



Trafford Park Printers 1990 Pension Scheme

31 March 2025

Background and Implementation Statement

Background

The regulatory landscape continues to evolve as ESG becomes increasingly important to regulators and society. The Department for Work and Pensions ('DWP') has increased the focus around ESG policies and stewardship activities by issuing further regulatory guidance relating to voting and engagement policies and activities. These regulatory changes recognise the importance of managing ESG factors as part of a Trustee's fiduciary duty.

Implementation Statement

This Implementation Statement provides evidence that the Scheme continues to follow and act on the principles outlined in the Statement of Investment Principles (the "SIP").

The SIP can be found online at this web address:

<https://www.isio.com/app/uploads/2024/03/Trafford-Park-Printers-SIP.pdf>

The Implementation Statement details:

- actions the Scheme has taken to manage financially material risks and implement the key policies in its SIP
- the current policy and approach with regards to ESG and the actions taken with managers on managing ESG risks
- the extent to which the Scheme has followed policies on engagement over the reporting year up to 31 March 2025 covering the engagement activity of the fund managers with the companies in the investment mandate
- voting behaviour covering the reporting year up to 31 March 2025 for and on behalf of the Scheme including the most significant votes cast by the Scheme or on its behalf

Summary of key actions undertaken over the Scheme reporting year

The Trustees take ESG matters seriously and established a formal ESG policy in 2023, which can be applied to the Scheme's investment portfolio over time.

In October 2024, an investment strategy review was carried out which reviewed the Scheme's current investment strategy and positioning. Isio presented strawman portfolios with differing risk / return profiles to illustrate the actions the Trustees could consider. Following the investment strategy review, minor refinements were made to the LDI portfolio to re-align the current hedge ratio with the 100% target. Further discussions were held on the potential approaches to improving the Scheme's ESG metrics through ESG-tilted equity – these discussions will be refreshed this year.

In September 2024, Isio conducted the second annual Sustainability Integrated Assessment ("SIA") which reviewed the ESG credentials of the Scheme's investment managers on behalf of the Trustees.

Post reporting period, the SIA was updated for 2025 developments, and the Scheme's investment managers were reviewed through Isio's ESG Manager Review

Framework, which focussed on assessing each manager and Fund on key areas, such as their investment approach, risk management, and stewardship. The Scheme scored an overall rating of “light green” (meets traditional criteria) on both ESG and Climate, meaning that it scored strongly on the majority (but not all) of Isio’s ESG and climate criteria. All of the Scheme’s Funds scored in the mid to upper range of their peer groups.

Implementation Statement

The Implementation Statement demonstrates that the Trafford Park Printers 1990 Pension Scheme has adhered to its investment principles and its policies for managing financially material consideration including ESG factors and climate change.

Managing risks and policy actions

Risk / Policy	Definition	Policy (as outlined in the latest signed SIP)	Actions and details on changes to policy
Interest rates and inflation	The risk of mismatch between the value of the Scheme assets and present value of liabilities from changes in interest rates and inflation expectations.	To hedge 100% of interest rate and inflation risks by investing in matching assets that move in line with the present value of the Scheme's liabilities. The hedge target is monitored and refined annually.	The Scheme continues to target a 100% target hedge on both interest rates and inflation. Following the October 2024 strategy review, minor refinements were made to the LDI portfolio to realign the current hedge ratio to the 100% target.
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members benefits as they fall due (including transfer values) and to provide collateral to the LDI manager.	The Scheme's non-LDI assets are traded on a daily frequency, providing sufficient liquidity. The Scheme has an automatic arrangement where it will disinvest from JP Morgan Diversified Credit to meet LDI capital calls.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away any unrewarded risks, where practicable.	The Scheme is invested in various funds across asset classes, therefore diversifying this risk.
Credit	Default on payments due as part of a financial security contract.	To diversify this risk by investing in a range of credit markets across different geographies and sectors.	The Scheme invests in a pooled credit fund which invests across a variety of geographies and sectors, diversifying the underlying credit risk.
Environmental, Social and Governance	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Scheme's investments.	The Trustees consider environmental, social, and corporate governance factors when selecting, monitoring and engaging in the investments they make. Following an ESG beliefs session completed in 2023, the Scheme has also implemented a formal ESG policy.	As part of the investment management of the Scheme's assets, the Trustees are expected to, where relevant, assess the integration of ESG factors in the investment process of underlying managers by considering the ESG ratings provided by the Investment Advisor. Post reporting period, Isio prepared an SIA report on behalf of the Trustee which evaluated the investment managers' approach to integrating ESG factors. The report sets out Isio's assessment of the ESG capabilities of each of the Scheme's underlying

			investment managers and identified areas for future engagements. Further details are included on page 8-9.
Currency	The potential for adverse currency movements to have an impact on the Scheme's investments.	To invest in GBP denominated share classes where possible.	All the Scheme's investments are in GBP denominated share classes.
Non-financial	Any factor that is not expected to have a financial impact on the Scheme's investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments.	

Changes to the SIP

Over the reporting period, there were no changes made to the SIP.

Current ESG policy and approach

ESG as a financially material risk

The SIP describes the Scheme's policy with regards to ESG as a risk as it potentially could have a material impact on investment risk and return outcomes. This section details how the Scheme's ESG policy is implemented.

The assets of the Scheme are invested in pooled vehicles and the Trustees accept that pooled investments will be governed by the individual policies of the investment manager. These policies are reviewed as part of the consideration of pooled investments. As such, the Trustees have given their investment managers full discretion in evaluating ESG factors, including climate change considerations, exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.

The Trustees are increasingly considering how ESG, climate change and stewardship is integrated within investment processes in appointing new investment managers and monitoring the existing investment managers. The Trustees may consider the ESG ratings provided by their Investment Advisor on how the investment manager embeds ESG factors into its investment process. A change in ESG rating (or lack of ESG rating) does not mean that the fund will be removed or replaced automatically.

Following the completion of an "ESG Beliefs Session" held during the reporting period to 31 March 2024, a formal ESG Policy was agreed which can be applied to the Scheme's investment portfolio over time.

Over the reporting period to 31 March 2025, Isio conducted a SIA which reviewed the ESG credentials of the Scheme's investment managers and funds on behalf of the Trustees. The assessment was most recently completed in August 2025 and included the following:

- A consolidated view of the Scheme's overall ESG score
- A breakdown of the ESG score at individual manager level
- A comparative benchmark analysis showing how each mandate's ESG credentials stack up against other managers in the respective asset class
- A snapshot of some more detailed ESG findings at the fund level revealing key ESG insights for each fund that the Scheme is invested

ESG summary and actions with the investment managers

Post reporting period, Isio shared a SIA with the Trustees which reviewed the ESG credentials of the Scheme's investment managers and funds on behalf of the Trustees. In the table below, Isio has included an updated summary of each investment manager's ESG credentials and proposed actions for future improvements. Through Isio, the Trustees continues to engage with the Scheme's investment managers on both their ESG approach and engagement.

Manager - fund	ESG summary	Actions identified
L&G - Passive Equity	<p>L&G is a market leader in integrating ESG and climate factors into their range of investment funds. They are a member of 50+ ESG initiatives / networks, with a strong approach to Stewardship and Collaboration.</p> <p>L&G have strong firm-level policies such as the net zero commitment by 2050.</p> <p>However, there is limited scope to adapt the investment approach to ESG in the passive equity range. Despite the passive nature of the asset class, the fund actively engages with underlying companies in line with the firmwide Stewardship priorities and utilises L&G's ESG reporting framework, particularly the ESG scoring system.</p>	<ul style="list-style-type: none"> - Introduce a formal ESG training program with defined priorities. - Consider developing connections with leading academic institutions to develop robust risk management frameworks. - Develop fund level ESG, climate, social and nature objectives. - Consider social issues such as diversity and inclusion as part of its investment process. - Develop a model to assess climate scenario impacts.
L&G - Gilts	<p>L&G is considered advanced relative to peers in relation to ESG integration, with a clear firm ESG policy and net zero commitment.</p> <p>Due to the passive nature of the asset class, the Fund aims to replicate the performance of their benchmark with no active credit selection. Therefore, there are no fund-level ESG objectives or scorecards used in the investment process. However, L&G provides quarterly ESG reporting and can provide climate scenario modelling.</p>	<ul style="list-style-type: none"> - Introduce a formal ESG training program with defined priorities. - Consider developing connections with leading academic institutions to develop robust risk management frameworks. - Consider utilising external ESG data sources and have internal data externally verified. - Increase engagement coverage and portfolio reporting including nature and biodiversity related metrics.

L&G - LDI	<p>L&G is actively committed to integrating ESG considerations into LDI funds, supported by a dedicated ESG team that enhances stewardship and responsible investment using proprietary tools.</p> <p>The LDI funds do not have any explicit ESG objectives. However, L&G embeds ESG within their counterparty review process for LDI funds via their Active ESG tool & engaging with counterparties.</p>	<ul style="list-style-type: none"> - Introduce a formal ESG training program with defined priorities. - Consider developing connections with leading academic institutions to develop robust risk management frameworks. - Consider expanding the approach to assessing green gilts to complement a relative value assessment in order to create positive externalities within the funds.
JPM – Diversified Credit	<p>JP Morgan (“JPM”) have robust ESG and stewardship policies, including a firm-level commitment to achieving net-zero greenhouse gas emissions by 2050. The central ESG team continuously reviews JPM’s Sustainable Investment Statement and actively participates in various industry collaborations.</p> <p>The Fund does not have ESG objectives and has limited portfolio exclusions. ESG reports are not currently produced as coverage is not high enough, though limited TCFD (Taskforce for Climate-related Financial Disclosures) metrics are available. However, the portfolio team considers ESG risk during their investment process.</p>	<ul style="list-style-type: none"> - The firm-level Net Zero target should be expanded to capture all assets under management. - Consider making the online ESG training platform for employees mandatory. - Implement fund-level ESG targets and develop exclusions policy. - Carry out an annual review of the ESG scorecard / risk framework. - Improve data coverage in all ESG reporting.

Engagement and Voting

The Trustees have appointed Mobius Life as the platform provider which implements policies on their behalf. Mobius Life has adopted the managers' definition of significant votes and has not set stewardship priorities. The managers have provided examples of votes they deem to be significant, and Mobius Life has shown the votes relating to the greatest exposure within the Scheme's investment. When requesting data annually, Mobius Life informs the managers what they deem most significant.

The document from Mobius Life covers details on engagement and voting actions including a summary of the activity, covering the 12-month period ending 31 March 2025.

