Stewardship Policy

For the Cushon Master Trust

October 2026

889CMT0926
The value of investments can go down as well as up which means you may get back less than you put in. We do not provide financial advice.
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1. Introduction

This Stewardship Policy (the "Policy") has been prepared by the Trustees of the Cushon Master Trust (the "Scheme") with advice from their investment adviser, Isio Group Limited ("Isio"). Implementation is delegated to the Investment Office of Cushon.

This Policy supports the Scheme's Responsible Investing Policy ("RI Policy"). The RI Policy provides detail on the Trustees' investment beliefs and broader consideration of Environmental, Social and Governance ("ESG") factors in the Scheme's investment strategy. It is noted in the Trustees' RI policy that they are committed to act as responsible stewards of the assets the Trustees manage on behalf of Scheme members. This Policy formalises this commitment and expands on the processes and expectations the Trustees have with respect to stewardship of the assets they manage on behalf of members. This Policy will be made available to members via the Cushon website: - https://www.cushon.co.uk/workplace-pensions/climate-focused

The RI Policy also explains the Trustees' climate targets for the Cushon Sustainable Investment Strategy:-

1. Risk-Return Resilience: By the end of 2027, the Trustees aim to secure access to detailed data to better measure portfolio economic exposure to transition and physical risks under credible climate scenarios, using non-linear models across public and private asset classes. The Trustees are targeting improved coverage for the growth stage of the default investment strategies and to include this data in portfolio design.
2. Real-World Decarbonisation: By 2030, the Trustees aim to avoid at least 500,000 tonnes of CO_2 emissions via investment in renewable infrastructure within the Cushon Sustainable Investment Strategy main default and the Cushon Target Age Funds default, thus supporting the transition to a low-carbon economy and contributing to UK energy security[1].
3. Portfolio Decarbonisation: For the growth stage of the default investment strategies the Trustees aim to maintain a portfolio that has a scope 1+2 carbon intensity (tCO2e/£m invested) approximately 60% lower, and up to 80% lower, than the composite benchmark as of 2022[2]. The Trustees will review their approach to decarbonisation on an annual basis.

This Policy intends to support these targets, as the Trustees are aware that stewardship activities can contribute towards portfolio resilience and real-world decarbonisation. The Trustees have set five stewardship priorities, as set out below. These are issues where the Trustees believe effective stewardship can help in mitigating risks and/or offer opportunities within the investment strategy.

1. Climate alignment – decarbonising and minimising emissions
2. Climate adaptation
3. Biodiversity risk and management
4. Labour rights including modern slavery
5. Diversity and inclusion (on boards in particular)

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[1] This target is delivered through the Scheme's investment managers across different investments. The target relies on avoided emissions rather than carbon removals. Data points are either calculated in line with industry guidance or calculated externally and independently verified.

[2] The composite benchmark is the weighted average carbon footprint of broad market indices weighted by the Cushon Sustainable Investment Strategy's growth phase asset allocation. These are: 90% MSCI ACWI, 2.5% Bloomberg Global Aggregate, 4.3% Bloomberg Global Aggregate Corporates and 3.2% 50/50 ICE BoA Global High Yield/Global Investment Grade.

These stewardship priorities were selected through the Trustees' engagement and discussion around the key risks present within investment portfolios. The priorities form the policies and processes which are outlined in this document and the priorities will form part of the Trustees' investment governance reporting framework, which is used to monitor effective implementation and management of the Scheme's investment portfolio on behalf of members.

The Trustees deem risk mitigation and effective engagement in line with the stewardship priorities as examples of successful stewardship. This may be evidenced by engagement outcomes, strategic voting as a result of engagement escalation or ultimately divestment if stewardship aims cannot be achieved.

On an annual basis, the Trustees will prepare an Implementation Statement that is published on the Cushon website and included within the annual report and accounts. This will include an overview of each investment manager's approach to stewardship and voting and engagement information (including most significant votes) relating to the Trustees' stewardship priorities. The latest implementation statement can be found here: -
https://www.cushon.co.uk/files/cushon-master-trust-implementation-statement-2024.pdf

To assist with the Trustees' exercising of their stewardship responsibilities, the Scheme Funder Cushon (through their parent company WTW) has partnered with a specialist engagement overlay provider, EOS, who will provide engagement services for the Trustees in line with the UN Sustainable Development Goals. This allows the Trustees to leverage engagement at scale as EOS performs engagement services for over $2tn of assets. EOS may also support the Trustees in system level engagement across the globe. Further information on EOS can be found here: -
https://www.federatedhermes.com/siteassets/documents/eos/eos-annual-reports/eos-annual-review-2025.pdf

The Scheme's assets are held on the Mobius Life Limited ("Mobius Life") platform via an insurance policy called a Trustee Investment Plan. Details of Mobius Life's Stewardship Policy can be found here: -
https://mobiuslife.co.uk/wp-content/uploads/2025/12/Mobius%20Life%20-%20Stewardship%20Report%202024.pdf

2. Voting & Engagement Policies and Processes

It is the Trustees' intention that the investment managers appointed to manage the Scheme's assets will share similar responsible investment beliefs, and therefore any voting and engagement conducted by them with underlying companies are expected to be in line with the Trustees' investment beliefs and stewardship priorities.

The Trustees deem votes directly associated with their stewardship priorities to be 'significant'.

The Trustees expect their investment managers to have effective voting and engagement policies and processes in place, including a set of actions that can be undertaken should companies not meet various ESG expectations (i.e. escalation policies).

The Trustees' engagement and reporting expectations of the investment managers include: -

- For the investment managers to notify the Trustees of planned engagements that are misaligned with the Trustees' agreed stewardship priorities (i.e. any activity that would negatively impact these priorities). This information should be provided to the Trustees, Cushon's Investment Office and the Trustees' investment adviser Isio ahead of the planned engagement activity.

- For the investment managers to provide annual reporting on all engagement activity that corresponds to each stewardship priority, with specific case study examples. This information will be used to feed into the Scheme's annual Implementation Statement and for the Trustees to assess alignment.

The Trustees recognise that the implementation of their sustainability strategy requires a comprehensive and coordinated effort across all aspects of the investment strategy. Key to this effort is the active role played by the underlying investment managers. It is imperative to the Trustees that the underlying investment managers do engage and vote in line with the Trustees' five stewardship priorities, with particular emphasis on climate alignment in relation to their decarbonisation goals. The investment managers will be periodically assessed on their alignment to these priorities, as explained in Section 4 of this Policy.

Cushon has partnered with a specialist engagement provider, EOS, for engagement services. EOS is a leading stewardship provider, with the expertise, scale, and market standing to assist in supporting positive change. Cushon will input into EOS's engagement planning and prioritisation, and will advocate for the Trustees' stewardship priorities when doing so.

The Trustees also recognise public policy engagement as an important process in this area, in order to address systemic risks and market failures relating to the Trustees' stewardship priorities. Where possible, the Trustees will participate in collaborative initiatives either directly or via their investment adviser, the Scheme Funder or other relevant parties to the Scheme. This may include responding to policy/regulatory consultations, or publicising work relating to government policy/regulations. The Trustees' will report on this area of engagement in the Implementation Statement as and when it occurs.

3. Exclusions

The Trustees have established an exclusions policy as part of their responsible investment pledge. While their preferred approach would be via engagement with investee companies to better align them to the Trustees' five stewardship priorities, they recognise that this would not be feasible in all circumstances, depending on the nature of the investee company and its activities.

For example, companies that violate international norms pose significant risks to investors as they may be involved in activities that can lead to environmental degradation, human rights abuses, or corruption. These activities are against the Trustees' responsible investment beliefs and stewardship priorities, and excluding these companies from the investment strategy reduces exposure to potential risks.

To mitigate the associated risks of investing in misaligned companies, the Trustees aim to exclude multiple business activities and criteria. This is achieved by partnering with investment managers who share similar responsible investment beliefs, and this is considered as a part of the fund selection process. Full details on the exclusions used by the Scheme's investment managers can be found in the Responsible Investment Policy.

4. Manager Assessment

As stated above, it is the Trustees' intention that the investment managers appointed to manage the Scheme's assets will share similar responsible investment beliefs. As such, voting and engagement activity is expected to be in line with the Trustees' investment beliefs and stewardship priorities.

The Trustees will review each manager's track record of voting and engagement on at least an annual basis and assess the extent to which stewardship activities undertaken are aligned with the Trustees' stewardship priorities. This assessment analyses the manager's overarching approach to stewardship and activity that has taken place throughout the year.

When considering a manager's approach to stewardship, the Trustees will consider: -

- The manager's stewardship commitments (with reference to their own stewardship policy).
- Performance of the manager against their commitments.
- The size of the manager and resources available to them.
- Any changes to the manager's stewardship approach in the year.

Where relevant, the Trustees (or their delegates on their behalf) will discuss these points with the investment managers when preparing the assessment. When considering stewardship activity that has taken place throughout the year, the Cushon Investment Office will look at the amount of voting and engagement that has been completed (compared to prior years). The Cushon Investment Office will also review how activity aligns with each of the Trustees' stewardship priorities, using a Red, Amber, Green (RAG) rating system. The factors considered when allocating a RAG rating to an investment manager are typically: the number of overall votes on both a strategy and firm-level, the number of votes on topics that the Trustees deem significant, the number of resolutions filed, engagement activities and the overall approach to stewardship. This assessment is qualitative and for internal use only. It will be presented by the Cushon Investment Office to the Trustees on an annual basis.

Parts of this assessment will be published in the Trustees' annual Implementation Statement. This will include voting and engagement information relating to the Trustees' stewardship priorities.

Where the Trustees believe that managers could do more in terms of stewardship they will formally write to managers and explain this, referring to the expectations set out in this Policy. Where managers continue to underperform the Trustees' will consider further escalation which may ultimately result in disinvestment.

5. Member Engagement

As part of the Trustees' investment governance reporting framework, the Trustees will endeavour to review member engagement data. As far as they are able, the Trustees will seek to understand the issues which are relevant/important to members. These issues may be used in stewardship considerations, to the extent that to do so does not conflict with the Trustees' legal obligations and fiduciary duties as pension scheme trustees.

6. Monitoring and Reviewing this Policy

The Trustees will monitor the Scheme's investment objective against this Policy on an ongoing basis, with support from their investment adviser, Isio, and Cushon.

The Trustees view the development of this Policy as an ongoing process, as approaches to responsible investment and stewardship evolve over time. When reviewing this Policy, the Trustees will consider any significant developments with the intention of taking a good practice approach. This Policy will be reviewed in line with regulation and at least every three years, or more frequently if necessary.

Signed:  Date: 22 September 2026

Chair of Trustees
For and on behalf of the Trustees of the Cushon Master Trust.

cushon
by WTW

Get in touch

020 3926 0333

www.cushon.co.uk

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