Engagement Policy Implementation Statement ("EPIS")

Calmac Pension Fund (the "Fund")

Fund Year End – 5 April 2026

The purpose of the EPIS is for us, the Trustees of the Calmac Pension Fund, to explain what we have done during the year ending 5 April 2026 to achieve certain policies and objectives set out in the Statement of Investment Principles ("SIP"). It includes:

1. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Fund's investments have been followed during the year; and

2. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services, and the 'most significant' votes cast over the reporting year.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

In our view, most of the Fund's material investment managers were able to disclose adequate evidence of voting and/or engagement activity, and the activities completed by our managers align with our stewardship expectations.

How voting and engagement policies have been followed

The Fund is invested entirely in pooled funds, and so the responsibility for voting and engagement is delegated to the Fund's investment managers, which is in line with the policies set out in our SIP. We reviewed the stewardship activity of the material investment managers carried out over the Fund year and in our view, most of the investment managers were able to disclose adequate evidence of voting and/or engagement activity. More information on the stewardship activity carried out by the Fund's investment managers can be found in the following sections of this report.

Over the reporting year, we monitored the performance of the Fund's investments on a quarterly basis and received updates on important issues from our investment adviser, AIL. In particular, we received quarterly ESG ratings from AIL for the funds the Fund is invested in where available.

Each year, we review the voting and engagement policies of the Fund's investment managers to ensure they align with our own policies for the Fund and help us to achieve them.

The Fund's stewardship policy can be found in the SIP: Publications | CMAL Caledonian Maritime Assets Ltd

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental Social Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues.

Source: UN PRI

Our managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. We believe that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Fund's investments is an important factor in deciding whether a manager remains the right choice for the Fund.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Fund's equity-owning investment managers to responsibly exercise their voting rights.

Voting statistics

The table below shows the voting statistics for each of the Fund's material funds with voting rights. Managers collate voting information on a quarterly basis. The voting information provided is for the year to 31 March 2026 which broadly matches the Fund year.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
Harris Associates L.P. - Global All Cap Equity Fund	779	100.0%	0.8%	0.1%
L&G - Developed Balanced Factor Equity Index Fund	12,245	100.0%	21.8%	0.4%
Sands Capital - Global Growth Equity Fund	424	100.0%	2.1%	0.2%

Source: Investment managers. Please note that the 'abstain' votes noted above are a specific category of vote that has been cast, and are distinct from a non-vote.

Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Fund's investment managers use proxy voting advisers.

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

Managers	**Description of use of proxy voting advisers** ***(in the managers' own words)***
Harris Associates L.P.	We use our own Harris policy that Institutional Shareholder Services ("ISS") implements on our behalf.
L&G Asset Management ("L&G")	Votes are cast according to our instructions, guided by our voting policies and effected through an electronic voting platform called 'ProxyExchange', which is managed by ISS. We have developed a granular custom voting policy with specific voting instructions driven by our expectations. In parallel to applying our custom voting policy, we use the voting information services of ISS and receive research reports for all companies in our equity portfolios. We undertake quarterly performance management reviews with ISS in which we discuss issues such as timeliness, the quality of their research and the application of our voting policy. During these meetings, we receive delivery statistics and discuss changes to team resources. We deliberate on specific instances where our expectations have not been met and review possible solutions to avoid future repetition. We escalate issues to senior individuals at ISS where necessary. We also have regular meetings with ISS to discuss the implementation and evolution of our policies, as part of our process to ensure that our voting decisions remain aligned to market best practices and evolving regulations.
Sands Capital Management LLC ("Sands Capital")	We vote our proxies ourselves, but we consider the recommendations of proxy advisors such as ISS and Glass Lewis in our voting decisions.

Source: Investment managers

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Fund's investment managers to provide a selection of what they consider to be the most significant votes in relation to the Fund's funds. A sample of these significant votes can be found in the appendix.

Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Fund's material investment managers. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e. is not necessarily specific to the funds invested in by the Fund.

Funds	**Number of engagements**		**Themes engaged on at a fund level**
	Fund level	**Firm level**	
Basalt Infrastructure Partners - II Fund*	*Not provided*	325	Environment - Climate Change; Pollution, Waste Social - Human Capital Management; Human and Labour Rights Governance - Board effectiveness - Diversity; Board Effectiveness - Independence or Oversight Strategy, Financial & Reporting - Reporting; Risk Management
BlackRock - UK Property Fund*	*Not provided*	2,362	Environment - Climate and Natural Capital Social - Company Impacts on People Governance - Strategy, Purpose, and Financial Resilience; Board Quality and Effectiveness Other - Incentives Aligned with Financial Value Creation
CBRE - Global Alpha Fund	84	*Not provided*	Environment - Energy Savings; Climate Change - Physical Risks; Green Building Certifications; Reduction in GHG Emissions; Energy Efficiency Ratings Social - Data Collection; Tenant Engagement
CBRE - Long Income Investment Fund	*Not provided*	*Not provided*	Environment - Climate Change Governance - Strategy, Financial and Reporting
Underlying managers of AIL's Low Risk Bonds Strategy:			
Aegon Asset Management ("Aegon") - European Asset Backed Securities ("ABS") Fund	100	383	Environment - Climate Change Social - Conduct, Culture and Ethics Governance - Strategy, Financial & Reporting Other - General Disclosure
Ardea Asset Management ("Ardea") - Global Alpha Fund	31	31	Environment - Climate Change Other - Market Development of Green & Sustainable Bonds
Harris Associates L.P. - Global All Cap Equity Fund	*Not provided*	*Not provided*	Environment - Climate Change Social - Human and Labour Rights Governance - Remuneration
L&G - Developed Balanced Factor Equity Index Fund	515	3,762	Environment - Climate Change; Natural Resource Use/Impact Social - Inequality Governance - Remuneration; Board Effectiveness - Other; Strategy, Financial and Reporting Other - Multiple ESG Topics
M&G Investments ("M&G") - Illiquid Credit Opportunities Fund	4	533	Environment - Natural Resource Use/Impact Social - Human Capital Management Governance - Board Effectiveness - Other; Strategy, Financial & Reporting

M&G - Inflation Opportunities Fund*	*Not provided*	533	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights; Public Health; Other Social Governance - Remuneration; Strategy, Financial and Reporting
Meridiam - Infrastructure Fund	12	12	Environment - Climate Change; Natural Resource Use/Impact; Pollution, Waste Social - Human and Labour Rights; Human Capital Management; Inequality
PFI - Infrastructure Fund	*Not provided*	27	Governance - Strategy, Financial and Reporting; Sustainability Reporting
Sands Capital - Global Growth Equity Fund	133	286	Environment - Natural Resource Use/Impact; Climate Change Social - Human Capital Management; Public Health Governance - Strategy, Financial & Reporting; Board Effectiveness - Diversity Other - Non-ESG Engagements
Schroders - UK Property Fund	*Not provided*	956	Environment - Pollution, Waste Social - Communications; Collaboration and Community

*Source: Investment managers. *Basalt, BlackRock and M&G (for the Inflation Opportunities Fund) did not provide fund level themes; themes provided are at a firm-level.*

AIL's engagement activity

We invest some of the Fund's assets in AIL's Low Risk Bonds Strategy. This is a fund of funds arrangement, where AIL selects the underlying investment managers on our behalf.

We delegate monitoring of ESG integration and stewardship of the underlying managers to AIL.

Over the year, AIL held several engagement meetings with many of the underlying managers in its strategies. AIL discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the investment managers. AIL provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

Over the year, AIL engaged with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations.

AIL has a net zero commitment to deliver UK delegated investment portfolios and default strategies which have a net zero carbon emissions profile by 2050.

AIL also successfully renewed its signatory status to the 2020 UK Stewardship Code ("the Code"), which is a voluntary code established by the Financial Reporting Council ("FRC") that sets high standards on stewardship for asset owners, investment managers and service providers.

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Data Limitations

We will engage with the managers to encourage improvements in reporting.

This report does not include commentary on certain asset classes such as liability driven investments, gilts or cash because of the limited materiality of stewardship to these asset classes.

Further, this report does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Fund's assets that are held as AVCs.

Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Fund's investment managers. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below:

Harris Associates L.P. - Global All Cap Equity Fund	**Company name**	Alibaba Group Holding
	Date of vote	25 September 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	2.7
	Summary of the resolution	Approve Auditors and Authorize Board to Fix Their Remuneration
	How you voted?	Votes against resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
	Rationale for the voting decision	Harris believes that the relationship between an issuer and its auditors should be limited primarily to the audit engagement, although it may include certain closely related activities such as financial statement preparation and tax-related services that do not raise any appearance of impaired independence.
	Outcome of the vote	Pass
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	N/A
	On which criteria have you assessed this vote to be most significant?	We voted against management
L&G - Developed Balanced Factor Equity Index Fund	**Company name**	Mastercard Incorporated
	Date of vote	24 June 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.6
	Summary of the resolution	Resolution 7: Oversee and Report on a Racial Equity Audit
	How you voted?	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G's Asset Management business publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an Annual General Meeting ("AGM") as our engagement is not limited to shareholder meeting topics.
	Rationale for the voting decision	Shareholder Resolution Diversity: A vote in favour is applied as we support such information and risk management approach to Diversity.
	Outcome of the vote	Fail
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	L&G's Asset Management business will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
	On which criteria have you assessed this vote to be most significant?	Thematic - Diversity: L&G's Asset Management business views diversity as a financially material issue

		for our clients, with implications for the assets we manage on their behalf.
Sands Capital - Global Growth Equity Fund	**Company name**	Amazon.com, Inc.
	Date of vote	21 May 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	4.3
	Summary of the resolution	Commission Independent Audit and Report on Warehouse Working Conditions
	How you voted?	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	N/A
	Rationale for the voting decision	We continue to believe that Amazon would be best served by commissioning this report. Labor practices remain a reputational and operational risk, especially in logistics. We do believe that Amazon is making positive progress in terms of labor practices, though. As the second largest employer in the United States, we believe that transparency would be helpful in understanding working conditions. We acknowledge that a safety report is already created by Amazon. The broader issue is that Amazon is capable of suffering reputational risk if these concerns are not addressed thoroughly. We actually believe that offering more transparency could be turned into a competitive advantage.
	Outcome of the vote	Fail
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	None
	On which criteria have you assessed this vote to be most significant?	The criteria we selected to assess the “significance” of the vote were the dissent level, shareholder proposals we voted FOR, times we voted AGAINST management or ISS, historical votes on similar proposals, and overall relevance to the strategy.

Source: Investment managers