opportunities is aligned with the Trustee’s beliefs.

The Trustee receives regular training and updates on ESG-related topics such as portfolio ESG reporting, voting and engagement examples on a quarterly basis through Trustee meetings. In addition, on an annual basis, the Trustee reviews the ongoing suitability of the Fiduciary Manager’s monitoring and management of ESG and climate-related issues via an ESG annual report and engages with the Fiduciary Manager as required on its approach.

The Trustee delegates the integration of climate related risks into the investment process to the Fiduciary Manager. The Fiduciary Manager provides regular updates for the Trustee to:

- Understand the exposure of its investments to climate change in the quarterly monitoring report, and
- Ensure that new and existing investments take account of climate change risks and opportunities.

The Trustee expects its Fiduciary Manager to take their policy into account as part of manager selection.

### 11. Non-financial material investment considerations

The Trustee does not at present take into account non-financial matters (such as members’ ethical considerations, social and environmental impact matters or future quality of life considerations for members and beneficiaries) when making investment decisions as there is no likely common view on any ethical matters which members are likely to hold. At this time the Trustee has no plans to seek the views of the membership on ethical considerations.

## Statement of Investment Principles – DB Section (Cont)

### 12. Stewardship

The Trustee is responsible for developing its own stewardship policy which includes both voting (where applicable) and engagement. The Trustee believes proper stewardship will result in better management of financially material ESG and climate related risks and opportunities. This is expected to improve the long-term financial outcomes of the Scheme which ultimately is in the best interests of the Scheme's members and beneficiaries. The Trustee expects its Fiduciary Manager to be a signatory to the UK Stewardship Code.

The Trustee has received training on the Fiduciary Manager's approach to stewardship. The Fiduciary Manager has its own voting and engagement policies documented in its Engagement Blueprint which sets out six sustainability themes to prioritise and which guides the voting and engagement behaviours of the Fiduciary Manager.

The Trustee reviews, monitors and challenges the Fiduciary Manager where necessary in relation to the voting and engagement activities of the Fiduciary Manager and the Underlying Managers.

### 13. Additional Voluntary Contributions (AVCs)

The Trustees terminated the facility for SRM Scheme members to pay additional voluntary contributions (AVCs) whereby such AVC investments were invested in line with the main scheme assets. Current AVC contributions now purchase investments in line with the Defined Contribution Scheme (covered under a separate SIP).

# Statement of Investment Principles – DC Section

| Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme (DC Section)

## 1. Introduction

This document constitutes the Statement of Investment Principles (the "SIP") required under Section 35 of the Pensions Act 1995 for the (the "Scheme"). It describes the investment policy being pursued for the Scheme by the Trustees of the Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme (DC Section) (the "Trustees" of the "Scheme") and is in compliance with the Government's voluntary code of conduct for Institutional Investment in the UK (the "2001 Myners Principles"). This SIP also reflects the requirements of Occupational Pension Schemes (Investment) Regulations 2005, the Occupational Pension Schemes (Charges and Governance) Regulations 2015 and the Code of Practice in relation to governance of DC pension schemes issued by the Pensions Regulator in July 2016 (as amended). Detail on how the Scheme's investment strategy is implemented is set out in a separate Statement of Investment Implementation ("SII") documents which is maintained by the Trustees.

The Trustees confirm that, before preparing this SIP, they have consulted with Sir Robert McAlpine Limited (the "Employer") and taken appropriate advice from its Advisers. The Investment Adviser is Schroders Solutions (a division of Schroders IS Limited) and the Legal Adviser is CMS Cameron McKenna LLP, collectively termed the "Advisers".

The Trustees believe the Advisers to be qualified by their ability and practical experience of financial matters and to have appropriate knowledge, and experience of the management of the investment arrangements that the Scheme requires. The Trustees also confirm that they will consult with the Employer and take advice from the relevant Advisers as part of any review of this SIP.

The Trustees are responsible for the strategic decisions regarding the investment of the Scheme's assets, but the day-to-day management has been delegated to the Platform Manager (who provide the platform for member investments) and the underlying Managers. Where they are required to make an investment decision, the Trustees receive written advice from the relevant Advisers first in order to achieve an appropriate level of understanding of the issues concerned.

In accordance with the Financial Services & Markets Act 2000, the Trustees set general investment policy, but have delegated the day-to-day investment of the Scheme's assets to professional fund managers (the "Managers") in accordance with Section 34(2) of the Pensions Act 1995. The Managers are authorised under the Financial Services & Markets Act 2000, provide the expertise necessary to manage the investments of the Scheme competently and will comply with the requirements of Section 36 of the Pensions Act 1995.

### 1.1 Declaration

The Trustees acknowledge that it is their responsibility, with guidance from the Advisers, to ensure the assets of the Scheme are invested in accordance with these Principles.

Signed . . . . . Date 19 March 2025

For and on behalf of the Trustees of the Sir Robert McAlpine Limited Staff and Life Assurance Scheme – DC Section.

## Statement of Investment Principles – DC Section (Cont)

| Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme (DC Section)

### 2. Scheme Governance

The Trustees are responsible for the governance and investment of the Scheme's assets. They consider that the governance structure set out in this SIP is appropriate for the Scheme, as it allows the Trustees to make the important decisions on investment policy, while delegating the day-to-day aspects to the Manager or the relevant Advisers as appropriate. The responsibilities of each of the parties involved in the Scheme's governance are detailed in Appendix B.

The Trustees will review this SIP at least every three years, or following any changes to the investment strategy, and modify it with consultation from the Advisers and the Employer if deemed appropriate. There will be no obligation to change this SIP, the Investment Managers or the Advisers as part of such a review.

| Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme (DC Section)

### 3. Objectives

The Trustees recognise that members have differing investment needs and that these may change during the course of members' working lives. They also recognise that members have different attitudes to risk. The Trustees believe that members should make their own investment decisions based on their individual circumstances.

The Trustees' Scheme objectives are:

- To provide a pension plan which aims to deliver valuable benefits into retirement.
- To help members manage the risks they face as far as possible.
- To provide members with a suitable range of investment options to enable them to tailor investment strategy to their needs.
- Consider environmental, social and governance ("ESG") factors, and stewardship in the context of long-term performance.

In aiming to meet these Scheme objectives, the Trustees have specified a number of investment objectives:

- To achieve returns in excess of general price inflation in the long term.
- To achieve security of capital, low growth/volatility, or protection against annuity rate movements for members closer to retirement.

## Statement of Investment Principles – DC Section (Cont)

| Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme (DC Section)

### 4. Default Investment Strategy

The Trustees have made a default lifestyle strategy available to members.

#### 4.1 Aims and Objectives of the default strategy

The Trustees' aims and objectives in relation to the default strategy are to support members' investment needs where members either choose the default option or do not choose any option. The Trustees recognise that these investment needs may change during the course of members' working lives and therefore a key objective for the default strategy is to provide a scheme which is designed to deliver valuable benefits in retirement.

#### 4.2 Trustees' Policies in relation to the default strategy

**i. The kinds of investment to be held**

**ii. The balance between different kinds of investments**

The kinds of investments within the default strategy and balance between them are designed to be adequately diversified and suitable. See sections 5.3, "Diversification" and 5.5, "Suitability" for more details.

**iii. Risks (including the ways in which risks are to be measured and managed)**

Risks applicable to the Scheme as a whole are shown in Section 9, "Risks". All of the risks shown, including how they are measured and managed, are relevant to the default strategy.

**iv. Expected return on investments**

The Trustees' policy on expected return is considered in section 5.2 "Expected Return", which covers both the default strategy and the investment strategy as a whole.

**v. Realisation of investments**

Liquidity is considered in section 5.6, "Liquidity".

**vi. Environmental, Social and Governance ("ESG") considerations**

The extent to which the Trustees consider ESG issues within the default strategy is shown in Section 10 "Other Risks".

**vii. Financially material investment considerations and non - financial matters**

The extent to which the Trustee considers financially material considerations and non-financial matters, including, but not limited to, social, environmental or ethical issues is shown in Section 10, titled 'Other Risks'.

**viii. Corporate governance and stewardship policy**

The Trustee's policy in respect of these considerations is shown in Section 10, titled 'Other Risks'.

**ix. Exercise of rights (including voting rights) attaching to the investments**

The extent to which the Trustees consider the exercise of rights within the default strategy is shown in Section 10 "Other Risks".

In May 2024, following an investment strategy review, the Trustees automatically transferred members who were invested in the Ethical fund within the self-select range to the newly created ESG Equity fund. As a result, the ESG Equity fund is now considered an additional default arrangement within the Scheme. Further details on this additional default arrangement can be found in Appendix A.

## Statement of Investment Principles – DC Section (Cont)

### 4.3 Best interests of members and beneficiaries

In designing the default strategy, the Trustees carried out a comprehensive review of the previous investment strategy and alternatives (in conjunction with the Investment Adviser), with a key focus on member needs and outcomes. The Trustees believe the default strategy is in the best interest of members and beneficiaries, and undertake periodic reviews on the suitability of the strategy.

| Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme (DC Section)

## 5. Investment Strategy

Having considered advice from the Investment Adviser, and having due regard for the objectives and the members of the Scheme, the Trustees have made available a number of investment options. Members can choose to invest their contributions in one or more of these investment options, detailed in the SII.

The Trustees will instruct the Administrator to invest each member's investments in accordance with the fund options selected by the member.

### 5.1 Investment Options

A range of funds has been made available to members. These are detailed in the SII.

### 5.2 Expected Return

The Trustees considered the expected returns of the investment strategy (including the default arrangements) in constructing benchmarks to assess performance against. Where applicable, these benchmarks are related to observable market-based indices and may change from time to time. More details are set out in the SII.

### 5.3 Diversification

The choice of investment options for members (including the default arrangements) is designed to enable members to choose investments that are adequately diversified and suitable for their profile. The Trustees monitor the strategy regularly to satisfy themselves that they are comfortable with the choice of funds offered to members.

### 5.4 Active and Passive Management

The Trustees have selected a range of both active and passive fund options for Scheme members.

### 5.5 Suitability

The Trustees consider the range of investment options offered to members (including the default arrangements) to be suitable. Members are responsible for choosing which of the funds are most appropriate, or may choose to rely on the default arrangement for the investment of their own and their employer's contributions, based on their own individual circumstances.

The suitability of the range of investment options, including the default arrangements, will be reviewed regularly.

### 5.6 Liquidity

The assets are held in asset classes that are considered sufficiently liquid.

## Statement of Investment Principles – DC Section (Cont)

| Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme (DC Section)

### 6. Strategy Implementation

The Trustees have decided to delegate the day-to-day investment of the Scheme's assets to professional managers. The details of the Managers' mandates are detailed in the SII.

#### 6.1 Investment Management

The Trustees have appointed a Platform Manager to provide the platform for member investments and carry out investment administration. The Trustees have selected a range of investment options for the members of the Scheme. Full details can be found in the SII.

#### 6.2 Administration

The Platform Manager also carries out the day to day management of member contributions, communications and other member administration.

#### 6.3 Fund Options

The range of funds offered to members was chosen from those offered by the Platform Manager to give members a diversified range of investments from which they can select according to their individual circumstances. The funds available to members are detailed in the SII.

#### 6.4 Investment of Contributions

A member's contributions will be invested in line with their selected choice of funds. Where a member has not made an active selection, their contributions will be invested in the default strategy provided, which is detailed in the SII.

#### 6.5 Performance Objectives

The performance objectives vary depending on the fund in question. A detailed breakdown of the objectives can be found in the SII.

#### 6.6 Transitions

The Trustees will look to mitigate the potential risks and costs to members as a result of any investment transitions to the best of their ability. The Trustees will take advice from their Advisors in relation to different transition methods and other ways in which these potential risks/costs can be mitigated.

## Statement of Investment Principles – DC Section (Cont)

| Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme (DC Section)

### 7. Monitoring

#### 7.1 Managers

The Trustees, or the Advisers on behalf of the Trustees, will monitor the performance of the Managers against their own or the Trustees' specified benchmarks.

The Trustees, or the Advisers on behalf of the Trustees, will regularly review the activities of the Managers to satisfy themselves that each Manager continues to carry out their work competently and has the appropriate knowledge and experience to manage the assets of the Scheme.

As part of this review, the Trustees will consider:

- Each Manager's performance versus their respective benchmarks
- The level of risk given the specified risk tolerances.
- For funds used in the default arrangements, the extent to which returns are consistent with the aims of the Trustees
- Whether or not each Manager:
  - Has regard to the need for diversification of investment holdings.
  - Has regard to the suitability of each investment and each category of investment.
  - Has been exercising his powers of investment with a view to giving effect to the principles contained in this SIP, so far as is reasonably practical.

If the Trustees are not satisfied with a Manager, it will ask the Manager to take steps to rectify the situation. If the Manager still does not meet the Trustees' requirements, the Trustees will remove the Manager and appoint another.

#### 7.2 Advisers

The Trustees will monitor the advice given by the Advisers on a regular basis.

#### 7.3 Statement of Investment Principles

The Trustees will review this SIP on a triennial basis, or, as soon as practical following any changes to the investment strategy or significant change to member demographics, and modify it with consultation from the relevant Advisers and the Employer if deemed appropriate. There will be no obligation to change any Manager, Platform Manager or Adviser as part of such a review (although strategy changes made will be reflected in this SIP, if appropriate).

#### 7.4 Recordkeeping

The Trustees maintain a record of all investment related decisions it has taken, together with the rationale in each case.

## Statement of Investment Principles – DC Section (Cont)

| Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme (DC Section)

### **8. Fees**

#### **8.1 Managers**

Details of the fund charges are set out in the SII and will continue to be reviewed on a regular basis.

#### **8.2 Advisers**

Fees paid to the Advisers are based either on actual time spent and hourly rates for relevant individuals, or on fixed fees agreed in advance for specifically defined projects.

#### **8.3 Custodian**

There is no custodian appointed directly by the Trustees.

#### **8.4 Value for Members**

The Trustees review all sources of fees levied on members' accounts (including management charges, additional expenses, platform charges and administration, as appropriate), and levels of service provided to use best efforts to ensure value for money is present.

## Statement of Investment Principles – DC Section (Cont)

| Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme (DC Section)

### 9. Risks

The Trustees recognise a number of key risks both to themselves and to the members of the Scheme:

- i. **Value for members risk** – the risk that the Scheme fails to offer value for money to members. This is addressed through regular value for members reviews.
- ii. **Inflation risk** – the risk that the purchasing power of members' investment accounts is not maintained. To try and manage this risk, the Trustees have offered a range of funds designed to achieve a return above the rate of inflation.
- iii. **Conversion risk** – the risk that the value of pension benefits that can be purchased by or drawn from a given defined contribution amount is not maintained. This risk cannot easily be mitigated as it depends on market conditions ahead of retirement, and each member's retirement income decision. However, the Trustees have offered a range of funds to reflect different retirement income decisions.
- iv. **Capital risk** – the risk that the value of the element to provide a cash sum or income drawdown pot is not maintained. This could be due to the impact of any of the risks above and is addressed where possible in the same ways.
- v. **Active Manager risk** – the risk that the active investments underlying the Scheme's investment options underperform due to the underperformance of the underlying Managers. The Trustees have mitigated this risk by primarily investing in passively managed funds.
- vi. **Platform risk** – the assets are currently held by the Platform Manager. This risk relates to potential losses that could arise if the Platform Manager ran into financial difficulties. The Trustees monitor the Platform Manager regularly.
- vii. **Manager risk** – the assets are invested in funds managed by the Managers. This risk relates to potential losses that could arise if the Managers ran into financial difficulties. This is addressed through understanding the security of members' assets and protections available.
- viii. **Communication risk** – the risk that communication to members is misleading or unclear and leads to inappropriate decisions being made. This is addressed through the Trustees receiving advice from the Advisers and regular monitoring and updates, where appropriate, of member communications.
- ix. **Inappropriate member decision** – the risk that members make inappropriate decisions regarding their investments. This is addressed where possible through communication to members and the recommendation that members seek independent financial advice.
- x. **Organisational risk** – the risk of inadequate internal processes leading to problems for the Scheme. This is addressed through regular monitoring of the Managers and Advisers.
- xi. **Liquidity risk** – the risk that members are not able to realise the value of their funds when required. The Trustees have addressed this risk by not offering funds which are considered illiquid.

## Statement of Investment Principles – DC Section (Cont)

| Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme (DC Section)

- xii. **ESG risks** – the risk of adverse performance due to ESG related factors including climate change. This is addressed by ESG assessment at the point of investment with the Managers where applicable, or by requesting information on the ESG policies, adopted by the Managers.

The Trustees recognise that an efficient process for identifying, evaluating, managing and monitoring risk needs to be in place for the Scheme. The Trustees will identify and assess the impact of any risk, what controls can be put in place to manage or identify risk and regularly review both the individual risks and the effectiveness of the risk management process as a whole.

## Statement of Investment Principles – DC Section (Cont)

| Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme (DC Section)

### 10. Other Risks

#### 10.1 Corporate Governance and Stewardship Policy

As part of the appointment of the Investment Managers to the Scheme, the Trustees have accepted the terms of pooled investment vehicles, setting out the scope of each pooled fund vehicle's activities, their charging basis and other relevant matters. The Trustees periodically review the overall value-for-money of using the Investment Adviser (as specified in the Scheme's Investment Consultant objectives) and Investment Managers.

The Scheme's investments are made via pooled investment funds via the Platform Manager, in which the Scheme's investments are pooled with those of other investors. As such, direct control of the process of engaging with the companies that issue the underlying securities, whether for corporate governance purposes (including the exercise of voting right) or other financially material considerations, is delegated to the Investment Managers. The Trustees have, to date, not set any conditions or restrictions on the Investment Managers in respect of any voting rights nor in relation to the Environmental, Social and Governance ("ESG") profiles of any issuer of securities within the investment fund. Due to the nature of these pooled investment funds, the Trustees may have difficulty imposing such voting restrictions or ESG requirements on the Investment Managers. However, although the Trustees cannot influence Investment Managers directly, they can monitor the Investment Managers' ESG policies and practices during Investment Manager reviews as part of the wider strategy review which is undertaken over a 3 year rotational cycle. Were the Trustees to have any specific concerns, they can take this up with the Investment Manager in review meetings or decide to divest from the fund.

The Trustees also consider the Investment Managers' engagement process directly with their Investment Adviser who monitors Investment Managers' engagement with investee companies directly. The Investment Adviser has set out its voting and engagement priorities which focus on six themes including Climate, Natural Capital and Biodiversity, Human Rights, Human Capital Management, Diversity and Inclusion and Corporate Governance. In 2022, the Trustees have carried out an exercise to identify those ESG priorities they think are important and, based on the close degree of similarity between the two, have agreed to align their engagement priorities with those of the Investment Adviser.

The Trustees believe those engagement priorities which have been chosen by the Investment Adviser will result in better management of financially-material ESG and climate risks and, therefore, expected to improve the financial outcome of the Scheme which ultimately is in the members' and beneficiaries' best interest.

The Trustees also consider Investment Managers' voting and engagement records in relation to ESG priorities at least annually. This help to ensure that the Managers' stewardship priorities are at least broadly consistent with those of the Trustees'.

The Trustees and Investment Adviser undertake regular reviews of the Investment Managers. These reviews incorporate benchmarking of performance and fees as well as performance reviews (including understanding key drivers of performance). The Trustees and Investment Adviser review the governance structures of the Investment Managers, as well as assessing whether their fees, expenses and any other charges are in line with industry peers at inception and from time to time whilst invested.

Where it can be determined, the Trustees and Investment Adviser assess whether the Investment Managers' remuneration arrangements are aligned with the Trustees' objectives. The Trustees expect the Investment Managers':

## Statement of Investment Principles – DC Section (Cont)

| Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme (DC Section)

- to align their investment strategy and decisions with the Trustees investment policies, such as its return target and any restrictions detailed in the Trustees' policy documentation with the Platform Manager.
- to assess and make decisions based on the medium- to long-term financial and non-financial performance of an issuer of debt or equity, and to engage with the issuers to improve this medium- to long-term performance. The success of such engagement will contribute to the Scheme's performance, which is reflected and measured relative to the Trustees' long-term performance objectives.

The Trustees acknowledge the inherent potential for conflicts of interest which exist as part of ongoing investment management business activities. Where investment managers are regulated, they are likely to be subject to such requirements to manage conflicts of interest as are applicable in their jurisdiction of incorporation or operations. The Trustees and Investment Adviser monitor this as part of ongoing review. As an FCA regulated firm, the Investment Adviser is required to prevent or manage conflicts of interest. The Investment Adviser's Conflicts of Interest policy is available here:

<https://www.schroders.com/en/identification-and-management-of-conflicts-of-interest/>

The Trustees do not monitor portfolio turnover cost in detail. However, the Trustees consider portfolio turnover costs indirectly through consideration of transaction cost data as part of the annual Value for Members ("VFM") assessment. Though the Trustees do not currently define target portfolio turnover ranges for funds, they will engage with managers if the portfolio turnover is higher than expected as a result of the monitoring undertaken.

### 10.2 Financially material investment considerations

When managing the Scheme's investments (including exercising discretion concerning engagement and voting), Investment Managers are expected to take into account of all financially material considerations.

These considerations which include the above "Risks" can affect the long-term financial performance of investments and can (but do not have to) include environmental, social and governance factors (otherwise known as "ESG") where relevant. The Trustees policy is to delegate the day-to-day consideration of financially material factors to the Investment Managers, who consider these factors for funds that are available to beneficiaries through the default arrangements and as self-select funds, when making funds available on its investment platform. All references to ESG relate to financial factors only. All references to ESG also include climate change.

ESG factors and stewardship are considered, in the context of long-term performance, by the Trustees (in conjunction with its advisors) as part of the Investment Manager selection criteria. This review occurs before funds are approved for investment. For invested funds, the Trustees request the Investment Managers monitor ongoing compliance with ESG and other factors, like stewardship, as a part of overall governance and engagement.

The Trustees recognise that ESG considerations can have a material effect on long-term investment performance. The Trustees further recognise that, other than in and during an Investment Manager selection process, their ability to influence the investment strategy of individual Investment Managers (particularly in relation to the policies and approaches to ESG) may be limited, particularly in the case of Investment Managers appointed on an active mandate and where the Scheme's investments are invested indirectly or represent only a small proportion of the overall fund.

The Trustees have adopted ESG priorities which they deem to be financially material investment considerations. These have been aligned with those of their Investment Adviser to improve how the

## Statement of Investment Principles – DC Section (Cont)

| Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme (DC Section)

Trustees engage with their Investment Managers and these are set out in the “Corporate governance and stewardship” section above.

### 10.3 Non-financial matters

The Trustees do not currently take into account non-financial matters (such as members’ ethical considerations, social and environmental impact matters or future quality of life considerations for members and beneficiaries) when making investment decisions as part of the default arrangements, as there is no likely common view on any ethical matters which members are likely to hold. At this time the Trustees have no plans to seek the views of the membership on ethical considerations. This policy is reviewed periodically.

### 10.4 Taskforce on Climate-related Financial Reporting (“TCFD”)

The Trustees and Investment Advisor will be working to develop a reporting framework ahead of when TCFD reporting requirements are expected to apply to the Scheme.

### 10.5 Illiquid Assets

At present, the Trustees do not allocate to illiquid assets within the default arrangements, as illiquid investments are a new and evolving area for DC schemes. Currently, the Trustees do not plan to invest in illiquid assets but will keep this policy under review.

## Appendix A – Additional default arrangement

### Aims and Objectives of the Additional default arrangement

The ESG Equity fund invests in global equities and aims to maximise exposure to positive environmental, social and governance (ESG) factors while minimising the carbon exposure. It aims to deliver returns (gross of charges) in line with its composite benchmark, which consists of the following allocations: 50% MSCI ESG Focus Low Carbon Screened Index and 50% MSCI ESG Focus Low Carbon Screened Index (GBP hedged).

The Trustees’ aims and objectives in relation to this fund are to provide a low-cost, index-tracking solution for members who wish to invest in line with ESG principles.

### Trustees’ Policies in relation to the ESG Equity fund

Please refer to Section 4.2 for the Trustees’ policies in relation to the default arrangements.

### Best interests of members and beneficiaries

In choosing to automatically switch members from the Ethical fund to the Global Equity ESG fund, the Trustees, in conjunction with the investment adviser, carried out a comprehensive review of the options available, with a key focus on member needs and outcomes. The Trustees decided that the Global Equity ESG fund was the most suitable low-cost, index-tracking solution for members who wish to invest in line with ESG principles. Therefore, they believe the ESG equity fund is in the best interests of members and beneficiaries and undertake periodic reviews on the suitability of the strategy.

## Statement of Investment Principles – DC Section (Cont)

### Appendix B - Responsibilities

#### Trustees

The main investment related responsibilities of the Trustees of the Scheme include:

- i. Reviewing, at least triennially, or following a change in investment strategy or significant change in member demographics, the content of this SIP and modifying it if deemed appropriate.
- ii. Reviewing, at least triennially, or following a change in investment strategy or significant change in member demographics, the content of the SII and modifying it if deemed appropriate.
- iii. Assessing the quality of the performance and process of the Managers by means of regular reviews of the investment results and other information, through meetings and written reports.
- iv. Monitoring compliance of the investment arrangements with the SIP on an ongoing basis.
- v. Appointing and dismissing Platform Managers and Managers.
- vi. Assessing the performance of the Advisers.
- vii. Consulting with the Employer when reviewing investment policy issues.
- viii. Providing any appointed organisations/individuals with a copy of the SIP or SII, where appropriate.

#### Platform Manager

The main responsibilities of the Platform Manager are:

- i. At their discretion, but within the guidelines agreed with the Trustees, selecting and undertaking transactions in specific investments within each fund.
- ii. Acting in accordance (as administrator) with the instructions of the Member
- iii. Acting in accordance with the principles set out in the SIP (where appropriate).
- iv. Providing the Trustees with sufficient information each quarter to facilitate the review of its activities, including :
  - A full valuation of the assets.
  - A transaction report.
  - Informing the Trustees immediately of any serious breach of internal operating procedures.

#### Investment Adviser

The main responsibilities of the Investment Adviser are:

- i. Participating with the Trustees in reviews of this SIP.
- ii. Advising the Trustees of any changes in the Scheme's Managers or Platform Manager that could affect the interests of the Scheme.

## Statement of Investment Principles – DC Section (Cont)

- iii. Advising the Trustees of any changes in the investment environment that could present opportunities or problems for the Scheme.
- iv. Undertaking reviews of the Scheme's investment arrangements including reviews of the Scheme structure, current Managers, and selection of new managers as appropriate.

### **Legal Adviser**

The Legal Adviser will be responsible for, amongst other things:

- i. Liaising with the Trustees to ensure legal compliance including those in respect of investment matters.

# Implementation Statement

## 1. Introduction

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The Trustees are required to make publicly available online a statement (“the Implementation Statement”) covering the both the Defined Contribution (“DC”) and Defined Benefit (“DB”) sections of the Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme (the ‘Scheme’) in relation to the Scheme’s Statement of Investment Principles (the “DB SIP”, the “DC SIP”).

The DB SIP was amended once during the year ending 31 October 2025, to streamline the document and set out the Scheme’s investment arrangements, explaining the relationship and delegation of responsibilities between the Trustee, the Fiduciary Manager, and the Underlying Investment Managers.

The DC SIP was last amended once during the year ending 31 October 2024, to account for the investment strategy changes implemented in 2024. This SIP was agreed in September 2024.

The DB Section SIP and DC Section SIP therefore fulfil the commitment to review them at least every 3 years.

A copy of the current SIPs can be found here: <https://www.srm.com/pensions/>

This Implementation Statement covers the Scheme Year from 1 November 2024 to 31 October 2025 (the “Scheme Year”). It sets out:

- how, and the extent to which, in the opinion of the Trustees, the Scheme’s SIPs have been followed over the Scheme Year;
- details of any review of and/or changes made to the SIPs over the Scheme Year as a result of such a review, explaining the reasons for those changes;
- how the Trustees’ policies on exercising voting rights and engagement have been followed over the Scheme Year; and
- the voting by or on behalf of the Trustees during the Scheme Year, including the most significant votes cast and any use of a proxy voter during the Scheme Year.

A copy of this Implementation Statement is available on the following website:  
<https://www.srm.com/pensions/>

The latest guidance (“the **Guidance**”) from the Department for Work and Pensions (“**DWP**”) aims to encourage Trustees of the Scheme to properly exercise their stewardship policy including both voting and engagement which is documented in the Scheme’s SIPs.

This Implementation Statement has been prepared to provide the details on how the Trustees of the Scheme, with the help of their Fiduciary Adviser (for the DB Section of the Scheme) and the Investment Adviser (for the DC Section of the Scheme), have complied with the DWP’s statutory guidance.

## Implementation Statement (Cont)

### Defined Benefit Section

The Trustees are ultimately responsible for the investment of the DB Section's assets. Where they are required to make an investment decision, the Trustees always receive advice from the relevant advisers first and the Trustees believe that this ensures that they are appropriately familiar with the issues concerned. The Trustees also set the investment strategy and general investment policy but have delegated the day-to-day investment of the Scheme's assets, within pre-defined constraints to professional investment managers.

The Trustees have appointed Schroders Investment Solutions ("Schroders IS") Limited, as their Investment Manager, delegating a proportion of the DB Section's assets to its Fiduciary Management service (and is referred to as the "Fiduciary Manager" in this Implementation Statement) while retaining discretion over the remaining assets.

As set out in the DB SIP, the Trustees' approach to investment strategy is to allocate the assets into three pools - Liability Hedging Assets, Growth Assets and Cashflow Matching Credit Assets. The investment objective is then translated into the strategy and assets are allocated to these three components:

- Liability Hedging assets, which aim to match the DB Section's liabilities. Assets are invested in, but not limited to fixed interest gilts, index-linked gilts and swaps. Ongoing management and levels of liability hedging have also been delegated to Schroders IS, within the parameters agreed with the Trustees.
- Growth Assets, which aim for return generation but has the ability to invest in off-risk assets as and when required to defend against falling markets. Assets are invested in, but not limited to, equities, investment grade bonds, high yield bonds, emerging market debt, hedge funds, loans and other alternative asset classes. The Growth Assets are held in two separate portfolios. Asset allocation and ongoing management of the Discretionary Investment Fund are largely delegated to Schroders IS, whereas the asset allocation within the Advisory Investment Fund is retained by the Trustees under advice from Schroders IS.
- A Cashflow Matching Credit Portfolio that is intended to manage the DB Section's need to generate cash over time to pay pensioners. This allocation invests in global investment grade corporate bonds that will pay coupon and maturity proceeds at a broadly appropriate time in the future. This is expected to reduce the need to sell other assets over the short term.

The overall level of the Trustees' investment objective influences the split of assets between these three components. To target the investment return objective, the Trustees allocate to each portfolio in varying degrees and these splits are reviewed over time.

### Defined Contribution Section

The Trustees have appointed Schroders IS Limited as their Investment Adviser.

The Trustees delegate the day-to-day management of the assets to various investment managers and are accessed through the Fidelity Life platform. The platform manager's key responsibilities are listed within the DC SIP. Over the Scheme Year, the Trustees have not been made aware of any breaches of internal operating procedures and remain comfortable with the appointment of Fidelity as platform manager.

Aspects of implementation related to administration, investment of contributions and transitions are reviewed annually by the Trustees in their Value for Members assessment. Details of this are set out in the Chair's Statement.

## Implementation Statement (Cont)

### 2. Implementation of the Trustees' SIPs during the Scheme Year

In this section, we summarise the most significant activities undertaken in relation to the SIPs by the Trustees, as amended through the Scheme Year, and in turn describe the actions and decisions taken by the Trustees over the period and the extent to which these align with the beliefs and policies stated within the SIPs.

#### Policies relating to the Scheme which the Trustees considered the most material in the Scheme Year

Policy	Trustees actions over the Scheme Year
<p><b>Investment objectives</b></p>	<p><b>DB Section:</b> The Trustees have set a series of qualitative and quantitative objectives for the DB Scheme in the DB SIP primarily relating to the actuarial funding of the DB Scheme. The Trustees have previously reviewed performance metrics and updated actuarial information from the Scheme Actuary each quarter and is satisfied with the performance of the strategy versus its objectives over the year, primarily focusing on continuing to improve the DB Scheme's funding level on the Technical Provisions basis.</p> <p><b>DC Section:</b> The Trustees' Scheme objectives set out in the SIP are to:</p> <ul style="list-style-type: none"> <li>• Provide a pension plan which aims to deliver valuable benefits into retirement.</li> <li>• Help members manage the risks they face as far as possible.</li> <li>• Provide members with a suitable range of investment options to enable them to tailor investment strategy to their needs.</li> <li>• Consider environmental, social and governance ("ESG") factors, and stewardship in the context of long-term performance.</li> </ul> <p>In aiming to meet these Scheme objectives, the Trustees have specified a number of investment objectives:</p> <ul style="list-style-type: none"> <li>• To achieve returns in excess of general price inflation in the long term.</li> <li>• To achieve a combination of security of capital, low growth/volatility, and protection against annuity rate movements for members closer to retirement.</li> </ul> <p><b>DC Section Default Strategy:</b></p> <p>The Trustees' aims and objectives in relation to the default strategy are to support members' investment needs where members either choose the default option or do not choose any option.</p> <p><b>Policies in relation to the Default Strategy:</b></p> <p><i>The kinds of investment to be held and the balance between different kinds of investments</i></p> <p>As part of the most recent investment strategy review conducted in 2023, the balance among the various asset classes was carefully assessed. It was agreed to adjust the asset allocation for all four blended funds within the default strategy, with the aim of enhancing the likelihood of meeting their respective return objectives. The next strategy review is scheduled for 2026.</p> <p><i>Risks (including the ways in which risks are to be measured and managed)</i></p>

## Implementation Statement (Cont)

	<p>Outlined in the Risk Management section</p> <p><b>Expected return on investments</b></p> <p>The Trustees continue to monitor the performance of the funds on a quarterly basis against the specified performance targets.</p> <p><b>Realisation of investments</b></p> <p>Funds used within the default strategy are unitised, pooled funds which are dealt daily.</p> <p><b>Environmental, Social and Governance (“ESG”) considerations</b></p> <p>Detailed in the “Financially material factors, specifically ESG and climate change” section.</p> <p><b>Financially material investment considerations and non – financial matters</b></p> <p>Detailed in the “Financially material factors, specifically ESG and climate change” and “Non-financially material factors” sections.</p> <p><b>Corporate governance and stewardship policy</b></p> <p>Detailed in the “Corporate Governance and Stewardship” section.</p> <p><b>Exercise of rights (including voting rights) attaching to the investments</b></p> <p>Detailed in the “Corporate Governance and Stewardship” section.</p> <p>The Trustees completed the most recent review of the default strategy and self-select fund range in September 2023, with changes implemented in June 2024. A summary of these changes is provided in the 2024 Implementation Statement. The next strategy review is scheduled for 2026.</p> <p>The Trustees are satisfied that the investment strategy remains in the best interests of the DC Section membership and continues to meet the objectives set out in the DC SIP.</p>
<p><b>Investment governance</b></p>	<p>The Trustees have governed the Scheme in line with the SIPs and have complied with the requirement to review these SIPs at least once every 3 years.</p> <p><b>DB Section:</b> The Trustees met 4 times over the year to discuss investment matters. This has allowed the Trustees to make the important decisions on investment policies, while delegating the day-to-day aspects to the appointed Fiduciary Manager and the Underlying Investment Managers, as appropriate.</p> <p>Schroders IS, as Fiduciary Manager, reviews underlying managers on a regular basis and at least every 3 years.</p> <p>These reviews incorporate benchmarking of performance and fees, as well as performance reviews (including understanding key drivers of performance), investment due diligence meetings and operational due diligence reviews. Operational due diligence reviews, along with many areas, include review of the governance structure, portfolio turnover, conflicts of interest, ESG and stewardship policies (including engagement and voting policies).</p> <p>Over the Scheme Year, there were no significant issues with any of the Scheme’s Investment Managers following these reviews.</p> <p>The Trustees have set their Investment Managers a set of objectives in relation their services. These objectives cover: demonstration of value added (including integration of ESG to achieve this), delivery of specialist services, proactivity of advice, scheme management and compliance and service standards. The</p>

## Implementation Statement (Cont)

	<p>Trustees reviewed Schroders IS performance against these objectives and were satisfied with the performance of the Investment Adviser over the Scheme Year.</p> <p><b>DC Section:</b> The day-to-day management has been delegated to the Platform Manager, Fidelity (who provides the platform for member investments) and the underlying investment managers. Where they are required to make an investment decision, the Trustees receive written advice from the relevant advisers and all decisions are recorded in meeting minutes.</p>
<p><b>Corporate Governance and Stewardship</b></p>	<p>Schroders IS was appointed by the Trustees to act as a Fiduciary Manager for the DB Section and an Investment Adviser for the DC Section of the Scheme.</p> <p><b>DB Section:</b></p> <p>The DB Section SIP sets out how the Trustees delegate responsibility around corporate governance and stewardship to the Fiduciary Manager. The Trustees believe that the specific policies set out in the SIP have been complied with this year based on the below (and see also section 4 on Engagement).</p> <p>The Trustees consider the Investment Managers' engagement process directly with their Fiduciary Manager who monitors the Investment Managers' engagement with invested companies directly. The Fiduciary Manager has set out its voting and engagement priorities which focus on six themes including Climate, Natural Capital and Biodiversity, Human Rights, Human Capital Management, Diversity and Inclusion and Corporate Governance.</p> <p>In the Scheme Year, the Trustees agreed a set of stewardship priorities that aligned with those of the Fiduciary Manager.</p> <p><b>DC Section:</b></p> <p>The Trustees periodically review the overall value-for-money of using the Investment Adviser (as specified in the Scheme's Investment Consultant objectives) and Investment Managers.</p> <p>The Scheme's investments are made via pooled investment funds via the Platform Manager, Fidelity, in which the Scheme's investments are pooled with those of other investors. As such, direct control of the process of engaging with the companies that issue the underlying securities, whether for corporate governance purposes (including the exercise of voting rights) or other financially material considerations, is delegated to the Investment Managers.</p> <p>Due to the nature of these pooled investment funds, the Trustees may have difficulty imposing such voting restrictions or ESG requirements on the Investment Managers. However, although the Trustees cannot influence Investment Managers directly, they can monitor the Investment Managers' ESG policies and practices during Investment Manager reviews as part of the wider strategy review which is undertaken over a 3 year rotational cycle.</p> <p>Were the Trustees to have any specific concerns, they can take this up with the Investment Manager in review meetings or decide to divest from the fund. The Trustees intend to carry out the next strategy review in 2026.</p> <p>In addition, Fidelity provides quarterly investment reports which show investment performance over a number of periods and comparisons against a benchmark, together with a market review. A summary of these results is reviewed by the Trustees at their quarterly meetings.</p> <p>The Trustees also consider the Investment Managers' engagement process directly with their Investment Adviser who monitors Investment Managers' engagement with investee companies directly. The Investment Adviser has set</p>

## Implementation Statement (Cont)

	<p>out its voting and engagement priorities which focus on six themes including Climate, Natural Capital and Biodiversity, Human Rights, Human Capital Management, Diversity and Inclusion and Corporate Governance. In the Scheme Year, the Trustees agreed a set of stewardship priorities that aligned their ESG priorities with those of Investment Adviser.</p> <p>The Trustees also consider Investment Managers' voting and engagement records in relation to ESG priorities at least annually as part of their Implementation statement. This help to ensure that the Managers' stewardship priorities are at least broadly consistent with those of the Trustees'.</p> <p><b>Illiquid Assets</b></p> <p>The Trustees did not allocate to illiquid assets within the default arrangements during the Scheme year, in line with their policy. Currently, the Trustees do not plan to invest in illiquid assets but will keep this policy under review.</p>
<p><b>Financially material factors, specifically ESG and climate change</b></p>	<p>The Trustees attribute appropriate weight to ESG factors (and stewardship) when considering changes to the investment strategy and in appointing and reviewing investment managers. The Trustees' expectations for any current or future investment manager depends on the asset class involved, the degree of discretion given to the investment manager, and the time horizon over which the Trustees expect to hold the investment.</p> <p>The Trustees are satisfied it has complied with this policy through the year.</p> <p><b>DB Section:</b> The Trustees include these factors in all investment decisions and did so for the changes to the DB investment strategy (detail set out in the following DB section).</p> <p>The Fiduciary Manager who takes investment decisions on behalf of the Trustees is expected to follow the Trustees' SIP in respect of financially material factors specifically ESG and climate change. The Trustees receive and review quarterly monitoring reports which include a matrix of ESG scores of the Scheme's Discretionary Investment Fund including TCFD ("Taskforce for climate-related financial disclosures") carbon metrics of the portfolio.</p> <p>The Fiduciary Manager considers the impact on the ESG characteristics and climate change at a total portfolio level and implications for risk and return on investments.</p> <p>When the Fiduciary Manager invests the Scheme's assets in equities, it typically uses a mandate where it can directly invest to take account of relevant factors such as ESG. For example, in its primary equity and credit mandates with BNYM and Neuberger Berman respectively, Underlying Investment Managers, the Fiduciary Manager seeks to avoid investing in companies with poor or worsening ESG credentials, where ESG represents a risk to the value of the investment and seeks to invest in those companies with good or improving ESG credentials, where ESG represents an opportunity for investment growth. The Trustees have reviewed examples of such avoidance and inclusion within ESG training sessions over the Scheme Year and is satisfied that their policies in the SIP are being adhered to.</p> <p>Where Schroders IS selects or advises on Underlying Investment Managers and it cannot directly allow ESG factors, how an Underlying Investment Manager evaluates ESG factors and mitigates ESG risks forms an important part of its evaluation at both investment and operational due-diligence stages. This may</p>

## Implementation Statement (Cont)

	<p>lead to the exclusion of potential Underlying Investment Managers (as explained above).</p> <p>The Trustees have received training from Schroders IS on how the ESG policies in the SIP are implemented in practice from both Fiduciary Manager and Underlying Investment Manager perspectives. Voting and engagement examples were provided and discussed with the Trustees alongside previous version of this document. The Trustees were satisfied with the approach taken by the Fiduciary Manager and Underlying Investment Managers and will review again in the next Scheme Year.</p> <p>ESG factors are fully integrated into the Discretionary Investment Fund assets and the Trustees have set Schroders IS specific investment consultant objectives that include an objective on integrating ESG (including climate change) and stewardship factors in the appointment of managers.</p> <p>The Trustees receive look-through ESG analysis, including ESG scores and carbon emissions data as part of the quarterly monitoring report (in relation to the DIF) for the DB Section.</p> <p><b>DC Section:</b> The Trustees delegate the day-to-day consideration of financially material factors to the Investment Managers who consider these when constructing their portfolios. The Investment Manager, who takes investment decisions on behalf of the Trustees, is expected to follow the Trustees' SIP in respect of financially material factors, specifically ESG and climate change. ESG factors and stewardship are considered in the context of long-term performance, by the Trustees as part of the Investment Manager selection criteria. This review occurs before Investment Managers are approved for investment in the portfolio. Once an Investment Manager is appointed, the Investment Adviser and Trustees will monitor the Investment Manager for ongoing compliance with the expected standards at appointment and with other factors, such as stewardship, as a part of overall governance and engagement.</p> <p>The Trustees recognise that ESG considerations can have a material impact on long-term investment performance. They also acknowledge that, outside of the Investment Manager selection process, their ability to influence the investment strategy or the specific ESG policies and approaches of individual Investment Managers is limited, especially where managers are appointed on an active mandate and the Scheme's investments are either held indirectly or comprise only a small proportion of the overall fund.</p> <p>The Trustees have adopted ESG priorities which they deem to be financially material investment considerations. These have been aligned with those of their Investment Adviser to improve how the Trustees engage with their Investment Managers; these are set out in the "Corporate governance and stewardship" section above.</p>
<p><b>Monitoring</b></p>	<p><b>DB Section:</b> The Trustees monitored the overall strategy and funding level at least quarterly over the year along with the performance of the underlying managers. The Trustees with their advisers take an integrated approach to the ongoing monitoring and consider the Scheme's funding level and sponsor covenant.</p> <p>The Trustees, with Schroders IS, monitor the performance of the Investment Managers against the agreed performance objectives and will regularly review the activities of the Investment Managers to satisfy themselves that they continue to carry out their work competently and have the appropriate</p>

## Implementation Statement (Cont)

	<p>knowledge and experience to manage the assets of the DB Section. Monitoring is provided in the DB quarterly investment governance reports or property assets monitoring reports presented at each quarterly Trustees meeting.</p> <p><b>DC Section:</b> The Trustees monitored the underlying managers within the default strategy and the full self-select fund range during the Scheme year. Fidelity provides quarterly investment reports which show investment performance over a number of periods and comparisons against short and long term benchmarks, together with a market review. A summary of these results is reviewed by the Trustees at their quarterly meetings.</p> <p><b>Managers</b></p> <p>The Trustees monitor the performance of the Managers against their own or the Trustees' specified benchmarks.</p> <p>The Trustees regularly review the activities of the Managers to satisfy themselves that each Manager continues to carry out their work competently and has the appropriate knowledge and experience to manage the assets of the Scheme.</p> <p>The Trustees carried out a comprehensive investment strategy review during the 2023. As part of this review, the Trustees considered:</p> <ul style="list-style-type: none"> <li>▪ Each Manager's performance versus their respective benchmarks</li> <li>▪ The level of risk given the specified risk tolerances.</li> <li>▪ For funds used in the default arrangements, the extent to which returns are consistent with the aims of the Trustees</li> <li>▪ Whether or not each Manager:             <ul style="list-style-type: none"> <li>○ Had regard to the need for diversification of investment holdings.</li> <li>○ Had regard to the suitability of each investment and each category of investment.</li> <li>○ Had been exercising his powers of investment with a view to giving effect to the principles contained in this SIP, so far as is reasonably practical.</li> </ul> </li> </ul> <p>Following this review, the Trustees made changes to the investment strategy, as detailed in the "Investment Objectives" section. The next strategy review is scheduled for 2026.</p> <p><b>Advisers</b></p> <p>The Trustees will monitor the advice given by the Advisers on a regular basis. Over the Scheme year, the Trustees are satisfied with the performance of the Advisers.</p> <p><b>Statement of Investment Principles</b></p> <p>The Trustees, in conjunction with the Investment Adviser, reviewed and updated the SIP in September 2024.</p>
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## Implementation Statement (Cont)

	<p><b>Recordkeeping</b></p> <p>Over the Scheme year, the Trustees maintained a record of all investment related decisions it has taken, together with the rationale in each case.</p>
<b>Risk management</b>	<p>The Trustees manage risk in aggregate through a Risk Register, which is reviewed quarterly in detail by the relevant sub-committee. The full Trustee board is informed of any material issues but also review in detail different sections of the Risk Register on a cyclical basis. This ensures that all sections are covered in any 12-month period and this was the case over the Scheme Year to 31 October 2025.</p> <p><b>DB Section:</b> For example, the Trustees addressed risks related to cashflow requirements by investing in a cashflow matching strategy in 2020, and addresses LDI collateral risks through its LDI Collateral Policy.</p> <p><b>DC Section:</b> The DC SIP sets out how risks are monitored and managed. The Trustees are satisfied that risks are monitored in line with the SIP on the basis set out below.</p> <p>The Trustees set investment guidelines for the Investment Adviser which cover a range of risks to manage which are mitigated by minimum or maximum amounts of diversification, liquidity and counterparties.</p> <p>The Investment Adviser has operated within these restrictions throughout the Scheme Year. The Trustees have monitored the Investment Adviser against the investment guidelines on a quarterly basis through quarterly monitoring reports provided by Fidelity and is satisfied that the guidelines have been adhered to on the basis of those reports.</p>
<b>Non-financially material factors</b>	<p>The Trustees do not at present take into account non-financial material factors (such as members’ ethical considerations, social and environmental impact matters or future quality of life considerations for members and beneficiaries) when making investment decisions as there is no likely common view on any ethical matters which members are likely to hold.</p>
<b>Investment strategy and Strategy Implementation</b>	<p><b>DB Section:</b> During the Scheme Year the Trustees reviewed various aspects of the DB investment strategy and retained the investment strategy, as a result of the ongoing Valuation process and discussions with the Sponsor.</p> <p><b>DC Section:</b></p> <p><b>Expected Return</b></p> <p>The Trustees continue to monitor investment performance against long-term inflation-linked targets, as well as market-based indices.</p> <p><b>Diversification</b></p> <p>The Trustees regularly review the strategy to ensure they remain satisfied with the range of funds available to members.</p> <p><b>Suitability</b></p> <p>The suitability of the range of investment options, including the default arrangements, was reviewed as part of the investment strategy review undertaken during 2023. The next strategy review is scheduled for 2026.</p>

## Implementation Statement (Cont)

	<p><b>Liquidity</b> The assets are held in asset classes that are considered sufficiently liquid.</p> <p><b>Fund Options</b> The Trustees regularly review the fund options available via the Platform Manager.</p> <p><b>Investment of Contributions</b> Over the Scheme year, members' contributions were invested in line with their selected choice of funds. Where a member did not make an active selection, their contributions were invested in the default strategy.</p> <p><b>Transitions</b> The Trustees undertook a transition exercise in 2024, following the 2023 investment strategy review. The Trustees took advice from their Advisers in relation to different transition methods and other ways to mitigate the potential costs/risks involved.</p> <p>The review of the default strategy and the self-select fund range was concluded in September 2023, which considered many of the areas above. The changes resulting from this review were implemented during the 2024 Scheme year and are outlined in the 2024 Implementation Statement.</p> <p>The Trustees aim to carry out the next strategy review in 2026 to re-assess whether the new current investment strategy continues to reflect the needs and is in the best interests of the DC Section membership and the objectives as set out in the DC SIP.</p>
<p><b>Fees</b></p>	<p><b>Managers</b> Details of the fund charges continue to be reviewed on a regular basis.</p> <p><b>Value for Members</b> The Trustees undertook a formal Value for Members assessment during the Scheme year. Following this assessment, the Trustees remain satisfied that the fees levied on member's accounts continue to provide value for money.</p>

## Implementation Statement (Cont)

### 3. How the Trustees' policies on exercising voting rights and engagements have been followed over the Scheme Year

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The Trustees have reviewed the voting and engagement activity carried out by their Fiduciary Manager (DB only) and Underlying Investment Managers (DB and DC) during the Scheme Year; a summary is provided in the next section.

#### Defined Benefit Section

The Trustees use the Fiduciary Management service of Schroders IS Limited as their Investment Manager and Adviser (it is referred to as the "Fiduciary Manager" in the Implementation Statement). Schroders Group, a global asset manager, has a long history of engagement and active ownership, dating back to 1998 when it appointed its first governance resource, and has recorded and monitored ESG engagements since then.

- Signatory to the UK Stewardship code
- A+ rating for UN Principles for Responsible Investment
- A- rating for Carbon Disclosure Project
- Advanced ESG recognition from Morningstar
- Engagement Blueprint awarded ESG Engagement Initiative of the Year at Environmental Finance's Sustainable Investment Awards 2022
- Best Investor Engagement recognition from IR Society Best Practice Award for 2021

The Fiduciary Manager can appoint other investment managers to manage part of the Scheme's assets (these are referred to as "Underlying Investment Managers"). The Scheme invests in some assets with voting rights attached (e.g. equities) and with engagement possible in relation to most asset classes. Whilst the Trustees have delegated responsibility to the Fiduciary Manager and Underlying Managers for voting and engaging on its behalf, the Trustees regularly review the approach and stewardship policies of the Fiduciary Manager to ensure they are aligned with the Trustees' beliefs and objectives.

As described in the SIP, the Trustees' approach to stewardship is to delegate the voting and engagement activities to the Fiduciary Manager. The Trustees take responsibility for regularly reviewing the approach and stewardship policies of the Fiduciary Manager to ensure they are aligned with the Trustees' priorities and objectives. A copy of the Scheme's SIP has been provided to the Fiduciary Manager, who is expected to follow the Trustees' investment (including stewardship) policies when providing Fiduciary Management services.

The Fiduciary Manager aligns its own stewardship activities with Schroders' Engagement Blueprint, which identifies six broad themes for their active ownership: Climate Change, Natural Capital & Biodiversity, Human Rights, Corporate Governance, Human Capital Management, and Diversity & Inclusion. From these, the Fiduciary Manager has chosen Climate Change, Natural Capital & Biodiversity, and Human Rights as its focus for the stewardship actions it performs on behalf of the Scheme. The Trustees expect that the Fiduciary Manager's stewardship activities will result in better management of ESG and climate related risks and opportunities, which is expected to improve the long-term financial outcomes of the Scheme. Therefore, the Trustees have aligned their stewardship priorities with the Fiduciary Manager's.

The Fiduciary Manager is a signatory to the UK Stewardship Code which sets high standards for those investing money on behalf of UK pensioners and savers. The UK Stewardship Code describes stewardship as "the responsible allocation, management and oversight of capital to create long-term value ... leading to sustainable benefits for the economy, the environment and society." Thus, the Fiduciary Manager's stewardship activities on behalf of the Trustees encompass a variety of tools, including portfolio ESG integration, manager research and selection, portfolio ESG metric monitoring and voting and engagement.

## Implementation Statement (Cont)

As part of ongoing monitoring of how the Fiduciary Manager (FM) has exercised the Trustees' stewardship policy, the Trustees reviewed quarterly FM ESG updates and the FM Annual ESG Report during the Scheme Year. The quarterly ESG updates allow the Trustees to monitor the ESG characteristics of the Scheme's portfolio and thereby assess the Fiduciary Manager's allocation, management and oversight of the Scheme's capital. In addition, the quarterly report also details stewardship activities including both voting and engagement the Fiduciary Manager carried out on behalf of the Trustees. The FM Annual ESG Report details various areas concerning the Fiduciary Manager's ESG integration within the investments and stewardship activities over the previous calendar year.

The Trustees are satisfied that the stewardship policy outlined in the SIP has been implemented well over the year, with the Fiduciary Manager taking the Trustees' stewardship policy and priorities into account as part of its stewardship activities and manager selection over the Scheme Year. Examples of how this has been evidenced include:

- The Fiduciary Manager continues to integrate ESG and climate factors via MSCI and SustainEx scores and apply exclusions to its core equity offering (BNY Mellon Equity Fund) during the security selection process as per the Schroders Group criteria which includes UNGC Global Norms Violators, controversial weapons and thermal coal. This ensures a closer alignment of the Scheme's investments with the Trustees' stewardship priorities, as these excluded investments are generally viewed as causing significant harm to the environment and society.
- ESG integration was implemented in the different parts of the investment portfolio, with Underlying Investment Manager and counterparty engagement carried out in the Scheme's Growth, Cashflow Matching Credit and LDI portfolios.
- There were a number of strategies with sustainability objectives which have been included in the portfolio across different asset classes over the year. These funds go beyond simply considering sustainability risks and actively promote environmental and social objectives.
- Working with an active credit manager to enhance their mandate to have a specific climate transition focus. This involved the introduction of a net zero target at the strategy level.
- Annual assessment of Underlying Investment Managers' ESG ratings against a comprehensive internal ESG assessment framework. Lower-rated managers are categorised as either Red-Engagement or Red-Exclusion, requiring further engagement to improve their rating, or exclusion on the grounds of poor ESG credentials. The ESG ratings were also used to identify the areas of engagement with Underlying Investment Managers across the engagement priorities.
- Regular investment and operational due diligence on the Underlying Investment Managers to monitor voting and engagement policies concerning the Scheme's investments.
- In addition to regular reporting, the Fiduciary Manager has developed its ESG reporting to provide voting and engagement examples to the Trustees, facilitating a more regular review throughout the year of the Fiduciary Manager and Underlying Investment Managers' stewardship activities. In addition, the quarterly ESG reporting also includes "spotlight" pages to provide Trustees with ESG related hot topics and educational material such as ESG integration for particular asset classes.
- Development of biodiversity metric NatCapEx to be used as an engagement tool and to provide a greater understanding of exposure to nature related risks.

Considering the voting statistics and behaviour set out in this Implementation Statement, along with the engagement activity that took place on the Trustees' behalf during the Scheme Year within the growth, Cashflow Matching Credit and LDI portfolios, the Trustees are pleased to report that the Fiduciary Manager

## Implementation Statement (Cont)

and the Underlying Investment Managers have demonstrated high levels of voting and engagement in line with their stewardship policy.

Specifically, the Trustees noted that:

- Each manager demonstrated high levels of voting rights being acted on, where voting is relevant;
- Where the holdings did not have voting rights attached, the Underlying Investment Managers showed they carried out a good level of engagement activity with the underlying companies over the Scheme Year;
- Challenge to management was demonstrated through votes by the Underlying Investment Managers against management;
- The Fiduciary Manager has carried out a high level of engagement activities with the Underlying Investment Managers, focussing on laggards and material allocations across three different engagement priorities;
- The Fiduciary Manager has also carried out a high level of engagement with different governing bodies for the Liability Hedging mandate to ensure that the Scheme's liability hedging programme remains robust following the events of the Gilt Crisis of Autumn 2022. Moreover, the Fiduciary Manager provided inputs to those governing bodies to ensure they continue to deliver even better outcomes for their clients, including the Scheme.

### Defined Contribution Section

The DC Section of the Scheme's investments is made via pooled investment funds via the Platform Manager, Fidelity, in which the Scheme's investments are pooled with those of other investors. As such, direct control of the process of engaging with the companies that issue the underlying securities, monitoring and voting, whether for corporate governance purposes or other financially material considerations, is delegated to the underlying investment managers.

The Trustees have delegated responsibility for monitoring and voting on decisions relating to their underlying manager holdings to Fidelity, which implements its fund voting policy i.e. at the fund manager level Fidelity hold voting rights, at the underlying company/stock level the underlying fund manager holds the voting and engagement rights.

This Implementation Statement includes information on Fidelity's voting and engagement record (with respect to the DC Section and voting on at the fund manager level) as well as those of the underlying managers. Where proxy voting agents have been used, this has been included in the voting information. This summary has been completed over the year to 31 October 2025.

**Given the activities carried out during the Scheme Year and by preparing this Implementation Statement, the Trustees believe that they have acted in accordance with the DWP Guidance over the Scheme Year.**

## Implementation Statement (Cont)

### 4. Voting and Engagement Summary

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#### Defined Benefit Section

The Trustees have delegated responsibility for voting on their behalf to the Fiduciary Manager and Underlying Investment Managers. Most voting rights associated with the Scheme's investments pertain to the underlying securities within the pooled funds managed by the Underlying Investment Managers. In a general meeting of a company issuing these securities, the Underlying Investment Managers exercise their voting rights according to their own policies, which the Fiduciary Manager may have influenced.

The pooled funds themselves often confer certain rights around voting or policies. These rights are exercised by the Fiduciary Manager on behalf of the Trustees, in line with the Trustees' stewardship policy.

Within the Advisory Investment Fund (10% of total assets), the Trustees have set out their intent that, where appropriate, they require their managers to adopt an active approach to corporate governance. The Trustees are aware of the policy of the Investment Managers concerned regarding corporate governance and have delegated the responsibility for activity in this area to the investment managers. Where there is no investment manager, the Trustees vote and engage directly where applicable, for example with regard to the direct holdings and PFI/property-related assets held in the Advisory Investment Fund.

The Trustees have also appointed Schroders IS as Fiduciary Manager to manage the Scheme's Discretionary Investment Fund (30% of Total Assets). This statement includes information on both the Fiduciary Manager's voting and engagement record as well as those of the underlying managers (across both the Advisory and Discretionary Investment Funds). The rest of this section pertains to the Discretionary Investment Fund.

Over the year to 30 September 2025, regarding clients' pooled fund investments<sup>1</sup>, the Fiduciary Manager voted on 132 resolutions across 21 meetings. The Fiduciary Manager voted against management on 13 resolutions (9.8% of total resolutions) and abstained on 57 resolutions (43.2% of the total resolutions). The voting topics covered a range of areas, including executive board composition, investment management processes, fund documentation, auditor tenure and fund costs. The Trustees noted that the voting conducted by the Fiduciary Manager shown in this section is in relation to the management of the pooled funds themselves rather than the underlying portfolio securities, whereas the voting statistics of the BNY Mellon Equity Fund, conducted by the Schroders Active Ownership team are in relation to the underlying securities where voting rights are attached.

#### Most Significant Votes

The following criteria must be met for a vote to be considered "significant":

1. Must relate to the BNY Mellon Schroder Solutions Global Equity Fund;
2. Must be defined as significant by the Fiduciary Manager; and
3. Must relate to the Trustee's stewardship priority themes.

The BNYM Global Equity Fund constitutes a significant proportion of the Scheme's DIF portfolio and thus constitutes the majority of the Scheme's investments in equity assets – with equity being the main asset class that holds voting rights. Additionally, within the Scheme's DIF portfolio, this is the only fund for which the Fiduciary Manager has responsibility over security selection. For these reasons, the voting activity associated with the securities in this fund holds particular significance for the Scheme.

Schroders Active Ownership team exercises the voting rights, in line with the Schroder's Global Voting Guides (shown in the appendix), which is guided by the Schroders' **Engagement Blueprint**. The Fiduciary Manager believes that all resolutions voted against the board's recommendations should be classified as a significant vote. Generally, the Fiduciary Manager does not communicate their voting intentions to companies regarding shareholder resolutions. Regarding next steps after a vote, in the instance that votes are successful, the Schroders team will typically monitor progress closely. If the votes are unsuccessful, Schroders will typically look to engage with the companies before the next AGM takes place.

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<sup>1</sup> The voting statistics provided pertain to the Fiduciary Manager's Model Growth portfolio and may not fully reflect the pooled fund investments held by the scheme.

## Implementation Statement (Cont)

Of the votes that satisfy the above criteria, the Trustees have selected one vote relating to each of the priority themes that they deem most material to the long-term value of the investments. These votes are hereby defined as 'most significant votes', and as per DWP guidance, the Trustees have communicated this definition of 'most significant votes' to the Fiduciary Manager. All of the most significant votes over this Scheme Year have been reported below.

**CLIMATE CHANGE** – At Meta Platforms Inc.'s AGM on 29 May 2025, Schroders supported a shareholder proposal calling for alignment of lobbying activities with the company's net zero emissions commitment by 2030. This vote, cast against management, reflected Schroders's belief that shareholders benefit from understanding how lobbying supports long-term climate goals. The proposal was not approved, consistent with other ESG proposals at Meta that have gained significant independent shareholder backing but failed due to the company's dual-class share structure, which grants Mark Zuckerberg majority voting control.

**NATURAL CAPITAL AND BIODIVERSITY** - At Amazon.com Inc.'s AGM on 21 May 2025, Schroders voted for a proposal requesting disclosure on the company's use of unrecyclable flexible plastic packaging, a material widely criticized for its environmental impact, especially on marine ecosystems. Amazon is believed to be one of the largest users of flexible plastic packaging globally, yet it does not disclose the tonnage used. Schroders viewed expanded reporting as beneficial for transparency and reducing environmental risks, particularly to marine ecosystems. Management opposed the proposal, arguing existing reporting was sufficient. While the resolution did not pass, Schroders noted Amazon has reported reduced plastic packaging by more than 25% in 2024.

**HUMAN RIGHTS** – At Johnson and Johnson's AGM on 24 May 2025, Schroders supported a shareholder resolution led by Mercy Investment Services, a socially responsible investor, calling for a human rights impact assessment (HRIA) on operations related to access to medicines. Although J&J has due diligence processes in place, concerns were raised that its lobbying activities may undermine commitments on access. Schroders supported the proposal, which is aligned to international human rights standards, believing it would improve transparency, reduce reputational and regulatory risks, and protect long-term shareholder value. Unfortunately, the resolution was not passed.

### Defined Contribution Section

The Trustees acknowledge that the Trustee board is ultimately responsible for the voting and engagement related to the Scheme's investments. However, the Trustees continue to believe it is appropriate to delegate voting and engagements decisions to their Investment Managers. As the Investment Managers consider ESG factors as part of the investment decisions being taken on behalf of the Trustees, the Trustees are satisfied that the Investment Managers can also take account of direct engagement or other factors relating to any voting or engagement, and respond to these (as appropriate). The Trustees acknowledge the voting and engagement policies of their underlying managers (as set out in the Appendix) and routinely monitor their voting and engagement activity.

During the Scheme Year, the Trustees have carried out the following activity in relation to the stewardship policies:

- With the help of their Platform Manager and Investment Adviser, the Trustees monitored the performance of the Investment Managers against their agreed long and short term performance objectives at each of the quarterly Investment Committee meetings during the Scheme Year.
- The Trustees reviewed the regulatory developments with regards to ESG and climate change disclosures.
- The Trustees have reviewed the voting and engagement activity carried out by their Investment Managers during the Scheme Year; a summary is provided in the Appendix.

**Following activity during the Scheme Year and by preparing this Implementation Statement, the Trustees believe that they have acted in accordance with the Statement of Investment Principles over the Scheme Year.**

## Implementation Statement (Cont)

### Appendix 1 – DB Voting statistics

#### Summary Voting Statistics: DB Section

Only the Scheme's equity and some alternative (hedge fund) holdings invest in assets with voting rights attached. Below are the voting statistics over the year to 30 September 2025 for the most material funds held on behalf of the Trustees that had voting rights during the period.

Some of the Scheme's equity holdings are invested via Exchange Traded Funds (ETFs) where voting is also relevant. However, given the Trustees have little influence on the ETF providers' voting and engagement approach, the Trustees have elected to not include the voting statistics of the ETFs in this Implementation Statement. Instead, the ETF providers' voting and engagement policies are included in the Appendix. Finally, the proxy voting services used by the Fiduciary Manager and Underlying Investment Managers are Glass Lewis ("GL"), Institutional Shareholder Services ("ISS") and ZD Proxy Shareholder Services Ltd. ("ZD").

Equity Funds	BNY Mellon (Schroder Solutions) Global Equity Fund	Artisan Global Value Fund	GMO Quality Investment Fund	JPM Europe Dynamic (ex-UK) Fund	Lazard US Small Cap Equity Fund	Morant Wright Fuji Yield Japanese Fund	Redwheel TM UK Equity Income Fund
Total meetings eligible to vote	541	35	43	71	432	58	42
Total resolutions eligible to vote	7,156	670	717	1,300	3,809	696	730
Of resolutions eligible to vote, % of resolutions voted on	94%	100%	100%	92%	99%	100%	100%
Of voted resolutions, % vote with management	87%	95%	94%	96%	85%	88%	98%
Of voted resolutions, % vote against management	13%	5%	6%	4%	15%	12%	2%
Of voted resolutions, % abstained	<1%	0%	0%	<1%	0%	0%	0%
Of voted resolutions, % vote contrary to the recommendation of proxy adviser	10%	10%	8%	2%	7%	N/A	4%
Proxy voting service used	GL & ISS	ISS, GL & ZD	ISS	ISS	GL & ISS	N/A	ISS

#### Note:

- Managers also use their proxy voting service providers for research purposes and typically work with them to create bespoke voting guidelines, usually complemented with analysis of their in-house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.
- Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of 'Abstain' is also considered a vote against management.
- Morant Wright do not subscribe to any shareholder advisory services, and their portfolio managers are directly responsible for proxy voting decisions.
- Four new active equity funds, **Artisan Global Value Fund**, **GMO Quality Investment Fund**, **Lazard US Small Cap Equity Fund** and **JPM Europe Dynamic (ex-UK) Fund**, were introduced to the Growth portfolio over the Scheme Year, although the voting data is for the year to 30 September 2025, sourced from the investment managers per Pensions and Lifetime Savings Association ("PLSA") guidance.

## Implementation Statement (Cont)

Alternative Funds	Lumyna Marshall Wace - TOPS (Market Neutral) Fund	Lumyna Marshall Wace - TOPS Focus (Market Neutral) Fund	Lumyna Marshall Wace - TOPS Fund	North Rock Fund	JP Morgan Europe Equity Absolute Alpha Fund	BlackRock Systematic Total Alpha Fund
Total meetings eligible to vote	431	176	1,952	478	175	1,807
Total resolutions eligible to vote	4,804	2,539	19,864	Data not provided	3,049	16,839
Of resolutions eligible to vote, % of resolutions voted on	85%	65%	88%	100%	97%	94%
Of voted resolutions, % vote with management	80%	60%	83%	100%	95%	93%
Of voted resolutions, % vote against management	5%	5%	5%	0%	5%	7%
Of voted resolutions, % abstained	15%	35%	12%	0%	0%	<1%
Of voted resolutions, % vote contrary to the recommendation of proxy adviser	5%	5%	5%	0%	1%	<1%
Proxy voting service provider	GL	GL	GL	GL	ISS	BIS and ISS

**Note:**

- Figures have been rounded but may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of 'Abstain' is also considered a vote against management.
- Lumyna Marshall Wace voting statistics use a different format to the other managers report. The voting statistics provided have been translated into a comparable format.
- Four new liquid alternative funds, **JP Morgan European Equity Absolute Alpha**, **BlackRock Systematic Total Alpha**, **AQR Apex Fund** and **AQR Alternative Trend Fund** were introduced to the Growth portfolio over the Scheme Year, although the voting data provided is for the year to 30 September 2025, sourced from the investment managers per PLSA guidance. AQR do not allow voting data to be publicly shared.

**The Trustees are satisfied that the voting and engagement activities undertaken by both the Fiduciary Manager and the Underlying Investment Managers align with the stewardship priorities determined during the Scheme Year, hence the Trustees believe that they have satisfactorily implemented the Stewardship Policy stated in the Scheme's SIP.**

## Implementation Statement (Cont)

### Appendix 2 – DC Voting statistics

#### Voting by the Underlying Investment Managers on securities held on behalf of the Trustees

Set out below are the voting statistics and examples for the holdings which held voting rights as of 30 September 2025, with exception of the LGIM Fund, which provides data as of 30 June 2025. For the DC section, the following criteria must be met for a vote to be considered “significant”:

- Must be considered significant by the Trustees; and
- Must be related to the Trustees’ three stewardship priority themes of Climate Change, Natural Capital and Biodiversity, and Human Rights.

Asset class	Fund name	Maximum allocation within default investment strategy (as at 31 October 2025)
Equity	BlackRock ACS World ESG Equity Tracker Fund	40.0%
	BlackRock ACS World ESG Equity Tracker Fund (GBP Hedged)	40.0%
	BlackRock Aquila Connect Emerging Markets Fund	15.0%
	LGIM MSCI World Small Cap ESG Exclusions Fund	5.0%

#### Summary Voting Statistics: DC Section

	BlackRock ACS World ESG Equity Tracker Fund (GBP hedged and unhedged)	BlackRock Aquila Connect Emerging Markets Fund	LGIM MSCI World Small Cap ESG Exclusions Fund
Total meetings eligible to vote	437	26	4,170
Total resolutions eligible to vote	6,618	210	44,417
% of resolutions did you vote on for which you were eligible?	97%	82%	100%
% voted with management?	97%	84%	73%
% voted against management?	2%	15%	27%
% abstained	0%	0%	0%
% of resolutions, on which you did vote, voted contrary to proxy adviser? (if applicable)	0%	0%	20%

Source: All data in this section has been provided by the investment managers.

#### Note:

- BlackRock use Institutional Shareholder Services, “ISS”, for proxy voting services.
- The voting statistics provided may slightly differ depending on the exact composition the Scheme holds.
- Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of “Abstain” is also considered a vote against management.

## Implementation Statement (Cont)

### Trustees' conclusions on voting and engagement

The Trustees have considered the voting behaviour (provided in the Appendix) and noted that:

- The Investment Managers demonstrated high levels of voting rights being acted on, where voting is relevant. Where the voting was irrelevant, the Investment Managers showed they carried out a good level of engagement activities over the Scheme Year.
- Challenge to management was demonstrated through votes by the Investment Managers against management.
- The general theme over the Scheme Year was executive pay and environmental issues.

### BlackRock

- BlackRock's proxy voting process is led by BlackRock Investment Stewardship team. BlackRock use proxy research firms in their voting process, primarily to synthesise information but they do not follow any single proxy research firm's voting recommendations.
- Although BlackRock appears not to vote against the recommendations from proxy adviser, it is mainly due to the fact BlackRock only use to proxy adviser to form its voting decision based on its own analysis and research.

### LGIM

- LGIM were able to provide evidence of high levels of engagement activity.
- LGIM have shown market leading capabilities in their ability to engage with underlying companies. They have significant in-house capacity and have in place a custom voting policy encompassing their own views rather than deferring decisions solely to their proxy adviser.
- LGIM's Investment Stewardship makes voting decisions and LGIM do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, LGIM has put in place a custom voting policy with specific voting instructions.
- LGIM appear to have voted against the recommendations from its proxy adviser throughout the Scheme Year.

### Fidelity

- Fidelity (DC platform provider) did not vote on behalf of the Trustees. This is due to their policy not to vote at the fund level as they cannot represent all their underlying investors that way. This is common practice in the industry.

**The Trustees are satisfied that the voting and engagement activity undertaken by the Investment Managers are in line with the Trustees' policies contained in the SIP and that no changes are required to these policies at this time. The Trustees will keep the position under review.**

### Examples of most significant votes and engagement carried out by the underlying managers

Engagement priorities	Examples
Climate change	Amazon.com Inc. , Equinor ASA, Altarea SCA
Natural Capital and Biodiversity	Shell Plc
Human Rights	Alphabet Inc., Tohoku Electric Power Co., Inc.

## Implementation Statement (Cont)

### **BlackRock**

#### **Equinor ASA**

The manager voted against the proposals to decommission all wind power plants and withdrawal from all offshore wind globally. The proposal was considered either not clearly defined, too prescriptive, outside the purview of shareholders, or unduly constraining on the company.

#### **Amazon.com Inc.**

BlackRock voted for the proposal to report on the impact of data centres on the company's climate commitments. The manager determined that the proposal is aligned with the investment objectives of the funds in scope of the BlackRock Investment Stewardship Climate and Decarbonization Stewardship Guidelines.

#### **Shell Plc**

The manager voted for the proposal requesting that the company disclose whether and how its demand forecast for LNG, LNG production and sales targets, and new capital expenditure in natural gas assets are consistent with its climate commitments, including its target to reach net zero emissions by 2050. The proposal aligns with the BlackRock Investment Stewardship Climate and Decarbonization Stewardship Guidelines and would enhance transparency regarding the company's approach to managing climate-related risks and its alignment with long-term decarbonisation objectives.

#### **Alphabet Inc.**

BlackRock voted against the proposal to publish a human rights impact assessment of AI-driven targeted advertising. The manager believes that the company already provides sufficient disclosure and/or reporting on this issue, or is in the process of enhancing its relevant disclosures, allowing investors to assess the company's management of human rights risks associated with data usage and technological deployment.

### **LGIM**

#### **Tohoku Electric Power Co., Inc.**

The manager voted for the resolution to Amend Articles to Require Female Director Ratio on the Board of At Least 30 Percent. A vote in favour was applied because LGIM believes that a well governed and diverse board is more likely to perform over the long term.

#### **Altarea SCA**

The manager voted against the proposal to approve company's Climate Transition Plan (Advisory). A vote against was applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and interim GHG emissions reduction targets consistent with the 1.5°C goal.

The manager is publicly supportive of so called "Say on Climate" votes and expects transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, LGIM deem such votes to be significant, particularly when the manager votes against the transition plan.

## Implementation Statement (Cont)

### Appendix 3 – ESG, Voting and Engagement Policies

Links to the voting and engagement policies for both Investment Manager and Underlying Investment Managers can be found here:

Investment Manager	Voting & Engagement Policy
Amundi	<a href="#">Amundi Global Voting Policy 2025</a> <a href="#">Amundi 2024 Engagement Report</a>
AQR	<a href="https://www.aqr.com/-/media/AQR/Documents/ESG/AQR-Proxy-Voting-Policy.pdf?sc_lang=en&amp;hash=7FFEB296D71C2EE923DC5D1F3EC01024">https://www.aqr.com/-/media/AQR/Documents/ESG/AQR-Proxy-Voting-Policy.pdf?sc_lang=en&amp;hash=7FFEB296D71C2EE923DC5D1F3EC01024</a>
Artisan	<a href="https://www.artisanpartners.com/content/dam/documents/legal/proxy-voting/Proxy-Voting-Policy.pdf">https://www.artisanpartners.com/content/dam/documents/legal/proxy-voting/Proxy-Voting-Policy.pdf</a> <a href="#">Sustainability/ESG   Artisan Partners Asset Management Inc</a>
BlackRock (including iShares ETFs)	<a href="https://www.blackrock.com/corporate/literature/publication/blackrock-active-investment-stewardship-engagement-and-voting-guidelines.pdf">https://www.blackrock.com/corporate/literature/publication/blackrock-active-investment-stewardship-engagement-and-voting-guidelines.pdf</a>
CBRE	<a href="https://www.cbreim.com/-/media/project/cbre/bussectors/cbreim/home/about-us/sustainability/cbreim-global-esg-policy.pdf">https://www.cbreim.com/-/media/project/cbre/bussectors/cbreim/home/about-us/sustainability/cbreim-global-esg-policy.pdf</a>
DWS Group (Xtrackers ETFs)	<a href="https://www.dws.com/AssetDownload/Index?assetGuid=4f6b86d3-a8a8-42a0-b10c-a87585398cb7&amp;consumer=E-Library">https://www.dws.com/AssetDownload/Index?assetGuid=4f6b86d3-a8a8-42a0-b10c-a87585398cb7&amp;consumer=E-Library</a> <a href="https://download.dws.com/download?elib-assetguid=e609c46cc03148eead59178e865d9fed">https://download.dws.com/download?elib-assetguid=e609c46cc03148eead59178e865d9fed</a>
GMO	<a href="https://www.gmo.com/globalassets/documents---manually-loaded/documents/legal/proxy-voting---gmo.pdf">https://www.gmo.com/globalassets/documents---manually-loaded/documents/legal/proxy-voting---gmo.pdf</a> <a href="https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo-engagement-policy.pdf">https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo-engagement-policy.pdf</a>
Hudson Bay	<a href="https://www.hudsonbaycapital.com/esg">https://www.hudsonbaycapital.com/esg</a>
JP Morgan	<a href="https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/institutional/communications/lux-communication/corporate-governance-principles-and-voting-guidelines.pdf">https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/institutional/communications/lux-communication/corporate-governance-principles-and-voting-guidelines.pdf</a> <a href="#">Engagement and proxy voting statement.pdf</a>
Lazard	<a href="#">Sustainable Investment and ESG Integration Policy</a>
Lumyna Marshall Wace	<a href="https://cdn.mwam.com/download/MW_Engagement_Policy_Jan_2022.pdf">https://cdn.mwam.com/download/MW_Engagement_Policy_Jan_2022.pdf</a>
Man Group	<a href="#">Responsible investment   Man Group</a>
LGIM	<a href="https://am.landg.com/asset/493c9b/globalassets/lgim/_document-library/capabilities/lgim-engagement-policy.pdf">https://am.landg.com/asset/493c9b/globalassets/lgim/_document-library/capabilities/lgim-engagement-policy.pdf</a>

## Implementation Statement (Cont)

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