

# James Fisher & Sons plc Pension Fund for Shore Staff ('the Scheme')

## Implementation Report for the period 1 August 2024 to 31 July 2025

# Background and Implementation Statement

## Background

Environmental, Social and Governance (ESG) factors are recognised as financially material risks and schemes need to consider how these factors are managed as part of their fiduciary duty. The Trustees detail their policies in their statement of investment principles (SIP) and demonstrate adherence to these policies in an implementation report.

## Statement of Investment Principles (SIP)

The SIP includes:

- policies for managing financially material considerations, such as, ESG factors and climate change
- policies on the stewardship of the investments

The current SIP can be found online at the web address:

[Statement-of-Principles-James-Fisher-April-2025-clean-final.pdf](#)

## Implementation Report

The Implementation Report details:

- the current policy and approach with regards to ESG and the actions taken with managers on managing ESG risks
- Changes to policies on ESG matters that have been made to the SIP over the period
- the extent to which the Scheme has followed policies on engagement covering engagement actions with its fund managers and in turn the engagement activity of the fund managers with the companies in the investment mandate
- voting behaviour covering the reporting year up to 31 July 2025 for and on behalf of the Scheme including the most significant votes cast by the Scheme or on its behalf.

## Summary of key actions undertaken over the Scheme reporting year

- Over the reporting year, the majority of the Scheme's assets were transferred onto the Mobius Life Platform, aside from the Partners and M&G holdings. This was completed at the start of 2025.
- The Trustees instructed a full redemption from the Partners Fund; the proceeds settled in the Trustee Bank Account in December 2024 and were reinvested into the Aegon ABS mandate.
- The Trustees increased the liability hedge ratio from 60% up to 85% on the solvency basis in two steps. The LDI Portfolio will be further refined following the release of the 31 July 2025 Actuarial Valuation.

## **Implementation Statement**

This report demonstrates that the James Fisher and Sons plc Pension Fund for Shore Staff has adhered to its investment principles and its policies for managing financially material consideration including ESG factors and climate change.

**Signed Alison Creasy**

For and on behalf of the BESTrustees Limited, Chair of Trustees of the Scheme

**Date 19 February 2026**

# Managing risks and policy actions

Risk / Policy	Definition	Policy	Actions
Environmental, Social and Governance	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Scheme's investments.	<p>To appoint managers who satisfy the following criteria, unless there is a good reason why the manager does not satisfy each criterion:</p> <ol style="list-style-type: none"> <li>1. Responsible Investment ('RI') Policy / Framework</li> <li>2. Implemented via Investment Process</li> <li>3. A track record of using engagement and any voting rights to manage ESG factors</li> <li>4. ESG specific reporting</li> <li>5. UN PRI Signatory</li> </ol> <p>The Trustees monitor the managers on an ongoing basis.</p>	<p>The ESG policy was updated in 2023 as part of updates made to the SIP. No further changes were made to the ESG policy when the SIP was updated in May 2025.</p> <p>The Trustees' investment managers produce annual reports detailing their engagement with issuers on social, environmental, and corporate governance issues. This practice ensures regular updates on progress towards ESG objectives.</p> <p>The Trustees are comfortable that the investment managers have adhered to the policy outlined in the SIP. The Trustees receive information from investment advisors regarding the investment managers' engagement approach on a quarterly basis via the Quarterly Monitoring Reports and where areas of concern or material changes are identified.</p> <p>Information on ESG credentials was shared by the investment advisor as part of their advice to the Trustees regarding the introduction of the Aegon ABS mandate.</p> <p>The Trustees review the voting and engagement activities of the investment managers as presented in the implementation report (usually in Q1 each year).</p>

# Changes to the SIP

In May 2025, the Scheme's SIP was updated to account for the below changes:

- 1) An investment objective of securing all the liabilities with an insurance company (buy-in) in the medium term
- 2) To provide further detail on the investment performance reporting benchmark methodology in the Asset Allocation section and an explanation of how this is expected to evolve as the Scheme winds down its illiquid assets
- 3) Introduction of a formal leverage and collateral management policy
- 4) Acknowledgement of investing in relation to regulated markets

## Policies added to the SIP

Date updated: May 2025

### Investment Strategy

The Scheme's investment strategy is derived from the Trustees' investment objectives. The Trustees take a holistic approach to considering and managing risks when formulating the Scheme's investment strategy.

### Strategic Benchmark

The Scheme invests in leveraged Liability Driven Investment ("LDI") assets. This results in variable capital providing protection against changes in a fixed proportion of the liabilities resulting from changes in interest rates and inflation.

The Trustees have agreed to hedge c.85% of liabilities on the latest available solvency basis. This position is reviewed regularly and at least in conjunction with each triennial actuarial valuation.

The remainder of the Scheme's assets are invested in growth assets (which are exposed to cyclical market movements) and illiquid assets with a variable cashflow schedule.

As a result, the Trustees have agreed to take a pragmatic approach around adhering to a strategic benchmark. The Trustees have referenced the overall asset allocation via a broad strategic benchmark as in the table below:

Asset Class	Allocation %
LDI & Cash	25%
Growth Assets	75%
• <i>Asset Backed Securities</i>	40%
• <i>Multi Asset Credit</i>	30%
• <i>Private Credit</i>	5%

The Trustees keep the asset allocation under review, no less frequently than quarterly.

## **Leverage and Collateral Management**

The Trustees target a level of collateral over and above that within the Scheme's LDI funds that is sufficient to comply with regulatory guidance or withstand (at least) one collateral call from each of the Scheme's LDI funds, whichever is the larger.

The sufficiency of collateral held to support the LDI arrangement is reported to the Trustees by their investment advisors in each quarterly report. They have established a collateral waterfall arrangement to implement their collateral arrangements. The Trustees expect their investment consultant to advise them if the collateral arrangements require amendment.

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## **Regulated Markets**

The Trustees will invest in assets which are not traded on regulated markets after careful consideration of the risks and after taking advice from their investment advisor.

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# Engagement & Voting

Voting: There were no voting rights attached to the Scheme's investments over the 12 month period to 31 July 2025. The majority of the Scheme's assets are credit based where there are no voting rights attached.

Engagement: The Scheme invests via pooled funds; both directly with investment managers and through the Mobius Life Platform. Investment mandates held directly with investment managers are M&G AOF and Partners Group MAC VI. Investment mandates held through the Mobius Life Platform are Insight LDI, Insight ABS and Aegon ABS. All investment managers have provided details on their engagement actions including a summary of the engagements by category for the 12 month period to 31 July 2025.

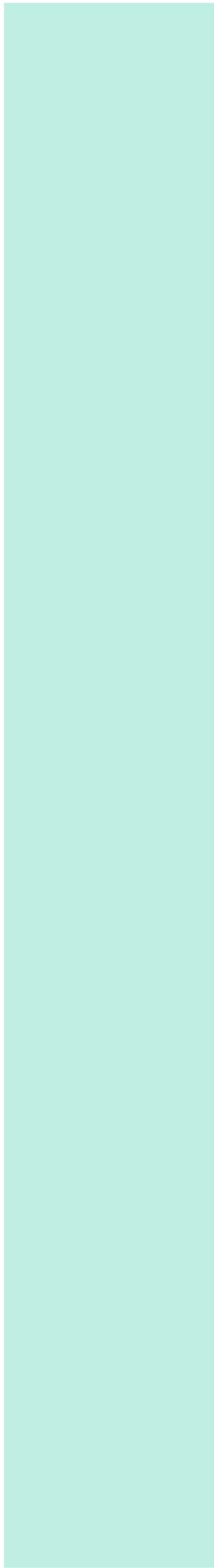
Please see below and appended for a summary relating to the Funds the Scheme had exposure to over this period.

Please note that:

- The analysis uses data for the 12 months prior to 30 June 2025 as it is the latest available to the reporting date of 31 July 2025; and
- The Commentary below is provided by the managers and "we", "us" should be read in that context.

Fund name	Engagement summary	Commentary
M&G Alpha Opportunities Fund	<p>Total engagements: 26</p> <p>Environmental: 20</p> <p>Social: 5</p> <p>Governance: 1</p>	<p>The manager has two approaches to the engagement programme: top-down and bottom-up. The top-down approach are thematic, proactive engagements on issues such as modern slavery within operations. The bottom-up approach focuses on company specific engagements such as company supply-chain structure.</p> <p>An example of significant engagement is:</p> <p><b>Hannover Rueck SE</b></p> <p>M&amp;G engaged with Hannover Rueck on improving the Company's approach to environmental issues; these discussions covered the Company's strategy, broader sector opportunities and thermal coal. M&amp;G felt that Hannover's reporting on climate was insufficient.</p> <p>The aim of this engagement was to ensure that Hannover Reuck had a plan to address its exposure to thermal coal, oil and gas and to encourage the Company to report and publish clear, short-term and net zero absolute emission reduction targets. Similarly, M&amp;G supported additional enhancement to the way it discloses climate data. In order to achieve a successful outcome, M&amp;G met with the Company's Head of Sustainability, a sustainability specialist and a member of the investor relations team.</p> <p>As a result, Hannover Re confirmed it started the process of calculating emissions, however this was a time-consuming process. Additionally, the Company aimed to publish refreshed targets in line with regulations, however CSRD requirements are strict. As such, the Company plan to revisit this after the first reporting cycle. Hannover has updated its strategy to target zero coal by 2038. Additionally, the Company is explicitly committed to the expansion of renewable energy and is therefore seeking out using green energy on a larger scale. To engage with</p>

		<p>Hannover further, M&amp;G are encouraging enhanced disclosure ahead of the Company's next sustainability report to ensure clarity and consistency in the targets it has in place.</p>
<p><b>Partners Group Multi Asset Credit VI Fund</b></p>	<p>The Partners Fund did not provide a breakdown of engagement.</p>	<p>The manager provided a commitment to ESG and their ambitions to work with portfolio company management teams. Key ESG improvements are identified, and a strategy is devised to improve ESG metrics for portfolio companies.</p> <p>No fund level example engagements were provided for the reporting year.</p>
<p><b>Insight Global ABS Fund</b></p>	<p>There were 70 engagements over the year. Insight did not provide a breakdown.</p>	<p>Insight has comprehensive ESG and Climate Change policies, with a dedicated Responsible Investment Team, embedded within their wider Fixed Income Group.</p> <p>Pepper is a significant issuer in the Australian market and is widely held across their portfolio. ESG had previously not formed part of their loan origination process so we identified them as an issuer to engage with to raise this as an area of concern. Engagement first occurred in Q4 2022, in a single meeting between Insight (senior portfolio manager) and the Deputy Head of Treasury at Pepper.</p> <p>Subsequent engagement held in Q2 2023 relating to new product range and EPC data analysis and Pepper is now showing borrowers the potential EPC improvements they can make to their properties and linking into new business.</p> <p>Pepper are also investigating the possibility of providing EPC details to investors across their back book, although limited appetite from other investors (away from Insight) so far.</p> <p>Engagement continued in Q4 2024 and Q1 2025 surrounding new issuance patterns and progress of lending patterns into the Iberian market.</p> <p>Insight raised this as an area of concern and Pepper agreed that disclosures needed to improve and would be looking to build on a number of ESG metrics in their annual reports.</p> <p>Insight also raised the lack of ESG integration into loan origination practices and Pepper agreed that this was something they were reviewing, although had no immediate plans to amend their origination policies.</p> <p>The outcome is positive in terms of disclosures (although the annual report will need to be reviewed to confirm they are appropriate). Loan level disclosures and loan practices need continued engagement.</p>
<p><b>Insight LDI</b></p>	<p>Total engagements: 109 Environmental: 86 Social: 43 Governance: 39</p>	<p>LDI funds will primarily invest in derivatives and government debt, which do not typically have voting rights. LDI funds are also typically permitted to invest in limited amounts of corporate bonds or other high quality credit. Whilst these amounts are relatively small in £ terms, Insight have wider Fixed Income capabilities and good levels of engagement with issues of corporate debt. An example is their engagement with issues on thermal coal.</p>



According to the International Energy Agency (IEA), carbon dioxide emitted from coal combustion has been responsible for over 0.3 °C of the 1°C temperature increase in global average annual surface temperatures from pre-industrial levels. Thermal coal power generation activities have been the single biggest contributor to anthropogenic climate change. Coal remains a key source of the global energy mix, contributing around 40% of global electricity supply and 25% of all carbon dioxide emissions globally.

As long-term investors, Insight has a duty to be responsible stewards of our client's capital and consider systemic risks such as climate change in our investment policies. In May 2022, Insight acted decisively to support the phase-out of thermal coal by establishing Insight's Position on Thermal Coal, which commits to ensuring issuers exposed to thermal coal activities develop a credible plan to exit coal by 2030 in developed markets, or by 2040 in emerging markets, while supporting the principles of a Just Transition.

Their thermal coal ESG research and engagement program evaluated our investment holdings for issuers where the level of corporate involvement in coal-related activities exceeds the following thresholds: (1) Any new coal mining or coal-fired generation capacity, (2) >5% coal mining revenues or >20% coal generation revenues in OECD countries or >30% revenues in non-OECD countries, (3) >5 million tons coal mining capacity or >5 GWs coal generation capacity.

**ESG Research:** Insight's evaluation of holdings generated a focus list of issuers with exposure to thermal coal activities which included holding, financing, and operating companies. 84% of issuers exposed to thermal coal activities were electric utilities, followed by 10% that were within the basic materials sector. 78% of issuers were domiciled in developed markets. ESG research was conducted to assess each's issuer's exposure to thermal coal and their associated transition plans. Of the issuers identified with coal-related activities, 51% met Insight's expectations for appropriate risk management. Comparing yields of issuers with significant exposure to thermal coal electricity production or coal mining shows little to no relationship between years to maturity and yield, across both developed and emerging market issuers, thermal coal power and mining and the metallurgical coal value chain. Similarly, comparison of spreads with years to maturity finds little relationship between spreads and years to maturity, despite growing duration-related risks. One conclusion from Insight's ESG research is long-term credit risks do not appear to be appropriately priced into securities.

**ESG Engagement:** Insight's research identified issuers that required engagement. Through 2Q 2023, Insight had engaged just over 50% of the issuers we targeted. They aim to begin engagement with all the targeted issuers by the end of 2023. Many issuers have been responsive to engagement, but several issuers have shown limited responsiveness. For ongoing engagements, most interactions have focused on gathering information and

		<p>target companies have shared details on their transition plans to illustrate risk management and oversight of coal-related activities. 40% of issuers engaged were in the constructive dialogue escalation phase.</p> <p><b>Escalation:</b> Insight have escalated engagements with six (6) issuers due to concerns related to their coal activities, or unresponsiveness to our engagement. The issuers that have escalation stages greater than Constructive Dialogue (stage 1), will be reviewed by Insight's Ratings and Exclusions Group (REG) on a periodic basis. The REG will determine any investment actions that are required such as recommending exclusions or sale, and the scope of such investment actions.</p>
<p><b>Aegon European ABS Fund</b></p>	<p>Total engagements: 115  Environmental: 26  Social: 4  Governance: 26</p>	<p>Aegon noted that voting within the ABS market is relatively infrequent, so they consider all votes as significant. Aegon AM uses several services from Institutional Shareholder Services Inc. (ISS) to facilitate its proxy voting process. These services are comprised of the online voting platform where the firm casts its votes, reporting and disclosure tools and benchmark and customised voting advice.</p> <p>Aegon provided a list of significant engagements over the year in question, with issuers making changes in response to the engagement, such as adjusting the legal terms of their issuance or to increase the value of the underlying investment.</p>
<p><b>Insight Liquidity Plus Fund</b></p>	<p>Total engagements: 20  Environmental: 10  Social: 9  Governance: 6</p>	<p>Insight did not provide an example of a significant engagement over the reporting year. They have previously provided detailed responses.</p>

