

College of Law Pension and Assurance Scheme - Implementation Statement

Statement of Compliance with the College of Law Pension and Assurance Scheme's Stewardship Policy for the year ending 30 June 2025

Introduction

The Trustees have prepared this Implementation Statement in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and subsequent amending legislation, and those of the Pensions Regulator's General Code of Practice. It sets out how the Trustees have complied with the College of Law Pension and Assurance Scheme (the "**Scheme**") Stewardship Policy and Statement of Investment Principles during the period from 1 July 2024 to 30 June 2025 (the "**2024/25 Scheme Year**").

Overall, the Trustees are satisfied that:

- The Scheme's investments have been managed in accordance with the Scheme's Stewardship Policy during the period;
- The Scheme's investments have been managed in accordance with the remainder of the Scheme's Statement of Investment Principles; and
- The provisions of the Statement of Investment Principles remain suitable for the Scheme's members.

Statement of Investment Principles (SIP)

The Statement of Investment Principles (SIP) sets out the principles and practices the Trustees follow when governing the Scheme's investments. It describes the rationale for selecting the investment strategy and explains the risks and expected returns of the funds used, as well as the Trustees' approach to responsible investing (including climate change).

The SIP was most recently updated in April 2025, following the Trustees' decision to enter into an insurance policy ("the Policy") with The Royal London Mutual Insurance Society Limited ("Royal London") to secure all remaining uninsured benefits. This followed previous insurance transactions and means that all of the Scheme's benefit obligations are now fully insured through a series of bulk annuity contracts.

The SIP is scheduled to be reviewed no later than April 2028, or earlier if there is a significant change in investment strategy.

The Trustees have prepared this Implementation Statement on the basis of the SIP in force throughout the period, with reporting within this document in line with the SIP applicable at the relevant time.

The Scheme's SIP can be consulted online at <https://www.isio.com/scheme-documents/college-of-law-pension-and-assurance-scheme/>

Investments governance

The primary objective of the Scheme is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependants, on a defined benefits basis.

The Trustees have overall responsibility for how the Scheme's investments are governed and managed, in accordance with the Scheme's Trust Deed and Rules, as well as Trust Law, Pensions Law and Pension Regulations.

As the Scheme's benefit obligations are now fully insured, the Scheme no longer invests to meet benefit payments directly.

However, the Scheme continues to hold a residual allocation to a closed-ended private debt fund managed by Partners Group. This investment is in wind-down and is expected to run off in line with the underlying fund structure. The Trustees are not making any new investment decisions and are focused on monitoring the run-off and receiving capital distributions as they arise.

Any residual cash distributions from the private debt fund are retained to meet ongoing Scheme expenses.

The Trustees have previously set objectives for the Scheme's investment adviser, designed to align with the Scheme's investment strategy prior to full buy-in. These objectives remain in place and continue to provide a framework for assessing the adviser's support, particularly in relation to the oversight of the residual assets and the Trustees' ongoing investment governance responsibilities.

The suitability of these objectives was last reviewed in Q4 2024 and is scheduled for review no later than Q4 2027. Following the full buy-in, the adviser has provided support on an as-needed basis. The Trustees are satisfied that the adviser has met the objectives insofar as they remain applicable.

The investment risks associated with the Scheme are outlined on page 1-2 of the Statement of Investment Principles.

Stewardship policy

The Trustees' Stewardship (voting and engagement) Policy sets out the Trustees' approach to;

- the exercise of any rights attached to Scheme assets (including any voting rights); and
- undertaking engagement activity, including how the Trustees monitor and engage with its investment managers and any other stakeholders.

The Trustees review the Scheme's Stewardship Policy as part of any update to the Statement of Investment Principles (SIP), which is reviewed periodically or when there is a material change.

As the Scheme's benefit obligations are now fully insured, and its remaining investment is a closed-ended private debt fund in wind-down, opportunities for engagement and voting are extremely limited. The Trustees are mindful of this and consider the current level of stewardship activity to be proportionate and appropriate in the context of the Scheme's position.

Extent of Stewardship Policy compliance

The Trustees monitor their compliance with the Scheme's Stewardship Policy on a periodic basis and are satisfied that they have complied fully with the Scheme's Stewardship Policy during the 2024/25 Scheme year.

Voting activity

The investment managers may have voting rights in respect of the underlying assets of the pooled funds in which the Trustees have invested, depending on the nature of those underlying assets from time to time. The Trustees expect the Scheme's investment managers to exercise any voting rights attached to individual investments in accordance with their own house policy, with the objective of preserving and enhancing long term value for investors.

Given that the Scheme does not currently invest in any equity holdings, no voting rights are currently exercised by the Trustees or by their investment managers in relation to any equity holdings of the Scheme.

Whilst the Scheme has a small exposure to preferred stock through the investment into private debt facilitated through Partners Group, the preferred stock holds no voting rights and the Trustees have therefore excluded it from their analysis of any voting activity.

No voting rights are attached to any of the Scheme’s other underlying assets held on behalf of the Trustees, so there is no voting behaviour or activity by the managers on which to report.

Engagement activity

The Trustees have historically met with their investment managers on a periodic basis to discuss stewardship and responsible investment matters. However, as the Scheme transitioned to a fully insured position and disinvested from LGIM and Insight by March 2025, opportunities for ongoing engagement have become very limited. As at 30 June 2025, Partners Group remains the Scheme’s only investment manager.

The table below summarises the key engagement activities reported by the Scheme’s three investment managers over the 2024/25 Scheme Year. While the Scheme disinvested from LGIM and Insight partway through the year, both managers have provided engagement reporting covering the full year to 30 June 2025. This information is included for completeness.

Management engagement activity from Partners Group and Insight relates specifically to the mandates in which the Scheme was invested — namely, Partners Group Private Markets Credit Strategies 2 S.A. – Compartment Multi Asset Credit 2017 (IV) GBP, and the Insight High Grade ABS Fund, respectively.

Management engagement activity provided by LGIM, relates to engagement activity on a firmwide level, and examples of how ESG is being considered for funds that have voting rights. The case studies detailed for LGIM are for general information about the manager only.

Manager	Number of engagements	Topics engaged on	Case Studies
Partners Group: Private Markets Credit Strategies	11	Exit	<ul style="list-style-type: none"> Engagement topic: Realisation of investments Outcome: In 2025, Partners Group exited multiple positions across first lien, second lien, mezzanine, and equity investments, including Accelya, AGS Health, AmSurg, Envision Healthcare, Galderma, Gong Cha, Prometric, and Signant Health. Most assets were sold to a continuation vehicle, with final distributions and wind-up expected shortly.
LGIM	3643 firmwide	Climate, deforestation, remuneration, diversity, human rights, plastics, circular economy	Pemex <ul style="list-style-type: none"> Engagement topic: Climate transition and methane emissions. Outcome: LGIM engaged via CA100+ to improve climate disclosures and methane management. Pemex published its first Sustainability Plan, setting emissions targets, aligning with TCFD/ISSB, and allocating capital to climate goals. Engagement continues with a focus on methane emissions.
			Pigeon Corp.

			<ul style="list-style-type: none"> Engagement topic: Deforestation policy and governance. Outcome: LGIM voted against the re-election of the Chair due to lack of a public deforestation policy. The company was contacted twice under LGIM's deforestation campaign but failed to meet minimum expectations. Engagement continues as part of LGIM's broader deforestation initiative.
			<p>UK Water Industry</p> <ul style="list-style-type: none"> Engagement topic: Financial resilience and regulatory reform in the UK water sector. Outcome: LGIM joined a bondholder forum and engaged with Ofwat, DEFRA, and government departments to address concerns over regulatory proposals and market perceptions. Bilateral calls and roundtables were held with issuers including United Utilities, Severn Trent, and Pennon Group, focusing on infrastructure and sector resilience. LGIM continues collaborative engagement to drive long-term solutions for the industry
Insight High Grade ABS Fund	c.70 total engagements, of which c. 20 were meaningful engagements.	ESG issues	<p>Pepper</p> <ul style="list-style-type: none"> Engagement topic: ESG considerations in loan origination and underwriting. Outcome: Engagement began in Q4 2022 and continued through Q1 2025. Insight raised concerns about ESG gaps in Pepper's origination practices. Pepper acknowledged the issue and committed to improving disclosures. Follow-up discussions covered EPC-linked lending and Iberian expansion. While core policies remain unchanged, Pepper now offers EPC insights to borrowers and is exploring broader ESG metrics. Engagement will continue to monitor progress and encourage policy development. <p>OCP</p> <ul style="list-style-type: none"> Engagement topic: ESG practices within CLO programme. Outcome: Engagement began after Insight flagged OCP's CLO as bottom 10% for ESG. Insight recommended aligning deal terms with UN Global Compact principles. OCP updated documentation to include minimum ESG standards and obligor assessments, improving

			its ESG score. Insight will monitor future deals for consistency and impact.
			<p>BSKY (BMW)</p> <ul style="list-style-type: none"> • Engagement topic: Carbon reporting and EV lending practices. • Outcome: Engagement continued in Q2 2025 with a meeting with the Head of Structured Finance. BSKY reaffirmed its EV lending commitment via the 'Neue Klasse' initiative. Carbon reporting is in early stages, with plans to include CO₂ metrics in future reports. Contracts were updated to improve borrower transparency on commission payments. Insight will maintain dialogue to support disclosures and monitor UK issuance.

Review of policies

The Trustees and their investment advisers remain satisfied that the responsible investment policies of the Scheme's investment managers and, where appropriate, those investment managers' voting policies remain suitable for the Scheme and are consistent with the Scheme's Statement of Investment Principles.