

BIG THINKING FOR SMALL SCHEMES

Implementation Statement

Scholastic Limited Pension and Assurance Scheme

31 March 2026



1. Introduction

Under regulatory requirements, trustees are required to prepare and review an implementation statement outlining their approach and stewardship dealing with certain specific matters with regards to their Environmental, Social and Governance (ESG) principles outlined in their latest Statement of Investment Principles (SIP).

This Statement sets out the principles governing decisions about the ESG aspect of investment of the assets of Scholastic Limited Pension and Assurance Scheme (the Scheme). In preparing it, the Trustee has obtained written reporting on these matters from Barker Tatham Investment Consultants Limited as the Scheme's investment consultants.

2. ESG Principles

Environmental, Social and Corporate Governance Policies

In endeavouring to invest in the best financial interests of the beneficiaries, the Trustee has elected to invest through pooled funds. It acknowledges that it cannot directly influence the environmental, social and governance ("ESG") policies and practices of the companies in which the pooled funds invest. The Trustee also acknowledges that where index-tracking pooled vehicles are employed ESG considerations cannot be taken into account due to the nature of the investment.

In principle, the Trustee believes that ESG factors can have material impacts on both the investment risk and return of its investments and good stewardship of the Scheme's investments is an important factor in helping to create and preserve capital. In particular, long-term sustainability issues, particularly climate change, present both risks and opportunities and these will require ongoing consideration.

The Trustee has delegated the day to day investment of Scheme assets to their fund manager, Insight. The Trustee has an expectation that the manager will evaluate ESG factors, where possible, including climate change considerations and exercising voting rights and stewardship obligations in line with the prevailing best practice.

The Trustee does not, at present, take into account the views of members.

Appropriate weight will be given to ESG factors in the appointment of fund managers.

The Trustee's views that the stewardship responsibilities attached to the ownership of shares are important but recognise that investment in pooled funds limits their ability to be fully involved. The Trustee expects their investment managers to report in detail on how they have exercised voting rights attached to shares (including across passive equity mandates). Managers are expected to be signatories to the FRC UK Stewardship Code.

Further information on the Trustee's policies can be found in the latest SIP. Over the year to 31 March 2026, the Trustee had in place two SIPs dated June 2024 and December 2025.

In the Trustee's opinion, their policies, as recorded in the SIP, have been followed over the 12-month period to 31 March 2026.

The following pages illustrate how the Trustee, through their fund managers, has followed their stewardship and engagement policies.

3. Investments Attitudes to ESG

Fund Manager/Fund	ESG Description
<p>Insight</p> <p>Enhanced Selection LDI Longer Nominal Fund</p> <p>Enhanced Selection LDI Longer Real Fund</p> <p>UK Corporate Long Maturities Bond Fund</p> <p>LDI GBP Liquidity Plus Holding Fund</p> <p>Fully Funded Gilts 2031 – 2040 Fund</p> <p>Fully Funded Index-Linked Gilts 2021-2030 Fund</p> <p>Fully Funded Index-Linked 2051-2060 Fund</p> <p>(invested until October 2025 – full disinvestment in order to fund the Utmost Buy In policy)</p>	<ul style="list-style-type: none"> <p>Fund Manager Overview</p> <p>For Insight, responsible investment is about value. They believe all risks, including environmental, social and governance (ESG) risks, can affect the value of an investment.</p> <p>Insight believe that investing responsibly means managing risk. This includes risks to the wider market, as well as the specific underlying risks that determine whether an investment is fair value. They aim to systematically consider ESG issues within their research processes – and if they identify material ESG risks, they engage to better understand the issues. They also seek to understand and act on wider issues to support our clients’ best interests.</p> <p>Insight was a founding signatory to the UN-supported Principles for Responsible Investment (PRI) in 2006, the world’s leading proponent of responsible investment. Signatories to the PRI include investment managers and asset owners with trillions of dollars of assets under management. In 2020, they were awarded A+ ratings across the relevant categories in the PRI survey, including corporate and sovereign debt.</p> <p>ESG Integration</p> <p>Insight’s proprietary models continually evolve to help address the gaps in third-party ESG data. They guide their engagement with companies and governments to better understand the ESG risks they face and how those risks are managed.</p> <p>They aim to take a proactive role in ensuring the long-term sustainability and resilience of markets. They have helped to drive change on significant regulatory and market issues to protect their clients’ long-term interests, as well as those of wider society.</p> <p>Insight generate prime corporate ESG ratings based on separate environmental, social and governance ratings, which in turn rest on 33 separate scores for a wide range of key ESG issues. The ratings are generated using inputs from numerous ESG data providers, adjusted for quality and relevance by Insight’s credit and data experts, who also weigh them according to their significance for different sectors. Prime corporate ESG ratings were created to generate ESG ratings that we believe more accurately and reliably reflect the risks that corporates face. They aim to help Insight’s analysts and portfolio managers consider material ESG risks, informing their decision-making and engagement, and to enable portfolios for clients requesting specific sustainability criteria.</p>

In 2025, Insight conducted 936 engagements with debt issuers, of which the majority included some form of ESG dialogue. These included 150 engagements focused solely on ESG issues. The 936 engagements included interactions with companies in 77 countries, of which 39 were emerging markets.

More information can be found in Insight's Responsible Stewardship Annual Report 2025.

- **Active Ownership – (1 year to 31 March 2026)**

To help clients stay abreast of relevant developments, Insight publishes regular market insights, views from industry experts and reports detailing their efforts and the difference they make. Insight report annually on their responsible stewardship and provide quarterly policy level engagements spreadsheets on their LDI Engagement for the year to the end of March 2026. Insight carry out engagements with some themes outlined below:

- Pension trustee skills, capability and culture
- Options for DB schemes consultation
- LDI consultation
- Work and Pensions Committee consultation on DB pension schemes

UK Corporate Long Maturities Bond Fund

Insight engage with entities (e.g. company, government, industry body, regulator) through purposeful and targeted communication with that entity with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate).

Enhanced Selection LDI Longer Nominal and Real Funds

Insight aims to embed ESG where appropriate. Insight considers how ESG is incorporated in their choice of counterparties, which they use by reviewing quantitative and qualitative factors as well as overall governance.

A case study by Insight looks at their engagement on UK DB reform. Insight believes that while UK DB schemes are currently in a strong funding position, existing regulation continues to drive schemes towards buy-out rather than allowing greater flexibility in endgame planning. Insight has therefore been advocating for policy reform to enable pension schemes and trustees to make the best long-term decisions for their members.

Insight has engaged with policymakers, asset owners and advisers to encourage additional flexibility and clarification of the rules surrounding run-on strategies. The firm has also been working with stakeholders to help define how schemes can implement run-on approaches in a way that enhances member outcomes while supporting the wider UK economy. Through this engagement, Insight has positioned itself as a key contributor to the ongoing

discussion around the future of UK DB pension schemes and endgame policy reform.

Another case study that Insight has looked at is their engagement on EU securitisation regulation reform. Insight has been engaging with policymakers to help ensure that new EU securitisation regulations are supportive of market growth, reflecting both the firm's expertise in the sector and its commercial interest in the development of the market.

Insight believes that expanding the securitisation market in Europe has the potential to deliver significant benefits by transferring risk away from banks, supporting increased financing for the real economy, and creating attractive opportunities for capital market investors. The recently published EU securitisation legislative proposals are viewed as an important opportunity to revitalise European capital markets and influence the future direction of both EU and UK securitisation frameworks.

Through its engagement, Insight has been advocating for regulations that support issuers coming to market, avoid overly prescriptive requirements, and focus on measures that encourage sustainable market development. Insight has also highlighted the value of securitised assets for pension funds and insurers, given their flexibility and alignment with long-term investment objectives.

Insight also reviewed the Sustainable Finance Disclosure Regulation (SFDR). Insight has been advocating for stronger and clearer sustainability-related disclosures to support its ability to meet client objectives while ensuring alignment with evolving EU regulatory expectations.

The European Commission's formal assessment of SFDR represents a significant opportunity to strengthen and clarify the existing framework, which has a material impact on firm-level sustainability disclosures and the classification of sustainability characteristics across Insight's product range. Insight has therefore been actively engaging through industry groups to help shape the future direction of the regulation.

Through this engagement, Insight has been advocating for greater clarity around product classification, improved transparency requirements, and measures to mitigate greenwashing risks. Insight's involvement reflects its commitment to supporting the development of a more robust and effective sustainable finance framework across the European market.

- **References**

More information can be found in the following links/documents:

- Insight Advocacy Strategy Group Q1 2026
- Quarterly Policy Level Engagements Sheets