Engineering Employers’ Federation Staff Pension Fund

Implementation statement for the year to 31 March 2026

Introduction

This Implementation Statement has been prepared by the Trustees of the **Engineering Employers’ Federation Staff Pension Fund** (“the Scheme”) in accordance with the requirements of the Occupational Pension Schemes (Investment) Regulations 2005 (as amended). Its purpose is to:

- Set out how, and the extent to which, the policies in the Statement of Investment Principles (SIP) have been followed during the year;
- Describe any review of the SIP during the year and any changes made;
- Provide information about the voting behaviour by or on behalf of the Trustees, including the most significant votes cast and the use of proxy voting services.

SIP Review

The SIP was not updated during the Scheme year and therefore remained unchanged from the version adopted in March 2025.

The SIP reflects the Trustees’ investment beliefs and policies, including those on environmental, social and governance (ESG) considerations.

Adherence to the SIP

The Trustees are satisfied that during the Scheme year:

- The Scheme’s investment policies and strategy were broadly implemented as intended during the period. The Trustee notes an approximate 14% deviation from the agreed strategic allocation to private credit. Given the illiquid nature of this asset class and the limited scope for rebalancing, this variance is considered to be consistent with the Scheme’s long-term investment objectives and rebalancing framework.
- No new asset mangers were selected or appointed, but they were monitored in line with the Trustees' policies.
- ESG and stewardship matters were considered in accordance with the policies in the SIP.

During the reporting period, the Scheme amended its operating model to enhance the delegation of collateral management. This change was implemented to better support the Scheme’s objectives, particularly in achieving full funding by 2030 on a self-sufficient basis (Gilts + 50 bps p.a.). The enhanced delegation has improved adherence to the Scheme’s collateral management policy by strengthening oversight and alignment with the Scheme’s risk management and investment strategies.

During the reporting period, the Scheme updated its liability hedging target to 95% of PV01 and 95% of IE01 of an indicative buyout estimate.

Voting and Engagement

The Scheme's assets are invested in pooled funds managed by external investment managers. The Trustees delegate voting and engagement activities to these managers, in line with the stewardship policy set out in the SIP.

Voting Activity

The Scheme's assets are invested in pooled funds focused on fixed income, liability-driven investments (LDI), and other non-equity assets, reflecting the Trustees' strategy to prioritise liability matching and low-risk returns to achieve full funding by 2030 on a self-sufficient basis (Gilts + 50 bps p.a.). As a result, the Scheme did not hold listed equities during the year to 31 March 2026, and no voting opportunities arose.

The Trustees delegate voting responsibilities to investment managers, who are selected for their robust stewardship and voting policies aligned with the Scheme's ESG priorities, including climate risk, governance standards, and long-term value creation. The Trustees review these policies during manager selection and periodic monitoring to ensure readiness for voting if the Scheme's asset allocation changes. Managers are expected to use proxy voting, with decisions reflecting the Scheme's commitment to net zero by 2050 and other ESG objectives.

The Trustees will annually assess whether changes in asset allocation introduce voting opportunities and ensure stewardship policies remain fit for purpose.

Engagement

The Trustees regularly assess the extent to which managers engage with investee companies. Each of the manager's approach to engagement and actions taken over the year are summarised below:

The Scheme's allocations to Alcentra and Partners Group are invested through private credit strategies. These assets generally do not provide shareholder voting rights and stewardship is primarily exercised through lender oversight, due diligence and borrower engagement where appropriate.

Alcentra

Alcentra defines ESG engagement as direct, logged interactions with companies - including management meetings, sponsor discussions, and due diligence reviews - that address ESG matters. These stewardship activities support Alcentra's objective of delivering long-term investment returns while promoting responsible corporate behaviour.

During the year, Alcentra continued to monitor ESG risks and opportunities across the European Direct Lending platform. However, Benefit Street Partners, which provides ESG reporting for the strategy, confirmed that it ceased producing ESG reporting for the European Direct Lending funds during the year. The final ESG report available to the Trustee was the Q2 2025 report, covering the first quarter of the Scheme's reporting period.

The Q2 2025 report recorded:

- 9 individual interactions across portfolio companies;
- 23 ESG engagement topics;
- engagement activity focussed on corporate reporting, risk management, climate change, business strategy, natural resource use and governance-related matters.

As an example, Alcentra engaged with a company operating in the education and training sector regarding the development of its ESG strategy. Alcentra encouraged the company to strengthen its reporting against recognised frameworks, improve disclosure of its double materiality assessment and develop proportionate climate-related targets. Following the engagement, the company revised its short-, medium- and long-term ESG key performance indicators and committed to enhanced ESG reporting going forward.

While reporting ceased during the year, the Trustee believes the historic engagement activity demonstrated an appropriate level of stewardship for a private credit strategy where engagement is generally undertaken through direct lender relationships rather than through shareholder voting rights.

Partners Group

Partners Group defines engagement as targeted communication with portfolio companies aimed at encouraging change at an individual issuer level and/or the goal of addressing systematic risk, particularly in relation to governance, sustainability and risk mitigation.

During the year to 31 March 2026, Partners Group confirmed that no formal engagement activity was undertaken in relation to the Scheme's investment. The Trustee understands that this outcome reflects the nature of the mandate, which is invested through an older-vintage private credit fund.

The Trustee remains comfortable that this position is consistent with the characteristics of the underlying strategy and recognises that stewardship activities in private credit mandates may be more limited than in listed equity portfolios, particularly for mature funds approaching the later stages of their lifecycle.

Insight Investment Management

Insight Investment Management defines engagement as purposeful, targeted communication with an entity with the goal of encouraging change at an individual issuer and/or the goal of addressing market-wide or systematic risk.

As the Scheme's LDI mandates consist predominantly of government bonds and derivatives, the Investment Consultants Sustainability Working Group reporting framework is not directly applicable. Instead, Insight operates a bespoke Counterparty Engagement Programme focused on its major trading counterparties.

The programme assesses counterparties' sustainability performance through a dedicated Sustainability Assessment Questionnaire issued every two years. The second programme cycle was undertaken during 2024-2025 and covered approximately 95% of Insight's trading activity. The questionnaire addressed six key themes:

- Climate change;
- Natural capital;
- Human rights;
- Diversity and inclusion;
- Business ethics; and
- Pay.

Insight Investment Management issued the questionnaire to 26 counterparties and achieved a response rate of approximately 90%. As at Q4 2025, Insight had undertaken 29 engagements with 21 counterparties. Since the programme began in 2022, 15 outcomes have been achieved where counterparties implemented recommendations arising from the engagement process. The next phase of the programme (2026-2027) will focus on climate change, natural capital, human rights and artificial intelligence

The following table shows the number of entities engaged and the number of engagements per fund, for the remaining Insight Funds, the scheme was invested in over the year to 31 March 2026:

	Entities engaged	Number of engagements
Global ABS Fund	60	60
Liquidity Fund	6	12
Short-dated Buy and Maintain Fund	69	115
Liquidity Plus Fund	11	17

A notable engagement during the year involved Société Générale, a significant banking counterparty. Insight engaged with the company regarding its climate strategy, financed emissions and transition planning framework.

During the engagement, Insight Investment Management discussed the quality of financed emissions data, sector-specific decarbonisation targets and the expansion of climate transition assessments across a wider range of carbon-intensive sectors. Insight encouraged improvements in disclosure quality and further development of transition planning tools.

The company confirmed that it had expanded its transition assessment framework to cover 15 high-emitting sectors, including power generation, construction and transport-related industries. Insight intends to continue monitoring progress in relation to financed emissions data quality, transition planning and climate-related risk management.

This engagement was undertaken through Insight's Counterparty Engagement Programme, which forms a key element of stewardship activity within the Scheme's LDI arrangements.

Conclusion

The Trustees believe that the policies set out in the SIP have been adhered to during the Scheme year. The Trustees continue to develop their understanding and oversight of responsible investment and stewardship matters.

This statement will be made available on the Scheme's website: https://weareigg.com/client-docs/eef-pension-fund/

Signed: Agreed by the Trustee

On behalf of the Trustees of the Engineering Employers' Federation Staff Pension Fund

Date: 17 August 2026