Royal Mail

COLLECTIVE PENSION PLAN

Royal Mail Collective Pension Plan (Collective Plan)
Trustee's Annual Report and Financial Statements

Period from 1 April 2025 to 31 March 2026

Plan Registered Number: 12020133

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Trustee Annual Report

The Collective Plan provides retirement and death-in-service benefits to eligible employees of Royal Mail Group Limited (the Principal Employer) and RM Property and Facilities Solutions Limited (a Participating Employer).

The assets of the Collective Plan are held under trust and are managed independently of the Principal Employer's finances by the Trustee, in accordance with the governing Trust Deed and Rules as well as the Statement of Investment Principles (SIP) and the Responsible Investment (RI) policy. The SIP and RI policy can be viewed on the Collective Plan Website at **www.rmcollectiveplan.com/documents-forms**.

The Collective Plan contains two sections:

- **Collective Money Purchase (CMP) Section:** Both employees and participating employers contribute to a collective fund, which is invested to generate an income for life in retirement.
- **Defined Benefit Lump Sum (DBLS) Section:** Both employees and participating employers' contributions are invested to provide a lump sum for members at retirement.

Members can contribute an additional 1% towards their lump sum in the DBLS Section, which is matched by the participating employer. Members also have the option to pay Additional Voluntary Contributions (AVCs) into a Defined Contribution arrangement, which is administered by Scottish Widows Limited. Both additional payments are independent of each other.

Trustee and Governance

RMCPP Trustees Limited acts as the Trustee for the Collective Plan and consists of nine Trustee Directors, including four Member Nominated Trustee Directors (MND), four Employer Nominated Trustee Directors (END), and one Additional Trustee Director.

Royal Mail Group Limited appoints the four Employer Nominated Trustee Directors. The individual, or relevant Employees' Representatives, are entitled to lodge nominations with the Scheme Secretary to fill vacant Member Nominated Trustee Director positions. Nominees must be a Royal Mail Member (an active or pensioner member of the Collective Plan) or a Royal Mail Former Member (formerly a member of a Royal Mail occupational pension and is employed by one of the Employees' Representatives).

Member Nominated Trustee Directors will be nominated and selected through a process determined by the Trustee, in consultation with the relevant Employees' Representatives. Royal Mail Group Limited nominates and appoints the Additional Director after appropriate consultation with and agreement of the Employees' Representatives. During the period Brendon Allen was appointed as Member Nominated Trustee Director with effect from 1 January 2026.

The Trustee Directors in the period are as follows:

Additional Director (and Chair)
▪ Falcon Trustees LLP (represented by Venetia Trayhurn)
Employer Nominated Trustee Directors
▪ Independent Governance Group (represented by Tegs Harding) ▪ Vidett Trust Corporation Limited (represented by Azka Ali) ▪ David Gold ▪ Pamela Allsop
Member Nominated Trustee Directors
▪ Brendon Allen (Communication Workers Union) ▪ Cecil Denis Tate (Communication Workers Union) ▪ Gary Sassoon-Hales (Unite Communication Managers Association) ▪ Kevin Carey (Communication Workers Union)
Co-opted Funding and Investment Committee Members
▪ Telepathic Limited (represented by Ian Maybury)

Committees
The Trustee has established the following committees:

- Funding and Investment Committee (FIC)
- Governance, Audit, and Risk Committee (GARC)
- Member Experience Committee (MEC)

Objectives
The Collective Plan's overarching goal is to provide members with both a lump sum at retirement and a secure income for life. To achieve this, the Collective Plan has the following key objectives:

- Provide a secure income and lump sum that members can rely on
- Industry-leading governance
- Give members the tools and information to understand their income and lump sum

Advisers and Providers

During the period to 31 March 2026, the advisers and providers to the Collective Plan were:

Actuary	Simon Eagle (Towers Watson Limited)	
Administrator	Royal Mail Group Limited – Pension Service Centre	
Auditor	KPMG LLP	
AVC Provider	Scottish Widows Limited	
Banker	NatWest	
Communications Consultant	LikeMinds (UK) Limited	
Custodian	JPMorgan Chase Bank	
Covenant Adviser	Interpath Limited	
Cyber Security Consultants	AON UK Limited	
Investment Manager & OCIO	BlackRock Investment Management (UK) Limited	
Investment Consultant	Gallagher Benefit Services	
Legal Adviser	Squire Patton Boggs (UK) LLP	
Medical Adviser	OH Physician Services Limited	
Pension Consultants	Tillmont Consulting Limited	
Press Relations	Helm Partners Limited	
Software Providers	Dot.Digital Group Plc	Knowa Limited
Tax Adviser	Ernst & Young LLP	

The Trustee is also supported by an Executive team of pension professionals who support the Trustee with its day-to-day responsibilities and ensure that decisions are implemented.

Financial Developments & Statements

The financial statements included in this report are the accounts required by the Pensions Act 1995 and have been prepared and audited in compliance with regulations made under sections 41(1) and (6) of the Act.

The Collective Plan's assets have increased in value to £994,885,000 at 31 March 2026. There were receipts from contributions, including additional voluntary contributions, of £667,338,000 and benefit and transfer payments were £8,105,000. The increase in the market value of investments during the year was £52,954,000 (shown in the financial statements in Note 7). Investment income totalled £7,511,000 and there were expenses of £7,212,000.

Risk Management

The Trustee has established a Risk Management Framework (RMF), outlined below, to manage risks facing the Collective Plan and associated controls on a regular basis.



The Collective Plan's RMF seeks to ensure that all material risks are identified, assessed, controlled, monitored, and managed within approved risk appetite, and reported through agreed governance routes.

The RMF provides the foundations for management of risks, including the requirements for identifying, managing, and monitoring uncertainty to maximise the upside and minimise the downside of risk.

The RMF consists of a number of different components, including:

- Risk Appetite
- Risk Management Process
- Risk Governance arrangements
- Risk Reporting
- Risk Management Policy
- Risk Management System (Knowa)

The RMF seeks to ensure that all material risks are identified, assessed, controlled, monitored, and managed within approved risk appetite, and reported through agreed governance routes. The RMF enables the Trustee to understand and effectively manage risks in a consistent fashion, in pursuing the objectives of the Collective Plan. Ultimate ownership of all risks sits with the Trustee. Ownership of some strategic-level risks will remain with the Trustee.

Ongoing ownership and management of lower-level operational risks or subject-specific risks are delegated to the Committees who manage these risks and report/escalate only by exception to the Governance, Audit & Risk Committee (GARC) and/or Trustee.

The GARC plays an additional role in reviewing risk reporting from the other two Committees and determining what is required to be included in the consolidated risk reporting to the Trustee.

For the purposes of risk management, risks are generally reported via the GARC to the Trustee. However, if a risk becomes Red and requires urgent or immediate attention by the Trustee, then Committees bypass the GARC and escalate directly to the Trustee.

Membership Administration

The Trustee has delegated benefit administration to the Pensions Service Centre (PSC) under contractual arrangements with Royal Mail Group Limited. These arrangements specify service levels against which the Trustee monitors performance.

Contributions

Contributions to the Collective Plan (excluding AVCs) totalled £646m in the year to 31 March 2026 as detailed in the Summary of Contributions on page 21.

On 30 January 2026, the Trustee and the Principal Employer agreed a Schedule of Contributions and Schedule of Payments which, insofar as it relates to the DBLS Section, specifies the rates and due dates of contributions payable by or on behalf of the Employers and members to the DBLS Section for the period of five years from 30 January 2026.

Contributions were received in accordance with the Collective Plan rules and Schedule of Contributions and Schedule of Payments.

Membership Statistics

The table below shows the membership of each Section at the end of the reporting period and change in membership since 31 March 2025.

Section	Active	Deferred	Pensioner (inc. Dependants)	Total
CMP	107,103 (+1,340)	11,609 (+8,644)	1,127 (+994)	**119,839 (+10,978)**
DBLS	107,103 (+1,340)	11,609 (+8,644)	-	**118,712 (+9,984)**

Transfer Values

Transfer values in respect of members withdrawing pension benefits from the CMP and DBLS Sections were calculated in accordance with legislation and the Trust Deed & Rules.

For any AVC benefits, transfer values will be equal to the value of the member's AVC account at the time of transfer.

The Collective Plan does not currently accept transfers in from other arrangements.

Investments

Investments play a vital role in securing one of the Collective Plan's ambitions, average annual benefit adjustments which exceed inflation over time. Strong investment performance, and a positive outlook on future investment performance will lead to higher annual benefit adjustments, whereas poor investment performance and a negative outlook on future investment performance will lead to lower annual benefit adjustments. Other factors which influence the annual benefit adjustments are demographic trends (e.g., increasing life expectancy), changes in actuarial assumptions, inflation, wage growth, and the overall funding status. Regulatory developments and the design of the Collective Plan itself also affect how benefits are adjusted over time.

Key Events

The Collective Plan's first valuations were concluded on 30 January 2026 in relation to the period 7 October 2024 to 31 March 2025. Details of the outcome can be found on page 9.

The first supervisory return was submitted to TPR on 30 June 2025 as part of the Collective Plan's ongoing supervision under the CMP regulations.

In January 2026, a second Trustee newsletter was issued to all members, promoting the online self-service portal and providing a financial update on the Collective Plan.

IDS plc, the parent company of the Principal Employer, was subject to a successful takeover by EP UK Bidco Limited, which concluded on 30 April 2025. As part the acquisition of IDS plc, the EP Group made undertakings to HM's Government providing additional comfort regarding the employer covenant. These include three to five-year commitments relating to future changes of control, covenant leakage, and restrictions on debt and leverage.

The Trustee met fourteen times in the period. The business matters addressed included:

- Investment monitoring and investment strategy;
- Governance and Risk management;
- Member Communications; Administration; and
- Actuarial Valuation planning.

The Trustee also undertook training during the period. Details of the Trustee's knowledge and understanding are presented in the Chair's Statement.

The Collective Plan's SIP was last updated in May 2026 and the Trustee produced its first Taskforce on Climate-Related Financial Disclosures (TCFD) report. Both can be accessed on the Collective Plan's website at **www.rmcollectiveplan.com/documents-forms**.

Investment Strategy and Policy

The Trustee is responsible for all investment matters, including setting the strategic investment direction of the Collective Plan, and must adhere to the investment rules laid out in the Trust Deed & Rules. This includes how climate-related risks and opportunities are considered. Recognising the complexity and evolving nature of this area. The Trustee's approach is guided by a set of investment beliefs, as outlined in the SIP and Responsible Investment Policy which can be viewed and downloaded at: www.rmcollectiveplan.com/documents-forms.

CMP Section

Members share investment and longevity risk amongst all members. This means the Trustee can take a much longer-term view and target higher investment returns, accepting that returns might be negative in the short-term but are expected to deliver performance above inflation over the long-term. The risk factors that concern the Trustee include (but are not limited to) realised investment returns, inflation, demographic changes, geopolitical tensions, uncertainty arising from rapid deployment of AI, and climate change. The Collective Plan invests over the long-term and is designed to withstand short periods of volatility.

DBLS Section

Members are guaranteed a lump sum at the point of retirement. As the amount of this lump sum is guaranteed, there is greater emphasis on lower-risk growth.

Investment Management

The Trustee has outsourced the management of the investments to the Outsourced Chief Investment Officer (OCIO). The OCIO has delegated authority to implement the investment strategy to achieve target investment returns, subject to the Investment Management Agreement and Investment Guidelines agreed by the Trustee. The OCIO is required to integrate climate-related risk management and opportunities into investment processes, which reflect the Trustee's Responsible Investment beliefs.

The Trustee delegates engagement activity to the OCIO and expects the OCIO to engage on ESG matters when they are considered material and relevant to the investment. The OCIO also undertakes the voting activity for the Collective Plan. The Trustee regularly reviews activities undertaken as part of its monitoring activity.

The Trustee agrees with the Myners Principle of separate competition for actuarial and investment consulting contracts. Actuarial services for the Collective Plan are provided by Towers Watson Limited and investment consulting services are provided by Gallagher Benefit Services.

Liquidity of Investments

The Trustee considers the Plan's investments to be sufficiently liquid to meet the Plan's ongoing obligations as they fall due. Whilst certain investments may be less readily realisable than others, the Trustee is satisfied that the overall investment portfolio provides appropriate liquidity.

Custody

Custodian services are provided by JPMorgan Chase Bank. In accordance with normal practice, the Collective Plan's investments are registered in the name of the custodian's own nominee company with designation for the Collective Plan. The Trustee reviews the internal controls reports produced by the custodian and regularly reconciles the custodian's records to the investment managers' records.

Taskforce on Climate-Related Financial Disclosures (TCFD)

The Trustee produces a TCFD report, which is available on the Collective Plan Website at www.rmcollectiveplan.com/documents-forms. This report provides details on how the Trustee is responding to climate change and how it impacts on investments. This includes identifying, assessing, and managing climate-related risks and opportunities, as well as integrating these considerations into the Collective Plan's investment strategy, funding strategy, and broader risk assessment framework.

Asset Allocation

The asset allocation percentages shown below are based on the strategic asset allocations used for the illustrative member examples in the Chair's Statement. These percentages therefore differ from those disclosed in the financial statements, which reflect the Net Assets of the Plan at 31 March 2026.

CMP Section

Asset Class	Net asset value (£)	Current allocation	Target allocation
Global PAB Equities	524,094,262	74.3%	74.0%
Global Small-Cap Equities	61,651,434	8.7%	9.0%
EM Sustainable Equity	16,598,694	2.3%	2.5%
EM Enhanced Active Equity	45,560,368	6.5%	6.5%
World Equity Enhanced Active	34,382,471	4.9%	5.0%
Global Listed Infrastructure	20,978,749	3.0%	3.0%
TAA, Cash and unrealised FX	2,422,822	0.3%	0.0%
Total Available Assets	**705,688,800**	**100%**	
Client-Driven Cash Strategy	270,008		
Operational Expense Reserve	4,961,726		
Continuity Expense Reserve	4,654,851		
Total	**715,575,385**		

DBLS Section

Asset Class	Net asset value (£)	Current allocation	Target allocation
Sustainable Factor Equities	37,501,361	18.0%	18.0%
EM Enhanced Active Equity	4,116,561	2.0%	2.0%
Cash and unrealised FX	54,050	0.0%	0.0%
Liquid Assets Strategy	41,671,972	20.0%	20.0%
Diversified Strategy	131,136,499	62.9%	63.0%
Matching Strategy	35,575,696	17.1%	17.0%
Total Main Portfolio	**208,384,167**	100%	
Risk Reserve	13,134,176		
Total	**221,518,343**		

AVC investments held by Scottish Widows are attributed to the DBLS Section but have been excluded from the asset allocation above as they are not considered by the Trustee as part of the Target Asset Allocation.

Investment Performance Returns

The following table shows the performance returns (gross of fees) for both Sections for the period under review, against the agreed index returns.

CMP Section

Portfolio Description	Fund return	Index return
Global PAB Equities	11.7%	12.4%
Global Small-Cap Equities	26.7%	23.3%
EM Sustainable Equity	31.6%	26.8%
EM Enhanced Active Equity	28.1%	26.8%
World Equity Enhanced Active	-	-
Global Listed Infrastructure	17.7%	15.2%
Tactical Asset Allocation (TAA)	0.7%	-
Total Available Assets	**15.9%**	
Non-Discretionary Cash	3.6%	
Operational Expense Reserve	-	
Reserve Assets	4.1%	
Total	**15.7%**	

DBLS Section

Portfolio Description	Fund return	Index return
Sustainable Factor Equities	22.2%	16.4%
EM Enhanced Active Equity	28.1%	26.8%
Liquid Assets Strategy	**22.5%**	**14.2%**
Diversified Strategy	**15.0%**	**8.0%**
Matching Strategy	**2.7%**	**2.7%**
Total Main Portfolio	**14.3%**	
UK GILTS (over 15 Yr)	0.4%	0.4%
UK GILTS (5-15 Yr)	3.1%	3.1%
ESG Strategic Growth	13.1%	4.0%
Sustainable Factor Equities	22.2%	16.4%
Cash	4.2%	4.1%
Risk Reserve Assets	**12.9%**	
Total	**14.2%**	

Investment managers are remunerated by fees based on a percentage of funds under management. There are no performance related fee arrangements in the period.

3 and 5 year returns for the Collective Plan's investments are not currently available as the Collective Plan only welcomed its first members on 7 October 2024.

Escrow

The escrow held between Royal Mail Group Limited and RMCPP Trustees Limited was valued at £14.6m on 1 April 2026. This escrow is held to cover costs of winding up the CMP Section if such an event occurred until such time the CMP Section Continuity Expense Reserve is fully funded.

Actuarial Valuations & Benefit Adjustments

Each year the Trustee conducts a valuation of the CMP Section and the DBLS Section to determine the annual benefit adjustment to apply to member's benefits payable from each Section.

Every three years, the valuation of the DBLS Section must also be a full triennial funding valuation under Part 3 of the Pensions Act 2004 (section 224), to determine the statutory technical provisions and assess the financial position of the Section.

CMP Section

In January 2026 the Trustee completed the 31 March 2025 actuarial valuation of the CMP Section, to determine the adjustment to apply to members' income for life on 31 March 2026.

Methodology

For each member's income for life, the adjustment is calculated each year following a process set out in the Trust Deed & Rules. It is a complicated process but in summary it works as follows:

- The Trustee will carry out a "valuation" exercise each year with the Actuary.
- The valuation looks at whether there are enough assets in the Section to increase all members' income for life in every future year that it is expected to be paid. This looks across the whole membership (so includes members who haven't yet started receiving their incomes as well as those who already have).
- To do this, the Trustee must make some assumptions about what will happen in the future, for example, the assumed investment returns on the Section's assets, and how long members will live on average. These assumptions must be the Trustee's central estimate of what they think will happen in the future.
- The valuation looks at the income for life earned by all members. If it shows that there are enough assets to support an increase in every future year that incomes are expected to be paid, the next step is to work out the level of that increase. This is worked out as a rate with reference to assumed future inflation, by considering what future increases in the Consumer Prices Index (CPI inflation) are assumed to be, e.g. the rate of increase could be worked out to be 1.5% a year above assumed future CPI inflation, or 1% a year below the assumed future CPI inflation.
- The actual increase awarded on 31 March each year is then calculated by reference to CPI inflation over the year to the previous 30 September. For example, if the assets are shown to support increases at 1% above assumed future inflation, and CPI inflation in the year up to the last 30 September was 2%, then the increase on 31 March in the current year would be 1% + 2% = 3%.
- If there are not enough assets to pay the current level of income for life, then the income would need to decrease that year. In the event that decreases of more than 5% are needed, they'll be spread over two or three years (on 31 March each time), so the reduction in everyone's income for life won't happen all in one year. The first-year decrease would usually be 5%, with any balance up to 5% applied in year 2, and any balance over that of up to 5% applied in year 3. The exception to this is if three 5% decreases are not enough, in which case all three years will be at the same level (for example, a 6% decrease would be applied each year for three years if the overall decrease was 18%).
- It is important to note that if, in one year, it is decided that decreases of more than 5% are needed (so that the decreases are split over two or three years) and in the next year it is decided that further decreases are necessary, these can apply in addition to the decreases which are already due to be applied.
- It doesn't matter if a member has already started getting their income for life or not, everyone's income for life will go up, or down, by the same percentage.
- Regardless of whether income for life already earned is being increased or decreased, members who are paying into the Collective Plan will still earn an income for life of 1/80th of pensionable pay for each new year of membership. This earned income for life will be adjusted the following year, on 31 March. It could go up, down or stay the same, in line with other members' income for life which has already been earned.

The method that has been used to determine the benefit adjustment is the same as that used for the Pensions Regulator authorisation application when the Plan was being set up. Both needed to follow the approach prescribed in legislation and the Section's Rules.

Actuarial Assumptions
These assumptions are the Trustee's "central estimates" of the future. They have been set using a process that is in accordance with the Trust Deed & Rules and relevant CMP legislation. The process includes the Trustee obtaining advice from the actuary, as well as carrying out benchmarking of the investment return assumptions. The main assumptions were in summary:

Financial assumptions				31 March 2025
Future asset returns	Return-Seeking:	CPI + 5.4% pa	Low-Risk:	CPI + 2.3% pa
Consumer Price Inflation (CPI)	Market-implied RPI inflation, less 1.0% prior to 2030 and less 0.2% after 2030			

Demographic assumptions	31 March 2025
Mortality base tables (male/female)	90% of the SAPS S4 normal health pensioner "heavy" table / 94% of the SAPS S4 pensioner G2 table
Dependant mortality base tables (male/female)	96% of the SAPS S4 pensioner G1 table / 97% of the SAPS S4 pensioner G1 table
Future improvements in longevity	'CMI 2023' core projections model with a long-term improvement rate of 1.25% pa, other parameters in line with core parametrisation with no initial addition*
Proportion married	70% male, 62% female (at retirement or earlier death)
Age difference between members and dependants	Male members are 0-3 years older than female dependants (depending on age) / female members are 0.5 years younger than male dependants
Retirements in normal health	At age 67
Operational (non-investment) expenses	Will be met by separate expense reserves

**Allowance is made for improvements between 2017 and 2019 in line with CMI 2023 with a long-term rate of 1.5% pa. From 2019 a long-term rate of 1.25% pa is used.*

The assumptions that have been used to calculate the benefit adjustment have been determined consistently with those used for the Pensions Regulator authorisation application when the Collective Plan was being set up. The Trustee has updated them for the latest expectations of future financial conditions and membership experience.

2025 Valuation results
The valuation determined the long-term rate of benefit adjustment so that the "Required Amount" to pay the benefit liabilities with those adjustments are equal to the Section's available assets at 31 March 2025.

The valuation result was a benefit adjustment of CPI+2.6%. The table below summarises the benefit adjustment applied to the relevant member benefits on 31 March 2026.

Benefit adjustment date	Valuation result	September 2025 CPI	Total increase
31 March 2026	CPI + 2.6%	3.8%	6.4%

The next valuation will be carried out at 31 March 2026 to determine the benefit adjustment to be applied to the relevant member benefits on 31 March 2027. This benefit adjustment is likely to be different to that shown above as it will depend on experience over the intervening year and any changes in assumptions.

Report on Actuarial Liabilities: DBLS Section

As required by Financial Reporting Standard 102 the financial statements do not include liabilities in respect of promised retirement benefits, however further detail of these benefits is provided below.

As per the CMP Section, the Trustee must undertake an annual valuation of the DBLS Section to determine the annual benefit adjustment that can be applied within the section.

In addition, under section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions, which represent the present value of benefits to which members are entitled based on pensionable service to the valuation date. This assessment of the technical provisions funding position must be undertaken every three years using assumptions agreed between the Trustee and the Principal Employer and set out in the Statement of Funding Principles, which is available to members on request.

The Trustee carried out the latest full triennial actuarial valuation, working with the Actuary, as at 31 March 2025 under the Scheme Specific Funding Regulations. It was completed in January 2026. The next full triennial actuarial valuation is scheduled for 31 March 2028.

Methodology

The calculation of the funding position and the annual increase are connected and therefore must be done as part of the same process. Here is a summary of the process and the results from the 2025 valuation:

- The Actuary checks if the assets are higher than the estimated cost of providing accrued lump sums with no future increases (known as the “Parity” level).
- If so, the Actuary calculates what rate of increases are expected to be affordable in all future years, relative to the CPI measure of inflation.
- That rate of increase is used to work out the actual increase to apply at the next 31 March (to lump sums built up to the previous 31 March).
- The calculated rate of increases is also the assumption that is used to calculate the cost of providing future lump sums (the “Liabilities”) for the funding position.
- The assets are usually higher than the liabilities as they include a risk reserve, which is held in case the main assets ever fall below the parity level.
- Lump sums cannot go down. If the assets (including the risk reserve) ever fell below the parity level, the assets of the Section would need to be topped up by Royal Mail.

The actuarial method to be used in the calculation of the technical provisions is the Projected Unit Method.

Significant Actuarial Assumptions

The Trustee (having taken the advice of the Actuary) and the Principal Employer agreed assumptions, chosen prudently and including appropriate margins for potential adverse experience, for the valuation of the Cash Balance Liabilities as at 31 March 2025.

Discount rate	
Nominal discount rate	Term-dependent discount rate based on target returns for the Cash Balance Assets less a prudential margin of 0.60% pa, which has been set with reference to the level of target returns, risk of deficit contributions and covenant support for that risk.
Economic assumptions	
Price inflation (CPI)	Term-dependent inflation rate equal to the UK gilt implied inflation forward yield for RPI inflation less 1.0% per annum up to 2030, and equal to the UK gilt implied inflation forward yield for RPI inflation less 0.2% thereafter.
Assumed future cash balance increases	Assumed to be at the level which results in Cash Balance Liabilities of equal value to the Cash Balance Assets, subject to a minimum of nil.
Demographic assumptions	
Assumed retirement dates	Members are assumed to take their Cash Balance accounts at age 67.

2025 Valuation results – annual benefit adjustment

The 31 March 2025 valuation result was that there were sufficient assets to support an increase of CPI+3.8% pa in all future years. The table below summarises the benefit increase, to be applied to the relevant member benefits on 31 March 2026.

The valuation determined the long-term rate of lump sum benefit adjustment that can be supported by the value of assets held at 31 March 2025 (the valuation date). The 31 March 2025 valuation result was a benefit adjustment of CPI+3.8% pa. The table below summarises the benefit increase, to be applied to the relevant member benefits on 31 March 2026.

Benefit adjustment date	Valuation result	September 2025 CPI	Total increase
31 March 2026	CPI + 3.8%	3.8%	7.6%

The next annual valuation will be carried out at 31 March 2026 to determine the benefit adjustment to be applied to the relevant member benefits on 31 March 2027. This benefit adjustment is likely to be different to that shown above as it will depend on experience over the intervening year and any changes in assumptions.

2025 Valuation results – Funding Position (on a Technical Provisions basis)

	31 March 2025
Assets (including a £3.8m risk reserve)	£73.9m
Technical Provisions Liabilities (including an allowance for future increases of CPI+3.8%)	£70.1m
Surplus / (Deficit)	£3.8m
Funding level (as at 31 March 2025)	105%

Actuarial Certificate of Technical Provisions (DBLS Section)

Actuarial certification for the purposes of regulation 7(4)(a) of the Occupational Pension Schemes (Scheme Funding) Regulations 2005

Name of scheme: **Royal Mail Collective Pension Plan - DBLS Section**

Calculation of technical provisions

I certify that, in my opinion, the calculation of the Section's technical provisions as at 31 March 2025 is made in accordance with regulations under section 222 of the Pensions Act 2004. The calculation uses a method and assumptions determined by the Trustee of the Section and set out in the Statement of Funding Principles dated 30 Janaury 2026.



Simon Eagle FIA C.Act
Fellow of the Institute and Faculty of Actuaries
Towers Watson Limited, a WTW Company
30 January 2026

Watson House
London Road
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Surrey
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Further Information

Any queries or complaints about the Collective Plan, including requests from individuals for information about their benefits or for a copy of documentation, should be sent to:

Royal Mail Collective Pension Plan
PO Box 6148
2nd Floor Pensions Service Centre
Pond Street
Sheffield
S98 6AD

0345 604 3741

collectiveplanhelpline@royalmail.com

https://rmcollectiveplan.com

The Trustee Report (pages 2 to 13), and Implementation Statement (pages 39 to 48) were approved by the Trustee and signed on its behalf by:

Signed: _____ **Date:** _____

Falcon Trustees LLP acting as authorised signatory Venetia Trayhurn
Collective Plan Chair

Chair's Statement

This statement has been prepared in accordance with Regulation 23 of the Occupational Pension Schemes (Administration) Regulations 1996 (the "Scheme Administration Regulations") and regard has been given to the statutory guidance in preparing the investment sections of the Chair's Statement.

It provides information about the assets in the CMP Section of the Collective Plan from 1 April 2025 to 31 March 2026, including the asset allocation, an assessment of charges and transaction costs, the requirement for processing of financial transactions and how the Trustee meets its combined knowledge and understanding requirements. The Chair's Statement will be published on the **Collective Plan website** and members will be notified where they can view and download the Statement as part of the Annual Benefit Statements.

The Trustee has concluded that:

- Having considered the relevant information, the investment strategy does provide members good value and puts the Collective Plan in the best position to generate strong returns in the CMP Section, while acting within the investment rules;
- The costs and charges applied represent good value for the benefits obtained;
- Core financial transactions are processed promptly and accurately; and
- The Trustee Directors' combined knowledge and understanding enables them to properly exercise their functions as Trustee of the Collective Plan.

Asset allocation

The Trustee seeks to maximise returns of the assets, while acting within the investment rules set in the Collective Plan's Trust Deed & Rules including within the risk budget set by these rules. It is expected there will be short periods of negative performance given the risk levels targeted, to deliver returns above inflation over the longer term. The Trustee must also consider if higher fees generated from active management of assets or certain asset types, such as private markets, will be likely to generate higher returns net of fees and/or reduce the risk portfolio of the investments to produce better outcomes for members.

The asset allocation at 31 March 2026 does not yet reflect the long-term investment strategy and is expected to change over time, as further contributions are needed to invest into certain assets.

The table below presents the asset allocation for the CMP Section at 31 March 2026:

Asset Class	Net Asset Value (£)	Current Asset Allocation	Target Asset Allocation	Difference
Global PAB Equities	524,094,262	74.3%	74.0%	0.3%
Global Small-Cap Equities	61,651,434	8.7%	9.0%	-0.3%
EM Sustainable Equity	16,598,694	2.3%	2.5%	-0.2%
EM Enhanced Active Equity	45,560,368	6.5%	6.5%	0.0%
World Equity Enhanced Active	34,382,471	4.9%	5.0%	-0.1%
Global Listed Infrastructure	20,978,749	3.0%	3.0%	0.0%
TAA, Cash and unrealised FX	2,422,822	0.3%	0.0%	0.3%
Total Public Markets Strategy	**705,688,800**			
Client-Driven Cash Strategy	270,008			
Operational Expense Reserve	4,961,726			
Continuity Expense Reserve	4,654,851			
Total at 31 March 2026	**715,575,385**			

Investment performance returns

The following table shows the performance returns (gross of fees) for the CMP section for the period ended 31 March 2026, against the agreed index returns.

Portfolio Description	Fund Return	Index Return
Global PAB Equities	11.7%	12.4%
Global Small-Cap Equities	26.7%	23.3%
EM Sustainable Equity	31.6%	26.8%
EM Enhanced Active Equity	28.1%	26.8%
World Equity Enhanced Active	-	-
Global Listed Infrastructure	17.7%	15.2%
Tactical Asset Allocation (TAA)	0.7%	-
Total Public Markets Strategy	**15.9%**	**15.1%**
Non-Discretionary Cash	3.6%	
Reserve Assets	4.1%	
Total	**15.7%**	

Charges and Transaction Costs

There were no performance-based fees in the period to 31 March 2026. The charges applied to the CMP Section's assets are outlined below:

Fee Types	Amount	Fee
Fiduciary Management Fee	£141,618.40	0.0299%
Asset Management Fee	£986,287.07	0.2086%
Performance Fee	-	-
Transactional Costs	£148,980.09	0.0315%
Other Costs and Charges	£224,237.35	0.0474%
Total Costs and Charges	**£1,501,122.91**	**0.3174%**
Total Returns % (up to 31 March 2026) *		**15.70%**

** Invoiced fees are not incorporated into the return due to calculation methodology differences*

The Transaction costs applied in the period to 31 March 2026 were:

Transaction Fee Types	Fee
Indirect cost	0.115%
Explicit transaction costs (comprising broker commissions only)	0.057%
Transaction cost arrival price (using arrival price methodology) to compare the execution price to the price when the order was transmitted to the broker	-0.140%
Total Transaction Cost	**0.032%**

Illustrative examples

An illustrative example of the cumulative effect over time of the application of those charges and costs on the value of a member's accrued rights to money purchase benefits is set out below.

The following table gives a summary of the projected transfer value (before the member reaches age 67) and the projected income for life (once the member reaches the Collective Plan's normal retirement age of 67), and the impact of all costs and charges on these figures. The figures are presented using an example Collective Plan member currently aged 50 (the average age of the Collective Plan's membership).

The table includes the performance of the funds over different time periods depending on the current age and retirement age of the member.

Member currently aged 50:

The application of charges and costs on a member's **Transfer Value** before Normal Retirement Age (age 67):

Years from now	Without application of charges	After application of charges
1	£122,000	£121,700
3	£135,400	£134,000
5	£150,800	£147,600
10	£199,000	£189,900
15	£266,000	£247,400

The application of charges and costs on a member's **Income for Life** after Normal Retirement Age (age 67):

Age in retirement	Without application of charges	After application of charges
67	£16,800 per annum	£15,500 per annum
70	£18,400 per annum	£16,700 per annum
75	£21,500 per annum	£19,000 per annum
80	£25,100 per annum	£21,600 per annum
85	£29,300 per annum	£24,600 per annum
90	£34,200 per annum	£27,900 per annum

Assumptions underlying the projections:

- The member is assumed to have accrued an income for life of £10,000 p.a. at the current date, which is payable from age 67.
- The member is assumed to make no further contributions into the Collective Plan.
- The transfer value basis adopted is based on the 31 March 2025 valuation basis.
- The member is assumed to receive future annual adjustments to their income for life of 2.6% per year above inflation, in line with the outcome of the 31 March 2025 valuation.
- All figures are presented in today's money terms, which means they are described before adding on assumed future inflation.
- Projected figures are rounded to the nearest hundred pounds.
- The future assumed management fees are as per the current Investment Manager Agreement.
- The transaction and other costs are based on the fees incurred in the period up to 31 March 2026.
- The investment allocation for year 1 is based on the actual asset allocation at the end of the period, 31 March 2026.
- The investment allocation for future years is based on the target asset allocation.

Value for Members Assessment

Each year, the Trustee must do a value for members assessment of the CMP Section of the Collective Plan. The Trustee receives input from its investment consultant who assesses the CMP section against 6-criteria:

- Costs and Charges
- Administration
- Environmental, Social & Governance (ESG)
- Trustee Governance
- Investment
- Communications and Tools

Each area was assessed to determine the value delivered to members, and the Trustee reached its conclusions on value for money having considered the consultant's input. The assessment framework outlined above is expected to develop further in future years as the Collective Plan matures and more data becomes available.

For the period to 31 March 2026, the assessment demonstrated a strong score for the CMP Section, highlighting good governance, that core administration service levels were met, the costs and charges were competitive and well structured, there is a clear Responsible Investment Policy and an easy-to-use website with clear communications.

Processing Financial Transactions

The Trustee has a legal duty to ensure that core financial transactions are processed promptly and accurately and has an agreement with its administrator which includes service level agreements (SLAs) for the accuracy and timeliness of core financial transactions, in line with legislative requirements. The Trustee monitors the performance of the administrator each quarter to assess if the SLAs have been met. The core financial transactions and how the Trustee ensure they are processed promptly and accurately is outlined below:

- **Investment of contributions:** An automated process is in place with the OCIO that ensures contributions received are invested promptly and accurately as soon as they are received from the Principal Employer. The Trustee Executive team regularly monitors the process to ensure there are no issues. There were no identified issues with this process in the period.

- **Transfer of member assets into and out of the Collective Plan and payments from the Collective Plan:** Currently, assets cannot be transferred into the Collective Plan. The administrator is responsible for processing transfers and payments to, or in respect of, members within the agreed SLAs. An agreement with the administrator details that all financial transactions must be processed with an agreed SLA that complies with legislative requirements. These are monitored by the Trustee each quarter to ensure they are processed within agreed timescales and, if not, to understand why this has happened and what steps are being taken to resolve the matter and prevent it from happening again. In the period, all transfers out were processed within the agreed service levels.

- **Transfers of assets between different investments:** As the CMP Section invests all assets collectively into one collective investment for all members, there are no transfers of assets relating to members between different investments within the Collective Plan. Assets are purchased and sold to meet the target allocation of the investment strategy and the OCIO has some discretion to sell and purchase assets within the limits set out in the Investment Management Agreement.

Trustee Knowledge and Understanding

The Trustee follows TPR's Code of Practice on Trustee Knowledge and Understanding. The Code requires the Trustee to be conversant with the Trust Deed and Rules and SIP and have appropriate knowledge and understanding of the law relating to pensions and trusts, funding of occupational pension schemes, investment of assets and other matters to enable them to exercise their functions as trustees properly.

In exercising their powers in practice, the Trustee Directors are aided by their secure online Trustee portal which holds key documents and is always available. Trustee Directors receive introductory training on the key documents, including:

- Key policies
- Trust Deed & Rules
- Relevant legislation relating to the Collective Plan
- Collective Plan's investments (including its investment principles)

In addition, the Trustee Directors receive support from professional advisers. Advisers present to the Trustee or provide training as dictated by the agenda or where there are regulatory changes. During the year, training has been undertaken on:

- Actuarial Valuations
- ESG Framework
- DBLS comparison training
- Pensions Dashboard

All Trustee Directors have completed TPR's training course, the 'Trustee Toolkit'. New Trustee Directors are also given introductory training.

Alongside Trustee training, Board Effectiveness is facilitated by an external third party. This assesses if the Board acts effectively and helps identify ways to make the running of the Collective Plan more efficient.

For these reasons, the Trustee Directors believe that their combined knowledge and understanding, together with the advice which is available to them, enables them to properly exercise their functions as Trustee of the Collective Plan.

Signed on behalf of the Trustee

Date: _____

Falcon Trustees LLP acting as authorised signatory Venetia Trayhurn
Collective Plan Chair

Trustee Responsibilities

Responsibilities in respect of the Financial Statements

The audited financial statements, which are required to be prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, are the responsibility of the Trustee. Pension scheme regulations require the Trustee to make available to members, beneficiaries and certain other parties, audited financial statements for each Collective Plan period which:

- Show a true and fair view of the financial transactions of the Collective Plan during the period and of the amount and disposition at the end of the period of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the period
- Contain the information specified in the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the accounts have been prepared in accordance with the Statement of Recommended Practice Financial Reports of Pension Schemes.

The Trustee has supervised the preparation of the financial statements and has agreed suitable accounting policies, to be applied consistently, making estimates and judgements on a reasonable and prudent basis. It is also responsible for:

- Assessing the Collective Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- Using the going concern basis of accounting unless it either intends to wind up the Collective Plan, or has no realistic alternative but to do so
- Making available each period commonly in the form of a Trustee annual report, information about the Collective Plan prescribed by pensions legislation, which it should ensure is fair and impartial.

The Trustee is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Collective Plan and to prevent and detect fraud and other irregularities.

The Trustee is responsible for the maintenance and integrity of the Collective Plan and financial information included on the Collective Plan's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibilities in respect of Contributions

The Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions including Schedule of Payments showing the rates of contributions payable towards the Collective Plan by or on behalf of the employer and the active members of the Collective Plan and the dates on or before which such contributions are to be paid. The Collective Plan's Trustee is also responsible for keeping records of contributions received in respect of any member of the Collective Plan and for monitoring that contributions are made to the Collective Plan in accordance with the schedule.

Actuarial Certificate of Schedule of Contributions

***Name of scheme*:** DBLS Section of the Royal Mail Collective Pension Plan

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2025 to continue to be met for the period for which the Schedule is to be in force.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 30 January 2026

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the scheme's liabilities by the purchase of annuities, if the scheme were to be wound up.

Signature:

Signed by:
EF49E3F4E04A481...

Name: Simon Eagle FIA C.Act

Date: 30 January 2026

Qualification: Fellow of the Institute and Faculty of Actuaries

Towers Watson Limited, a WTW Company
Watson House
London Road
Reigate
Surrey
RH2 9PQ

Trustee's Summary of Contributions

This summary of contributions has been prepared on behalf of and is the responsibility of the Trustee. It sets out the Employer and Employee contributions payable to the Collective Plan under the Trust Deed and Rules and the Schedule of Contributions including Schedule of Payments certified by the Actuary on 30 January 2026 in respect of the Collective Plan year ended 31 March 2026. The Scheme Auditor reports on contributions payable under the Trust Deed and Rules and Schedule of Contributions which includes the Schedule of Payments in the Auditor's Statement about Contributions.

Contributions receivable	CMP (£'000)	DBLS (£'000)	Total (£'000)
Employer normal contributions	359,716	80,312	**440,028**
Employer other contributions*	-	1,502	**1,502**
Employee normal contributions	127,848	76,699	**204,547**
Employee additional voluntary contributions	-	21,261	**21,261**
Total contributions payable under the Trust Deed and Rules and Schedule of Contributions and Payment Schedule as reported on by the Collective Plan auditor (see note 1 to the statements)	**487,564**	**179,774**	**667,338**

**Other contributions received relate to the amount Royal Mail notified the Trustee as being the amount by which 0.3% of the Pensionable Pay of those Active Members to whom regular contributions relates exceeds the costs of insuring ill-health benefits provided outside the Collective Plan in respect of those members and is in respect of ill health premiums paid in the six-month period to 31 March 2025.*

Approved by the Trustee and signed on behalf of the Trustee Directors by:

Date: _____

Falcon Trustees LLP acting as authorised signatory Venetia Trayhurn
Collective Plan Chair

Independent Auditor's Statement about Contributions

Statement about contributions
We have examined the Summary of Contributions payable to the Royal Mail Collective Pension Plan ("the Collective Plan") in respect of the Collective Plan year ended 31 March 2026 under, where applicable, the Trust Deed and Rules or Schedule of Contributions. The Summary of Contributions is set out on page 21.
In our opinion contributions for the Collective Plan year ended 31 March 2026 as reported in the Summary of Contributions have been paid from 1 April 2025 to 29 January 2026 in accordance with the Trust Deed and Rules and subsequently have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the actuary on 30 January 2026.

Scope of work
Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the summary of contributions have in all material respects been paid at least in accordance with the Trust Deed and Rules or have been paid in accordance with the Schedule of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Collective Plan and the timing of those payments under, where applicable, the Trust Deed and Rules or the Schedule of Contributions.

Respective responsibilities of Trustee and auditor
As explained more fully in the Statement of Trustee's Responsibilities set out on page 19, the Collective Plan's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates and due dates of certain contributions payable towards the Collective Plan by or on behalf of the employer and the active members of the Collective Plan. The Trustee is also responsible for keeping records in respect of contributions received in respect of members of the Collective Plan and for monitoring whether contributions are made to the Collective Plan in accordance with the Schedule of Contributions.

It is our responsibility to provide a statement about contributions paid under the Schedule of Contributions or in the absence of a Schedule of Contributions under the Trust Deed and Rules to the Collective Plan and to report our opinion to you.

The purpose of our work and to whom we owe our responsibilities
This statement is made solely to the Collective Plan's Trustee, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our work has been undertaken so that we might state to the Collective Plan's Trustee those matters we are required to state to it in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Collective Plan's Trustee, for our work, for this statement, or for the opinions we have formed.

Gemma Broom
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

Independent Auditor's Report to the Trustee

Opinion

We have audited the financial statements of Royal Mail Collective Pension Plan ("the Collective Plan") for the year ended 31 March 2026 which comprise the *Fund Account and the Statement of Net Assets (available for benefits)* and related notes, including the accounting policies on pages 26 to 38.

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Collective Plan during the Collective Plan year ended 31 March 2026 and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Collective Plan year.
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Collective Plan in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Trustee has prepared the financial statements on the going concern basis as it does not intend to wind up the Collective Plan, and as it has concluded that the Collective Plan's financial position means that this is realistic. It has also concluded that there are no material uncertainties that could have cast significant doubt over the Collective Plan's ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Trustee's conclusions, we considered the inherent risks to the Collective Plan and analysed how those risks might affect the Collective Plan's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Trustee's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Collective Plan's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Collective Plan will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Trustee and inspection of policy documentation, as to the Collective Plan's high-level policies and procedures to prevent and detect fraud, as well as enquiring whether it has knowledge of any actual, suspected or alleged fraud.
- Reading Trustee Board meeting minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that the Trustee (or its delegates) may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as valuation of investments. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue in a pension scheme relates to contributions receivable as paid under an agreed schedule or pre-determined by the Trustee and there are no subjective issues or judgements required.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted after the first draft of the financial statements have been prepared, unusual posting to cash and containing key words.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Trustee and its delegates (as required by auditing standards), and discussed with the Trustee and its delegates the policies and procedures regarding compliance with laws and regulations.

As the Collective Plan is regulated by The Pensions Regulator, our assessment of risks involved gaining an understanding of the control environment, including the Collective Plan's procedures for complying with regulatory requirements, and reading the minutes of Trustee meetings.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Collective Plan is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related pensions legislation), and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Collective Plan is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation, or the loss of the Collective Plan's registration. We identified the following areas as those most likely to have such an effect: pensions legislation, and data protection legislation recognising the financial and regulated nature of the Collective Plan's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and its delegates and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

We have reported separately on contributions payable under the Trust Deed and Rules or Schedule of Contribution in our statement about contributions on page 22 of the annual report.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information
The Trustee is responsible for the other information, which comprises the Trustee's report, (including the Report on actuarial liabilities, and the Trustee's Summary of Contributions) and the Actuarial Certification of the Schedule of Contributions. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon in this report.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on this work we have not identified material misstatements in the other information.

Trustee's responsibilities
As explained more fully in its statement set out on page 19 the Collective Plan Trustee is responsible for: supervising the preparation of financial statements which show a true and fair view; such internal control as it determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Collective Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to wind up the Collective Plan, or has no realistic alternative but to do so.

Auditor's responsibilities
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities
This report is made solely to the Collective Plan Trustee in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Collective Plan Trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Collective Plan Trustee for our audit work, for this report, or for the opinions we have formed.

Gemma Broom
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

Fund Account

	Note	Year ended 31 March 2026			Six months to 31 March 2025		
		CMP (£'000)	DBLS (£'000)	Total (£'000)	CMP (£'000)	DBLS (£'000)	Total (£'000)
Contributions and Benefits							
Contributions receivable:	1						
Employer		359,716	81,814	441,530	163,019	35,557	198,576
Employee		127,848	97,960	225,808	58,100	41,607	99,707
Benefits payable	2	(97)	(7,634)	(7,731)	(2)	(328)	(330)
Payments to and on account of leavers	3	(159)	(215)	(374)	(3)	(48)	(51)
		487,308	**171,925**	**659,233**	**221,114**	**76,788**	**297,902**
Administrative expenses	4	(3,407)	(3,187)	(6,594)	(1,435)	(1,315)	(2,750)
Net additions from dealings with members		**483,901**	**168,738**	**652,639**	**219,679**	**75,473**	**295,152**
Return on investments							
Investment income	5	5,240	2,271	**7,511**	562	128	690
Change in the market value of investments	7	39,435	13,519	**52,954**	(11,704)	(1,700)	(13,404)
Investment management expenses	6	(282)	(336)	**(618)**	(16)	(23)	(39)
Net return on investments		**44,393**	**15,454**	**59,847**	**(11,158)**	**(1,595)**	**(12,753)**
Net increase in the fund during the period		**528,294**	**184,192**	**712,486**	**208,521**	**73,878**	**282,399**
Net assets of the Collective Plan							
At start of the year		208,521	73,878	282,399	-	-	-
At end of the year		**736,815**	**258,070**	**994,885**	**208,521**	**73,878**	**282,399**

Statement of Net Assets (available for benefits)

	Note	As at 31 March 2026			As at 31 March 2025		
		CMP (£'000)	DBLS (£'000)	Total (£'000)	CMP (£'000)	DBLS (£'000)	Total (£'000)
Investment assets							
Equities	7	484,470	40,240	**524,710**	125,837	-	**125,837**
Bonds	7	-	37,977	**37,977**	-	9,738	**9,738**
Pooled investment vehicles	7,8	215,213	140,621	**355,834**	59,049	50,547	**109,596**
Derivatives	8,9	10,328	2,745	**13,073**	3,205	437	**3,642**
AVC investments	7,10	-	28,286	**28,286**	-	6,401	**6,401**
Cash	7,11	20,016	3,530	**23,546**	3,715	92	**3,807**
Other investment balances	7,12	953	(732)	**221**	199	130	**329**
		730,980	**252,667**	**983,647**	**192,005**	**67,345**	**259,350**
Investment liabilities							
Derivatives	7,9	(15,423)	(3,010)	**(18,433)**	(1,384)	(72)	**(1,456)**
Net investment assets		**715,557**	**249,657**	**965,214**	**190,621**	**67,273**	**257,894**
Current assets	14	22,195	10,290	**32,485**	18,544	7,208	**25,752**
Current liabilities	14	(937)	(1,877)	**(2,814)**	(644)	(603)	**(1,247)**
Net assets of the Collective Plan		**736,815**	**258,070**	**994,885**	**208,521**	**73,878**	**282,399**

The notes on pages 28 to 38 form an integral part of the financial statements. The financial statements summarise the transactions of the Collective Plan and deal with the net assets at the disposal of the Trustee. They do not take into account obligations to pay pensions and benefits which fall due after the end of the period. The actuarial position of the Collective Plan, which takes into account such obligations for the DBLS section, is dealt with in the Report on Actuarial Liabilities on page 11 of the Annual Report and these financial statements should be read in conjunction with this report.

Approved by the Trustee and signed on behalf of the Trustee Directors by:

Falcon Trustees LLP`
Collective Plan Chair

Date: _____

G Sassoon-Hales
Trustee Director

Date: _____

Notes to the Financial Statements

Basis of Preparation
These financial statements have been prepared in accordance with the Occupational Pension Schemes Regulations 1996, Financial Reporting Standard (FRS) 102 and the guidance set out in the Statement of Recommended Practice "Financial Reports of Pension Schemes" (revised June 2018) (SORP).

Basis of Accounting
The Collective Plan is established as a trust under English law. The financial statements state the assets at fair value.

Going Concern
The financial statements are prepared on a going concern basis, which the Trustee believes to be appropriate as it believes that the Collective Plan has adequate resources to realise its assets and meet benefit obligations in the normal course of affairs for at least the next twelve months from the approval of these financial statements. In reaching this conclusion, the Trustee considered the Collective Plan structure, investment strategy, portfolio liquidity, cashflow requirements and the employer covenant.

The Collective Plan has a diverse investment portfolio and sufficient liquidity to continue to pay benefits and cashflow requirements as they fall due either through using existing cash holdings or through liquidating investment holdings. In assessing going concern, specific attention has been given to the structure and funding of the Collective Plan's pension arrangements. The Collective Plan operates as a collective pension plan, designed to pool risks and resources. This structure inherently reduces reliance on the financial strength of the employer, thereby lowering reliance on the employer covenant.

Contributions
Normal contributions from employers and employees are made in accordance with the Trust Deed and Rules and the Schedule of Contributions including the Schedule of Payments. Normal contributions relating to wages and salaries earned in the period have been recognised in these financial statements and are accounted for when deducted from members' pay. Other employer contributions are accounted for on an accruals basis and recognised when they become due in accordance with the Schedule of Contributions and any agreements between the Trustee and the Employer. Additional Voluntary Contributions are accounted for on an accruals basis when deducted from payroll.

Benefits
Benefits are accounted for in the period which they fall due for payment. Where there is a choice, benefits are accounted for in the period in which the member notifies the Collective Plan of the decision on the type or amount of benefit to be taken or, if there is no member choice, they are accounted for on the date of retirement or leaving. Benefits taken are reported gross of any tax settled by the Collective Plan on behalf of the member. Opt-outs are accounted for when the Collective Plan is notified of the opt-out.

Transfers
Individual transfers out of the Collective Plan are accounted for on a cash basis of amounts paid.

Expenses
Expenses are accounted for on an accrual basis. The Collective Plan bears all the costs of administration. Costs are charged to the section to which they relate. Indirect costs are allocated between sections based on an allocation methodology agreed by the Trustee.

Investment Income
Income from bonds and other interest receivable is accounted for on an accrual basis. Income from all other marketable securities is accounted for on the date when stocks are quoted ex-dividend. Investment income is recognised in the financial statements net of associated tax credits which are not recoverable by the Collective Plan. Any overseas withholding tax is recognised as income, but where this is not recoverable by the Collective Plan it is shown separately as a tax charge. Income from other assets, such as pooled investment vehicles, is recognised on a receipt basis. Payments and receipts under total return and inflation swap contracts are recognised in investment income on a net basis as they arise.

Foreign Currencies
The functional and presentational currency for reporting purposes is Sterling. Foreign currency investments and related assets and liabilities are translated into Sterling at the rates ruling at the period end. Foreign currency income and expenditure is translated at exchange rates prevailing on the appropriate dates, which are usually the transaction dates. Exchange differences arising from translation are dealt with in the Fund Account within the change in market value of investments.

Market Value of Securities
Investments are included at their fair value. The majority of listed securities are valued at the bid price, or the last traded price, depending on the convention of the stock exchange on which they are quoted, at the date of the Statement of Net Assets. For Bonds this valuation is shown net of the accrued interest therein; such interest is included in other investment assets.

Unitised pooled investment vehicles have been valued at the latest available bid price or single price provided by the pooled investment manager. Shares in other pooled arrangements have been valued at the latest available net asset value (NAV), determined in accordance with fair value principles, provided by the pooled investment manager.

Stock index and bond futures are included in the Statement of Net Assets under derivative contracts at fair value. For exchange-traded derivatives that are assets, fair value is based on bid prices. For exchange-traded derivatives that are liabilities, fair value is based on offer prices. All gains and losses on open contracts are included within the change in market value of investments.

Forward foreign exchange contracts are valued by determining the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.

Option contracts held at the balance sheet date are over the counter instruments and are stated at fair value, determined with reference to the strike price, maturity date and the value of the underlying asset.

The unrealised appreciation or depreciation on open option contracts represents the difference between the premium paid and the market value of closing out the contracts at the balance sheet date.

Total return swaps and inflation swaps are over the counter contracts and are stated at fair value. Fair value is determined using market data at the balance sheet date and represents the present value of future cash flows, taking into account the performance of the underlying asset in the case of total return swaps and movements in the relevant inflation index for inflation swaps, discounted for the time value of money.

Commitments
Commitments represent funds to be allocated for future investments by the Collective Plan.

1. Contributions

The summary below shows contributions received during the period.

	Year ended 31 March 2026			Six months to 31 March 2025		
	CMP (£'000)	DBLS (£'000)	Total (£'000)	CMP (£'000)	DBLS (£'000)	Total (£'000)
Employer normal contributions	359,716	80,312	**440,028**	163,019	35,557	**198,576**
Employer other contributions**	-	1,502	**1,502**	-	-	**-**
Employee normal contributions*	127,848	76,699	**204,547**	58,100	34,025	**92,125**
Employee AVCs	-	21,261	**21,261**	-	7,582	**7,582**
	487,564	**179,774**	**667,338**	**221,119**	**77,164**	**298,283**

**Employee contributions include Pension Salary Exchange contributions.*
***Other contributions received relate to the amount Royal Mail notified the Trustee as being the amount by which 0.3% of the Pensionable Pay of those members to whom regular contributions relates exceeds the costs of insuring ill-health benefits provided outside the Collective Plan in respect of those members and is in respect of ill health premiums paid in the period from 7 October 2024 to 31 March 2025.*

2. Benefits payable

The summary below shows benefit-related payments made during the period.

	Year ended 31 March 2026			Six months to 31 March 2025		
	CMP (£'000)	DBLS (£'000)	Total (£'000)	CMP (£'000)	DBLS (£'000)	Total (£'000)
Retirement pensions	97	-	**97**	2	-	**2**
Lump sum benefits	-	744	**744**	-	30	**30**
Death benefits	-	6,890	**6,890**	-	298	**298**
	97	**7,634**	**7,731**	**2**	**328**	**330**

3. Payments to and on account of leavers

	Year ended 31 March 2026			Six months to 31 March 2025		
	CMP (£'000)	DBLS (£'000)	Total (£'000)	CMP (£'000)	DBLS (£'000)	Total (£'000)
Individual transfer values	159	215	**374**	3	48	**51**
	159	**215**	**374**	**3**	**48**	**51**

4. Administrative expenses

	Year ended 31 March 2026			Six months to 31 March 2025		
	CMP (£'000)	DBLS (£'000)	Total (£'000)	CMP (£'000)	DBLS (£'000)	Total (£'000)
Administrative & management expenses	1,476	1,479	**2,955**	874	874	**1,748**
Audit fees	35	35	**70**	21	21	**42**
Other professional expenses	1,896	1,673	**3,569**	540	420	**960**
	3,407	**3,187**	**6,594**	**1,435**	**1,315**	**2,750**

5. Investment income

	Year ended 31 March 2026			Six months to 31 March 2025		
	CMP (£'000)	DBLS (£'000)	Total (£'000)	CMP (£'000)	DBLS (£'000)	Total (£'000)
Dividends from equities	4,441	237	**4,678**	490	-	**490**
Income from bonds	-	1,290	**1,290**	-	99	**99**
Income from pooled investment vehicles (PIVs)	646	725	**1,371**	64	29	**93**
Net receipts from swaps	-	10	**10**	-	-	**-**
Interest on cash deposits	153	9	**162**	8	-	**8**
	5,240	**2,271**	**7,511**	**562**	**128**	**690**

6. Investment management expenses

	Year ended 31 March 2026			Six months to 31 March 2025		
	CMP (£'000)	DBLS (£'000)	Total (£'000)	CMP (£'000)	DBLS (£'000)	Total (£'000)
Investment manager fees	282	336	**618**	16	23	**39**
	282	**336**	**618**	**16**	**23**	**39**

7. Reconciliation of investments

This includes profits and losses on investments sold and increases/decreases in the value of investments held at 31 March 2026.

		Opening value (£'000)	Purchases & derivative payments (£'000)	Sale proceeds & derivative receipts (£'000)	Change in value (£'000)	Closing value (£'000)
CMP	Equities	125,837	536,351	(194,517)	16,799	484,470
	PIVs	59,049	311,750	(176,465)	20,879	215,213
	Derivatives*	1,821	16,887	(25,664)	1,861	(5,095)
		186,707	**864,988**	**(396,646)**	**39,539**	**694,588**
	Cash	3,715			(83)	20,016
	Other investment balances	199			(21)	953
	Net investment assets	**190,621**			**39,435**	**715,557**
DBLS	Equities	-	57,001	(18,101)	1,340	40,240
	Bonds	9,738	33,519	(4,729)	(551)	37,977
	PIVs	50,547	286,596	(208,549)	12,027	140,621
	Derivatives*	365	4,320	(4,857)	(93)	(265)
	AVC investments	6,401	21,117	(178)	946	28,286
		67,051	**402,553**	**(236,414)**	**13,669**	**246,859**
	Cash	92			77	3,530
	Other investment balances	130			(227)	(732)
	Net investment assets	**67,273**			**13,519**	**249,657**

** Derivative contracts include both derivative assets and liabilities which are shown separately on the face of the Statement of Net Assets.*

The "Change in value" column comprises gains and losses on investments sold and increases and decreases in the value of investments held. Transaction costs are costs that are directly attributable to the acquisition or disposal of an investment and are included in the cost of purchases and sale proceeds. Further details on Transaction costs can be found in note 13. Transaction costs are also borne by the Collective Plan in relation to transactions in pooled investment vehicles. Such costs are accounted for in calculating the bid/offer spread of these investments and are not separately reported.

8. Pooled investment vehicles

Fund classes	Year ended 31 March 2026			Six months to 31 March 2025		
	CMP (£'000)	DBLS (£'000)	Total (£'000)	CMP (£'000)	DBLS (£'000)	Total (£'000)
Bonds	-	28,456	**28,456**	-	12,412	**12,412**
Equities	179,061	68,859	**247,920**	44,530	31,062	**75,592**
Property	-	97	**97**	6,260	-	**6,260**
Precious metals	6,468	2,695	**9,163**	-	1,973	**1,973**
Cash	29,684	40,514	**70,198**	8,259	5,100	**13,359**
	215,213	**140,621**	**355,834**	**59,049**	**50,547**	**109,596**

9. Derivatives

The Trustee has authorised the use of derivatives by its investment manager as part of its investment strategy for the Collective Plan. The main objectives for the use of derivatives are summarised as follows:

Contracts		Year ended 31 March 2026		Six months to 31 March 2025	
		Assets (£'000)	Liabilities (£'000)	Assets (£'000)	Liabilities (£'000)
CMP	Futures	3,482	(2,156)	154	(561)
	FX forward	6,846	(13,267)	3,051	(823)
		10,328	**(15,423)**	**3,205**	**(1,384)**
DBLS	Futures	662	(259)	-	(11)
	FX forward	1,679	(2,709)	437	(61)
	Swaps	108	-	-	-
	Options	296	(42)	-	-
		2,745	**(3,010)**	**437**	**(72)**

Futures contracts are entered into as a method of balancing the Collective Plan's exposure to a particular market or sector. Derivatives often provide a cheaper and more effective way of modifying portfolio risk to remain within asset allocations governed by the investment strategy of the Collective Plan.

Futures – exchange traded		Economic exposure (£'000)	Duration	Period-End Asset value (£'000)	Period-End Liability value (£'000)
CMP	Interest rate future-overseas	(89,329)	Jun-2026	2,891	(475)
	Equity index future-overseas	42,381	Jun-2026	591	(1,681)
				3,482	**(2,156)**
DBLS	Interest rate future-overseas	(7,884)	Jun-2026	263	(110)
	Equity index future-overseas	(5,073)	Jun-2026	399	(149)
				662	**(259)**

FX forward contracts are used to hedge against adverse foreign exchange rate movements on investments denominated in non-Sterling currencies.

FX forwards		Settlement date	Currency Bought	Currency Sold	Period-End Asset value (£'000)	Period-End Liability value (£'000)
CMP	Forward OTC	1-4 months	EUR	GBP	403	-
	Forward OTC	1-4 months	USD	GBP	5,067	-
	Forward OTC	1-4 months	GBP	EUR	4	(586)
	Forward OTC	1-4 months	GBP	USD	-	(12,077)
	Forward OTC	1-4 months	Various	GBP	1,180	(64)
	Forward OTC	1-4 months	GBP	Various	192	(540)
					6,846	**(13,267)**
DBLS	Forward OTC	1-4 months	EUR	GBP	185	-
	Forward OTC	1-4 months	USD	GBP	695	-
	Forward OTC	1-4 months	GBP	EUR	-	(252)
	Forward OTC	1-4 months	GBP	USD	-	(1,521)
	Forward OTC	1-4 months	Various	GBP	52	(2)
	Forward OTC	1-4 months	GBP	Various	-	(229)
	Forward OTC	1-4 months	Various	Various	747	(705)
					1,679	**(2,709)**

Equity Swaps are utilised to manage investment risk and support efficient portfolio management.

	Swaps	Nominal amount ('000)	Duration	Period-End Asset value (£'000)	Period-End Liability value (£'000)
DBLS	Equity total return swap	(3,307)	Nov-2026	20	-
	Equity total return swap	(4,292)	Feb-2027	88	-
				108	**-**

The Collective Plan had cash collateral pledged of £9.279m at 31 March 2026, comprising £8.318m in the CMP Section and £0.961m in the DBLS Section.The collateral was held across GBP, EUR and USD accounts and related to the Scheme's derivative arrangements with counterparties including BNP Paribas, HSBC, Morgan Stanley, JPMorgan, and Deutsche Bank.

Option contracts, including equity, foreign currency and interest rate options, are used as part of the investment strategy to manage risk and support efficient portfolio management. These instruments provide flexibility in managing market exposures, helping to mitigate the impact of adverse market movements while preserving the opportunity to participate in favourable investment returns.

	Options	Nominal amount ('000)	Duration	Period-End Asset value (£'000)	Period-End Liability value (£'000)
DBLS	European Banking Sector Equity Index Call Option	-	Jun-2026	30	-
	Foreign Currency Option	2,850	Jun-2026	52	-
	European Basic Resources Equity Index Call Option	-	Jun-2026	47	-
	Interest Rate Swaption	27,390	Dec-2027	105	-
	Foreign Currency Option	13,400	Jul-2026	62	
	Foreign Currency Option	13,400	Jun-2026	-	(29)
	Foreign Currency Option	2,850	Jul-2026	-	(13)
				296	**(42)**

10. AVC investments

Additional Voluntary Contributions are invested separately from the Collective Plan on a money purchase basis with Scottish Widows. These AVCs are invested in various unitised pooled investment funds.

11. Cash

Interest earning cash deposits	Year ended 31 March 2026			Six months to 31 March 2025		
	CMP (£'000)	DBLS (£'000)	Total (£'000)	CMP (£'000)	DBLS (£'000)	Total (£'000)
Sterling	17,143	423	**17,566**	3,187	65	**3,252**
Foreign currency	2,873	3,107	**5,980**	528	27	**555**
	20,016	**3,530**	**23,546**	**3,715**	**92**	**3,807**

12. Other investment assets and investment liabilities

Consisting of accrued income, investment payable and investment receivable balances.

13. Transaction costs

Direct transaction costs incurred are analysed as follows:

	Year ended 31 March 2026				Six months to 31 March 2025
	Equities (£'000)	Bonds (£'000)	Other (£'000)	Total (£'000)	Total (£'000)
Fees	221	-	-	**221**	**37**
Commission	120	-	-	**120**	**20**
Taxes	-	-	-	**-**	**-**
	341	**-**	**-**	**341**	**57**

In addition to the direct transaction costs disclosed, indirect costs are incurred through the bid-offer spread on pooled investment vehicles and charges made within those vehicles.

14. Current Assets & Liabilities

		Year ended 31 March 2026			Six months to 31 March 2025		
		CMP (£'000)	DBLS (£'000)	Total (£'000)	CMP (£'000)	DBLS (£'000)	Total (£'000)
Assets	Employer contributions due	16,131	5,127	**21,258**	13,651	3,004	**16,655**
	Employee contributions due	5,746	4,509	**10,255**	4,863	3,766	**8,629**
	VAT receivable due	71	83	**154**	29	26	**55**
	VAT due between sections	211	-	**211**	-	-	**-**
	Cash held at administrator	36	571	**607**	1	412	**413**
		22,195	**10,290**	**32,485**	**18,544**	**7,208**	**25,752**
Liabilities	Accrued benefits	(13)	(704)	**(717)**	-	(46)	**(46)**
	Accrued expenses	(924)	(962)	**(1,886)**	(16)	(22)	**(38)**
	Due to Employer	-	-	**-**	(628)	(535)	**(1,163)**
	VAT due between sections	-	(211)	**(211)**	-	-	**-**
		(937)	**(1,877)**	**(2,814)**	**(644)**	**(603)**	**(1,247)**

The contributions due from the Employer and members at 31 March 2026 represent amounts relating to the final payroll period before the year end. These amounts were received after the year end in accordance with the Schedule of Contributions which includes the Schedule of Payments.

15. Investment Fair Value Hierarchy

The fair value of financial instruments has been determined using the following fair value hierarchy:

- **Level 1 (L1):** Unadjusted quoted price in an active market for identical assets or liabilities which the entity can access at the measurement date;
- **Level 2 (L2):** Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly or indirectly;
- **Level 3 (L3):** Inputs which are unobservable (i.e. for which market data is unavailable) for the asset or liability.

		Year ended 31 March 2026				Six months to 31 March 2025			
		L1 (£'000)	L2 (£'000)	L3 (£'000)	Total (£'000)	L1 (£'000)	L2 (£'000)	L3 (£'000)	Total (£'000)
CMP	Equity	484,470	-	-	**484,470**	125,837	-	-	**125,837**
	PIVs	86,300	128,913	-	**215,213**	20,115	38,934	-	**59,049**
	Derivatives	1,327	(6,422)	-	**(5,095)**	(407)	2,228	-	**1,821**
	Cash	20,016	-	-	**20,016**	3,715	-	-	**3,715**
	Other	953	-	-	**953**	199	-	-	**199**
		593,066	**122,491**	**-**	**715,557**	**149,459**	**41,162**	**-**	**190,621**
DBLS	Equity	39,134	-	1,106	**40,240**	-	-	-	-
	Bonds	35,064	2,913	-	**37,977**	9,738	-	-	**9,738**
	PIVs	50,632	89,989	-	**140,621**	12,036	38,511	-	**50,547**
	Derivatives	480	(745)	-	**(265)**	(10)	375	-	**365**
	AVCs	-	28,286	-	**28,286**	-	6,401	-	**6,401**
	Cash	3,530	-	-	**3,530**	92	-	-	**92**
	Other	(732)	-	-	**(732)**	130	-	-	**130**
		128,108	**120,443**	**1,106**	**249,657**	**21,986**	**45,287**	**-**	**67,273**

16. Investment Risks

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

- **Credit risk:** That one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- **Market risk:** Comprises currency risk, interest risk and other price risk.
- **Currency risk:** That the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- **Interest rate risk:** That the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- **Other price risk:** That the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Collective Plan has exposure to these risks because of the investments it makes to implement its investment strategy described in the Trustee's Report. The Trustee manages investment risks within agreed limits which are set in the strategic investment objectives. These objectives and risk limits are implemented through the investment management agreements in place with the investment managers and monitored by the Trustee by regular reviews of the investment portfolios. AVC investments are not considered significant in relation to the overall investments of the Collective Plan.

Credit Risk

The Collective Plan is subject to credit risk as it invests in bonds, over the counter (OTC) derivatives and has cash balances. The Collective Plan also invests in pooled investment vehicles and is directly exposed to credit risk in relation to in the pooled investment vehicles (PIVs) and is indirectly exposed to credit risks arising on the financial instruments held by the PIVs.

		Year ended 31 March 2026				Six months to 31 March 2025			
		IG* (£'000)	NIG* (£'000)	Unrated (£'000)	Total (£'000)	IG* (£'000)	NIG* (£'000)	Unrated (£'000)	Total (£'000)
CMP	OTC Derivatives	(6,420)	-	-	**(6,420)**	2,228	-	-	**2,228**
	Cash	20,016	-	-	**20,016**	3,715	-	-	**3,715**
	PIVs	-	-	215,213	**215,213**	59,049	-	-	**59,049**
		13,596	**-**	**215,213**	**228,809**	**64,992**	**-**	**-**	**64,992**
DBLS	Bonds	36,877	1,100	-	**37,977**	9,738	-	-	**9,738**
	OTC Derivatives	(667)	-	-	**(667)**	375	-	-	**375**
	Cash	3,530	-	-	**3,530**	92	-	-	**92**
	PIVs	-	-	140,621	**140,621**	50,547	-	-	**50,547**
		39,740	**1,100**	**140,621**	**181,461**	**60,752**	**-**	**-**	**60,752**

** IG means Investment Grade and NIG means Non-Investment Grade.*

Credit risk arising on bonds is mitigated by investing in government bonds where the credit risk is minimal. Risk arising on other investments is mitigated by investment mandates requiring counterparties to be at least investment grade credit quality. Credit ratings of counterparties can be monitored via the reports issued from the major credit rating agencies.

Credit risk arising on derivatives depends on whether the derivative is exchange traded or over the counter. OTC derivative contracts are not guaranteed by any regulated exchange and therefore the Collective Plan is subject to risk of failure of the counterparty. Credit risk also arises on forward foreign currency contracts. There are no collateral arrangements for these contracts, but all counterparties are required to be at least investment grade. Cash is held within financial institutions which are at least of investment grade credit rating.

A summary of pooled investment vehicles by type of arrangement is as follows:

	Year ended 31 March 2026			Six months to 31 March 2025		
	CMP (£'000)	DBLS (£'000)	Total (£'000)	CMP (£'000)	DBLS (£'000)	Total (£'000)
Unit linked insurance contracts	-	2,261	**2,261**	598	-	**598**
Open-ended investment companies	215,213	133,311	**348,524**	52,191	50,547	**102,738**
Close-ended investment companies	-	5,033	**5,033**	-	-	**-**
Real estate investment trusts	-	16	**16**	6,260	-	**6,260**
	215,213	**140,621**	**355,834**	**59,049**	**50,547**	**109,596**

Indirect credit risk arises in relation to underlying investments held in the (bond and cash) pooled investment vehicles. This risk can be mitigated by investing in pooled funds which invest in investment grade credit rated securities.

Currency risk

The Collective Plan is subject to currency risk as some investments are held in overseas markets, either as segregated investments or via pooled investment vehicles. The Trustee limits overseas currency exposure through a currency hedging policy. The total direct net unhedged currency exposure by major currency at 31 March 2026 was:

Currency		Year ended 31 March 2026			Six months to 31 March 2025		
		CMP (£'000)	DBLS (£'000)	Total (£'000)	CMP (£'000)	DBLS (£'000)	Total (£'000)
Direct	US dollar	84,819	13,262	**98,081**	24,802	(1,770)	**23,032**
	Other	32,554	2,553	**35,107**	(4,295)	(83)	**(4,378)**
		117,373	**15,815**	**133,188**	**20,507**	**(1,853)**	**18,654**

Interest rate risk

The Collective Plan is subject to interest rate risk on bonds and futures held as segregated investments or through pooled vehicles and cash. On 31 March 2026 these comprised:

		Year ended 31 March 2026			Six months to 31 March 2025		
		CMP (£'000)	DBLS (£'000)	Total (£'000)	CMP (£'000)	DBLS (£'000)	Total (£'000)
Direct	Bonds	-	37,977	**37,977**	-	9,738	**9,738**
	Cash	20,016	3,530	**23,546**	3,715	92	**3,807**
	Futures	2,416	154	**2,570**	(53)	-	**(53)**
	Options	-	105	**105**	-	-	**-**
Indirect	Bond	-	28,456	**28,456**	-	12,412	**12,412**
	Cash	29,684	40,514	**70,198**	8,259	5,100	**13,359**
	Options	-	77	**77**	-	-	**-**
		52,116	**110,813**	**162,929**	**11,921**	**27,342**	**39,263**

Other price risk

Other price risk arises principally in relation to the Collective Plan's return seeking portfolio which includes directly held equities, equities held in pooled vehicles and equity futures. The Collective Plan is exposed to direct other price risk through its holdings in pooled investment vehicle exchange traded funds. The Collective Plan is also exposed to indirect other price risk through its other holdings in pooled investment vehicles (equity and property). In addition to equity-related investments, the Collective Plan also holds property funds and precious metal funds, which are subject to market price fluctuations and contribute to other price risk. The Collective Plan manages this risk by maintaining a diversified portfolio across a range of asset classes and geographic markets.

Concentration of Investments

The Collective Plan investments include the following which represents more than 5% of the total value of the net assets:

Fund	Year ended 31 March 2026		Six months to 31 March 2025	
	Asset Value (£'000)	Overall Allocation	Asset Value (£'000)	Overall Allocation
BGF Systematic sustainable global small cap fund	61,651	6.2%	16,697	5.9%
BlackRock ICS Sterling liquidity funds	66,486	6.7%	13,068	4.6%

17. Related party transactions

Contributions received in respect of Trustee Directors who are members of the Collective Plan were in accordance with the interim and first Schedule of Contributions signed 30 January 2026 which included the Schedule of Payments, and Trust Deed and Rules where appropriate. Apart from the Additional Director, Employer Nominated Trustee Directors' fees are paid by the Employer and not recharged to the Collective Plan. The administration and management of the Collective Plan is provided by the Principal Employer. The direct costs involved in administration and management are recharged to the Collective Plan.

Payments to the Additional Director to 31 March 2026 were £75,452 (2025: nil). Amounts outstanding and payable at 31 March 2026 were £25,984 (2025: £17,000).

There were no employer related investments during the year.

18. Contingencies and commitments

In the opinion of the Trustees, the Scheme had no contingent liabilities at 31 March 2026 (2025: nil).

As at 31 March 2026 The DBLS section has a £66,000,000 (2025: nil) undrawn commitment in the Jean Alternative Investments Fund (UK) LP. The CMP section has a £284,000,000 (2025: nil) commitment in the Jean Alternative Investment Fund (UK) LP.

19. Events after the reporting period

On 31 March 2026 the Trustee committed £350m to be invested in Private Markets for both Sections of the Collective Plan, with the intention to increase this allocation over the next 4-5 years. These investments will be assessed and included in the next annual report and accounts.

Appendix 1: Implementation Statement
1 April 2025 to 31 March 2026

Executive Summary

This Statement has been prepared by the Trustee of the Royal Mail Collective Pension Plan (Collective Plan) in accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (as amended). It sets out how, during the year ending 31 March 2026, the Trustee has implemented the policies outlined in the Collective Plan's Statement of Investment Principles (SIP), with a focus on those relating to environmental, social and governance (ESG) considerations, climate-related investment risks and opportunities, and stewardship (including voting and engagement).

The Collective Plan is a hybrid arrangement comprising:

- The **Collective Money Purchase (CMP) Section** (also known as the collective defined contribution (CDC) Section, or income for life section), and
- The **Defined Benefit Lump Sum (DBLS) Section** (also known as the lump sum section).

The CMP Section provides an income for life through collective risk-sharing, while the DBLS Section offers a guaranteed lump sum at retirement. The Trustee's investment approach reflects the distinct characteristics and objectives of each Section, with a long-term, return-seeking strategy for the CMP Section and a more risk-controlled approach for the DBLS Section.

This Statement has been prepared considering DWP guidance on stewardship reporting, which came into effect on 1 October 2022. The Trustee recognises that this is an evolving area and is committed to continuous improvement in its stewardship practices.

Summary of SIP Updates Over the Period

The SIP has been shared with the Trustee's investment consultant and Outsourced Chief Investment Officer (OCIO) to ensure it is considered in the management of the assets. The SIP was last reviewed in June 2026 and is publicly available on the Collective Plan Website.

In addition to the SIP, the Trustee has formed a Responsible Investment (RI) Policy. This policy is centred around the Trustee's primary responsibility to act in the best financial interests of the members of the Collective Plan. The Trustee believes the RI Policy helps it to do so by addressing some of the risks that come from the long investment horizon of the Collective Plan. Given this long investment horizon, the Trustee believes investing for the benefit of planet and people is of central importance.

The Trustee has a primary responsibility to act in the best financial interests of the Collective Plan's members and believes incorporating financially material ESG factors (including the risks and opportunities arising from climate change) into investment decision making is part of this responsibility. This is based on the belief that doing so helps to reduce investment risk and, in some cases, enhances long-term investment returns.

Stewardship, Engagement, and Voting Behaviour

The Trustee of the Collective Plan has developed a Stewardship Policy, to set out how the Trustee practices effective stewardship as part of its fiduciary duty to act in the best financial interests of its members.

The Trustee understands good stewardship to be the responsible allocation, management, and oversight of capital to create long-term value for the Collective Plan's members, leading to sustainable benefits for the economy, the environment and society.

To deliver good stewardship, the Collective Plan must use cost-effective tools at its disposal, within a well-managed and appropriately resourced framework. To do this, the Collective Plan will use its influence as an owner or part-owner of assets to ensure that as far as possible best practices are reflected in terms of ESG factors – or will hold its OCIO to account for the effective use of their influence as owners or part-owners of assets.

Stewardship Approach

The Trustee's approach to stewardship reflects the Collective Plan's broad investment approach: the Collective Plan's role is to hire an OCIO, and other service providers, and to hold them to account for delivery, rather than to invest itself. In a similar way, the Collective Plan carries out stewardship through oversight and challenge of its OCIO, and other service providers, rather than itself operating as an active steward directly of the underlying assets in which it is invested.

The Trustee believes that the most financially material stewardship topics will differ from one sector to another. The Trustee therefore believes that the OCIO of the Collective Plan's investments is best placed to identify and manage the most financially material stewardship topics for the Collective Plan's individual assets. As a result, the manager's stewardship approach formed a key part of the Trustee's OCIO selection process.

The OCIO uses ESG scores to measure the approach of underlying companies to managing ESG risks and assigns each investment fund an overall ESG score based on these. These scores are monitored and the OCIO aims to invest such that the funds the Collective Plan is invested in have higher ESG scores than reference comparators.

The role of the Trustee is to provide oversight of the OCIO and other service providers, holding them to account for delivery.

The Trustee does not directly obtain the views of the membership and beneficiaries and take these into account in respect of non-financial matters, including environmental and social issues, when setting the investment strategy of the Collective Plan. The Trustee has four Member Nominated Trustee Directors who share their views and these are considered when setting the investment strategy.

Engagement

The Trustee believes that engagement is both an effective way of implementing positive change and an important part of protecting value for the Collective Plan's members. The Trustee believes that when companies are governed properly, they are more likely to be sustainable in the long-term.

The Trustee expects its OCIO to engage with issuers to maintain or enhance the long-term value of the Collective Plan's investments and limit negative externalities on the planet and society. The Trustee believes that the OCIO is best placed to engage with invested companies on ESG matters, given their knowledge of, and level of access to, the companies' management. This is a pragmatic approach considering the breadth of investments and the amount of time corporate entities have for single investors. As the Collective Plan grows, the appropriateness of delegating engagement activity to the OCIO will be reviewed.

The Trustee periodically reviews engagement activities undertaken by its OCIO as part of its broader monitoring activity.

Whilst the Trustee delegates engagement to the OCIO, it recognises the importance of collaboration among asset owners to address systemic risks. The Trustee will periodically assess opportunities to join relevant industry initiatives that align with its responsible investment objectives, including the goal of achieving a net zero real economy.

Voting

As an investor in globally listed companies, the Trustee accepts its responsibilities as a shareholder and fully recognises and appreciates the value of voting as a signal or ultimate sanction in influencing company behaviour.

As active owners, it is the Trustee's responsibility to hold the OCIO to account for its voting activities to ensure they are exercising voting rights fully in members' best interests. As such, the Trustee considers the OCIO's voting policies and records and requires the OCIO to report significant votes relevant to holdings of the Collective Plan as relevant.

The Trustee's policy is to delegate responsibility for the exercise of rights (including voting rights) attaching to investments and to ensure the delegated party exercises those rights unless agreed otherwise. The Trustee has instructed the OCIO to make use of an independent stewardship and engagement adviser, Institutional Shareholder Services ("ISS") to provide voting services. ISS are to exercise voting rights attributable to the Collective Plan in line with their Socially Responsible Investment ("SRI") voting policy, which reflects the view that firms should commit to measuring their social and environmental impact in addition to their financial performance.

SRI guidelines generally favour all environmental, social, and workforce proposals that promote good corporate citizenship alongside enhancing long-term shareholder and stakeholder value. This entails support for matters like board independence and diversity, climate accountability, and transparency around social practices. Furthermore, the Trustee expects the OCIO to discharge their responsibilities in respect of investee companies in accordance with the UK Stewardship Code published by the Financial Reporting Council.

As the Collective Plan amasses scale, the Trustee intends to explore alternative options for defining and implementing its own bespoke voting policy. This would be reflected in an updated Stewardship Policy. The Trustee will continue to receive reporting from its OCIO on voting activity on at least an annual basis. The Trustee will monitor voting activity and voting patterns, including asking for information on significant votes cast.

In line with DWP guidance, the Trustee has defined significant votes as those that meet one or more of the following criteria:

- Votes relating to one of the Trustee's key stewardship themes – these are currently viewed as climate, biodiversity, a just transition and diversity, equity & inclusion (DEI)
- Votes relating to an issuer that has high climate risk exposure
- Votes relating to an issuer to which the Collective Plan has a large monetary exposure
- Votes which may be inconsistent between investment funds
- Votes identified due to potential controversy, driven by the size and public significance of a company, the nature of the resolution, and the weight of shareholder vote contrary to management recommendation.

During the period, all votes were aligned with the Trustee's voting policy.

Voting statistics and a selection of most significant votes cast on behalf of the Collective Plan over the period are shown in Appendix B.

Summary of Trustee Actions and Alignment with SIP policies

Governance

The strategic targets for the Collective Plan's assets are the responsibility of the Trustee, acting on expert advice from a range of advisers and is driven by the investment objectives. To help the Trustee meet its investment objectives, the Trustee has established the Funding & Investment Committee (FIC), which is responsible for certain investment matters delegated to it under its terms of reference.

In line with its terms of reference, the FIC has acted upon its investment responsibilities over the period. Where relevant, recommendations have been made by the FIC to the Trustee and the FIC's activity has been regularly reported to the Trustee.

Objectives

As part of the Trust Deed & Rules, Investment Rules provide the Trustee with clear boundaries on the return objective and risk budget within which the Trustee must manage the investments within the CMP and DBLS Sections, including Additional Voluntary Contributions (AVCs) within the DBLS Section. The Trustee's investment objectives are to ensure that assets are invested within the parameters set out in the Investment Rules.

The Trustee receives reporting at least quarterly from its investment consultant which includes a framework to demonstrate the Collective Plan's alignment with the Investment Rules and the Trustee's objectives or flags any areas of potential misalignment. With a pragmatic approach applied where relevant as the Collective Plan builds scale and the implementation of the investment strategy evolves in the early period of the Collective Plan being active, the Trustee has been aligned with its objectives over the period.

Investment Beliefs

The different characteristics of the CMP and DBLS Sections lead to the Trustee having some investment beliefs that are specific to each Section. Some key factors that differentiate the Sections include the relevant investment time horizon for the CMP being much longer than the DBLS Section, and the level of guaranteed benefit. Additionally, the nature of the DBLS Section means that it is sensitive to different types of risks that are less relevant to the CMP Section.

The Trustee has worked with its investment consultant to implement these investment beliefs. Where relevant, they are incorporated into the Trustee's Investment Management Agreement (IMA) with the OCIO. The OCIO reports on its management of the Collective Plan's investments at least quarterly, and the investment consultant supports the Trustee in overseeing the OCIO.

Over the period in the Statement, no concerns have been identified relating to misalignment of the investment strategy with the Trustee's investment beliefs.

Strategic Asset Allocation

The Trustee has adopted dedicated long-term strategy assessment frameworks, relevant for each Section of the Collective Plan. The frameworks quantify the Collective Plan's investment objectives, including the Return Objectives and Risk Budgets, and integrate the Collective Plan's responsible investment objectives. Whilst ensuring compliance with the Investment Rules is a key priority for the Trustee, the assessment frameworks have been designed with member benefit payments in mind. The frameworks help the Trustee monitor how investment strategies could affect the benefit adjustments that could be applied to both CMP and DBLS Sections.

The frameworks are updated on a quarterly basis and are used by the Trustee and FIC to monitor the progress of the Collective Plan against its objectives. The framework remains consistent through the life of the Plan to date but the Trustee expects to continue to review and potentially evolve these, possibly at a greater frequency in the early stages of the Plan's life as it builds up its asset scale.

In line with the approach set out in the SIP, such frameworks have been produced quarterly by the investment consultant and reviewed by the FIC.

Manager Structure

The OCIO is selected with the aim of fulfilling the Collective Plan's strategic objectives. The OCIO has specific performance targets (relevant for each of the Collective Plan's Sections), agreed with the Trustee at the outset of the mandate.

These performance targets, as well as guidelines and constraints on what the OCIO can do within its delegated authority, are set out in an IMA.

The investment consultant also supports the Trustee by overseeing the OCIO on an ongoing basis and reporting to the Trustee on such oversight at least quarterly.

Responsible Investment

Regulations require the Trustee to disclose several matters with respect to RI. The Trustee, advised by its investment consultant, designed an RI Policy to set out such matters. The RI Policy has been shared with the OCIO and is incorporated, as relevant, into the Trustee and OCIO's IMA.

Manager Monitoring

The Trustee delegates the day-to-day management of the assets of the Collective Plan to the OCIO, who reports at least quarterly on its management of the assets, including with respect to underlying fund managers.

The investment consultant supports the Trustee in overseeing the OCIO, including the provision at least quarterly of an OCIO oversight report within its investment reporting.

Risk Management

The different nature of the CMP and DBLS Sections mean that the most pertinent risks for each Section (and therefore the most relevant risks to manage) are different.

The key risk in the:

- CMP Section is that assets underperform expectations in the long term.
- DBLS Section, which has guaranteed benefits on retirement, is a mismatch between the Section's assets and its liabilities.

To aid the ongoing measurement and management of these risks, the Trustee's Investment Consultant provides a relevant dashboard for each Section on a quarterly basis.

This dashboard has been provided at least quarterly over the relevant period, covering areas of risk as relevant to each of the Sections respectively. The dashboards are assessed and discussed by the FIC.

This also includes consideration of the AVCs paid by some members.

Appendix A: Examples of manager engagement

The following case studies illustrate examples of manager engagement by the OCIO on climate and company impacts on people.

These case studies provide relevant insights into the OCIO's approach to engagement and stewardship. Each example includes background on the company and proposal, details of any engagement, and the voting outcome with rationale. These activities were carried out by the OCIO and references to 'we' or 'our' in the case studies refer to the OCIO.

Case study 1: Ulta Beauty, Inc. (Ulta)

Topic: Climate- and nature-related risks and opportunities
Context: Ulta is a leading US retailer that sells beauty and personal care products, many of which traditionally rely on single-use plastics and complex packaging that can contribute to environmental waste. In its 2024 sustainability report, Ulta recognised an increasing interest from consumers in environmentally responsible products and committed that by 2025, 50% of its consumer-level packaging by weight would be recyclable, refillable, or made from recycled or bio-sourced materials. Ulta noted that its ability to improve its sustainable packaging could support its long-term resource efficiency while also enhancing its brand perception and ability to meet shifting consumer expectations.
Engagement: In September 2025, BlackRock Active Investment Stewardship (BAIS) met with Ulta's Investor Relations team and Chief Legal Officer to discuss, among other topics, how the company's packaging strategy will help the company meet shifting customer expectations. The company acknowledged that progress towards making its packaging more sustainable requires cooperation with a broad set of over 600 brand partners with varying levels of manufacturing capabilities and noted that its biggest challenge is supplier cooperation. In response to these challenges, Ulta shared that it has established incentives to encourage brand participation, including by collecting data to demonstrate the impact that packaging initiatives can have on sales. Ulta emphasized its packaging commitments are driven by a clear business case, namely that being seen as a "conscious" beauty platform can strengthen its marketability.
Outcome: BAIS monitors waste risk thematically across portfolios and will continue to engage Ulta on its execution of its sustainable packaging initiatives to meet consumer demand and enhance its resource efficiency in support of long-term financial performance.

Case study 2: The Coca-Cola Company (Coca-Cola)

Topic: Board quality and effectiveness
Context: Coca-Cola is a U.S.-headquartered beverage company that manufactures, sells, and distributes a broad portfolio of drinks across more than 200 countries. In reviewing Coca-Cola's board composition ahead of the company's annual meeting, BAIS was concerned that one director up for re-election had board commitments at numerous other companies. In addition to serving as a non-executive director at Coca-Cola, he is the sitting CEO and executive director at another U.S. Fortune 500 company as well as a non-executive director at a third. In our analysis, we consider whether directors appear to have sufficient time to commit to each of their senior leadership roles to be engaged and effective. We may vote against the election of directors who do not appear to have sufficient capacity to effectively fulfil their duties to the board and company.
Engagement: BAIS engaged with Coca-Cola's Director of Corporate Governance in April 2025 to better understand the director's commitments. BAIS' research ahead of the meeting noted that the director had in the past received a relatively low level of shareholder support across the director's board mandates in comparison to peers. Notably, he received 60% support at Coca-Cola's 2024 annual meeting. During the engagement, Coca-Cola acknowledged the 2024 meeting results and noted that the director had resigned from a board prior to joining Coca-Cola and resigned from a second board afterwards as evidence that he has demonstrated willingness to manage his portfolio of board mandates. That said, there was no expectation on the part of the company that the director would further reduce his commitments. He remains the CEO of a major company and sits on two outside boards as a non-executive director.
Outcome: While the company expressed confidence in the director's skill set, BAIS remained concerned about his capacity to effectively fulfil his duties to the Coca-Cola board, particularly in light of his role as Chair and CEO of another Fortune 500 company. Additionally, macro-economic policy and market volatility in 2025 could require more time and attention in several of his roles. BAIS ultimately voted against the director's re-election at Coca-Cola's 2025 meeting. The director's re-election was supported by 77% of shares voted for the annual meeting. The vote outcome is an improvement from 2024 but remains low relative to levels of support for director elections more generally, which typically garner above 95%, suggesting shareholder concern about the director's ability to fulfil his duties at Coca-Cola. BAIS will continue to engage Coca-Cola to better understand the board's effectiveness.

Case study 3: Impala Platinum Holdings Limited (Impala)

Topic: Company impacts on people
Context: Impala is a leading platinum group metals producer operating primarily in South Africa and Zimbabwe. The company's operations span mining, refining, and smelting. It employs over 50,000 people who regularly work in high-risk underground environments. In the mining sector, health and safety and human capital management tend to be key areas of focus given the inherent material business risks. Ensuring a robust safety culture is critical to maintain compliance with mine safety regulations that require comprehensive safety management systems, trainings, incident reporting, and inspections. A robust safety culture also supports employee wellbeing and operational efficiency and productivity which can impact long-term financial performance. In 2024, Impala recorded 19 fatal injuries among its employees and contractors.
Engagement: In October 2025, BAIS met with Impala's sustainability team to gain a deeper understanding of the company's approach to health and safety. During the discussion, Impala outlined the implementation and impact of its eight-point safety plan, designed to create an environment for employees to raise issues and avoid taking shortcuts that compromise safety. The company also emphasized its data-driven safety management, using real-time incident reporting and analysis to identify trends and refine fatal risk protocols. Employees are empowered to halt operations if they perceive unsafe conditions, with the company sharing that over 100 self-imposed stoppages were reported, reflecting a proactive approach to risk management. Leadership regularly reviews high-potential incidents and shares lessons learned across sites, with regular workshops and direct engagement with crews and safety officers. Additionally, Impala has established mental health and psychological safety initiatives, which it has found to have had an impact on employees' risk behaviours, resulting in a 52% year-on-year increase in the uptake of mental health interventions. During the 2025 financial year, the lost-time injury frequency rate (LTIFR) improved by 11% to 3.46 per million man-hours worked, while the fatal injury frequency rate (FIFR) declined by 55% to 0.057. We also discussed how the company incorporates safety outcomes into both group and individual executive performance assessments. These engagements provided valuable insights into how Impala is fostering a culture of safety and accountability across its workforce and adapting its processes.
Outcome: At the 2025 AGM, shareholders were asked to approve Impala's remuneration policy and implementation report, which incorporated safety metrics into both group and individual executive performance assessments. In collaboration with the relevant BlackRock active investment teams, we decided to vote in support of the remuneration proposals, recognising the strengthened health and safety oversight, including improved incident reporting and board-level accountability, as well as the overall alignment of executive remuneration with the company's long-term strategy and our clients' financial interests. Following the notably high number of fatal injuries recorded in 2024, Impala has made considerable progress in embedding a safety culture across its operations. At the 2025 AGM, the company's remuneration policy passed with 89% support and its remuneration implementation report passed with 67% support. BAIS will continue to engage with Impala Platinum as it implements its safety initiatives and makes progress towards its stated goals.

Case study 4: Lojas Renner S.A. (Lojas)

Topic: Board quality and effectiveness
Context: Lojas is a retailer headquartered in Brazil offering apparel, accessories, and other lifestyle products in stores and across digital channels. At its September 2025 Extraordinary General Meeting (EGM), the company proposed several amendments to its Articles of Association, including a proposal to lower owner disclosure thresholds and another to extend the terms of its board directors from one year to two.
Engagement: BAIS and BlackRock's active investment teams met with the company's board and management team to better understand how the proposed amendments to the Articles of Association aligned with shareholder interests. Lojas explained that lowering the ownership disclosure threshold below local regulatory requirements gave the company greater detail on changes in ownership. Leadership acknowledged our concern that it would increase the administrative burden on shareholders without advancing investor protections. It was not clear to BAIS that this measure was warranted. Lojas also explained its rationale to move to biennial director elections, sharing that it is increasingly becoming common practice among its peers and a measure to mitigate complications arising from having to recruit and onboard directors annually. In BAIS' assessment, this would reduce shareholders' ability to express their views on directors in a timely manner thus reducing accountability. Considering that in practice, directors tend to join boards with the intention to serve for multiple years, BAIS did not consider annual elections to complicate director recruitment and onboarding
Outcome: In consultation with BlackRock's investment teams, BAIS ultimately voted against both proposals. At Lojas Renner S.A.'s 2025 meeting, the proposal to lower ownership disclosure thresholds passed narrowly with 53% support, and the proposed extension of board terms was rejected. These results suggest broader investor concerns about governance practices that may not align with shareholder interests. BAIS will continue to engage with the company as it implements these new measures and monitor the effectiveness of the company's governance.

Case study 5: Hon Hai Precision Industry Co., Ltd. (Hon Hai)

Topic: Company impacts on people
Context: Hon Hai is a Taiwanese multinational electronics contract manufacturer. Its labour-intensive manufacturing model and large workforce expose the company to labour management risks. In September 2025, the non-governmental organisation China Labour Watch published a report outlining labour rights concerns at the manufacturer's Zhengzhou facility, citing wage and benefits violations as well as instances of discrimination, harassment, and health and safety issues.
Engagement: Following these labour-rights allegations, BAIS and BlackRock's active investment teams met with Hon Hai's investor relations team in October 2025 to discuss, among other topics, its labour-management practices. The company reaffirmed its compliance with standards outlined by the Responsible Business Alliance (RBA), of which it is a member, and highlighted an expanded third-party RBA assessment covering 58 sites and a consolidated summary for nine priority facilities in 2024.
Outcome: The company emphasized its ongoing engagement with key stakeholders and its practice of providing comprehensive on-site access for due diligence. Leadership indicated that they are willing to explore publishing independent audit reports of individual manufacturing campuses, while acknowledging that the RBA currently publishes only consolidated summaries.

Appendix B: Summary of voting over the period

At the time of reporting, all assets were managed by BlackRock. Appendix B presents a summary of voting activity undertaken on the Trustee's behalf over the period. This activity was conducted in line with the Trustee's voting policy.

CMP Section:

The below tables summarise voting activity across the CMP Section investments.

Criteria	Equities					Infrastructure
	Global PAB	Global Small-Cap	Emerging Markets		World Enhanced	Global Listed
			Sustainable	Enhanced		
Meetings eligible to vote during the period	271	946	104	603	33	64
Resolutions eligible to vote during the period	3,994	9,404	995	6,322	575	861
% of resolutions voted	100%	98%	88%	98%	94%	100%
Percentage of resolutions voted with management	96%	93%	92%	90%	98%	97%
% of resolutions voted against management	4%	7%	8%	10%	2%	3%
% of resolutions abstained	0%	1%	1%	3%	1%	0%
% of meetings with at least one vote against management	27%	34%	32%	39%	33%	20%
% of resolutions where manager voted contrary to recommendation of proxy adviser	9%	0%	0%	0%	0%	0%

DBLS Section:

The below tables summarise voting activity across the DBLS Section investments.

Criteria	Emerging Markets		Diversified Strategy	Strategic Growth
	Enhanced	Sustainable		
Meetings eligible to vote during the period	603	182	164	407
Resolutions eligible to vote during the period	6,322	2,935	1,620	5,666
% of resolutions voted	95%	99%	96%	91%
% of resolutions voted with management	0%	0%	1%	0%
% of resolutions voted against management	94%	97%	86%	96%
% of resolutions abstained	12%	0%	1%	0%
% of meetings with at least one vote against management	39%	19%	54%	24%
% of resolutions where manager voted contrary to recommendation of proxy adviser	0%	0%	1%	0%

Appendix C: Most Significant Votes

The OCIO provided details of all votes related to the Trustee's stewardship priority of 'Climate'. The following examples have been identified as most significant based on the broader criteria outlined by the Trustee and detailed in the 'Voting' section of this Statement. These votes illustrate instances where voting decisions differed from the recommendations of the ISS SRI policy, which the Collective Plan has adopted. The rationale for classifying each as a most significant vote is outlined in the tables below.

Vote 1	Company name	Dominion Energy, Inc
Date of vote (DOV)	07 May 2025	
Holding at the DOV	Units in BGF Global Listed Infrastructure Fund	
Resolution summary	Shareholder proposal 4, that the Board should consider eliminating non-carbon emitting generation goals in executive pay incentives.	
Vote	BlackRock Active Investment Stewardship voted **AGAINST** the item noted.	
Vote rationale	Executive compensation matters should be left to the board's compensation committee, which can be held accountable for its decisions through the election of directors.	
Vote outcome	The proposal was not approved. 1.5% of votes were in favour, 98.5% against.	
Criteria the Trustee deems this vote to be significant	Votes relating to the climate, biodiversity, just transition and/or DEI	

Vote 2	Company name	Alphabet Inc.
Date of vote (DOV)	06 June 2025	
Holding at the DOV	Units in BlackRock Sustainable Equity Factor Plus Fund	
Resolution summary	Item 8: [Shareholder Proposal.] That the Board should take all practicable steps to initiate and adopt a recapitalisation plan for all outstanding stock to have one vote per share, with the disproportionate rights of Class B shareholders being eliminated over a period of 7 years (or other timeframe justified by the board).	
Vote	BlackRock Active Investment Stewardship voted in **FAVOUR** of the item noted.	
Vote rationale	BlackRock believe that one vote per share is in the best interest of long-term shareholders. BlackRock believes that voting rights are a fundamental aspect of share ownership and an important component of strong corporate governance. As shareholders are the residual owners of a company, their voting power should generally align with their economic interest, consistent with the principle of one share, one vote. While we recognise that certain companies may have legitimate reasons for adopting dual class share structures with differentiated voting rights, we believe these arrangements should be subject to periodic shareholder approval. This allows independent shareholders to assess whether the existing structure remains appropriate and, where necessary, establish a pathway to phase out or unwind controlling share arrangements over time, while minimising disruption and costs to shareholders.	
Vote outcome	Item 8 was not approved. 29.2% of shares were voted for of the proposal, with 66.0% against. 4.8% were not voted or abstained.	
Criteria the Trustee deems this vote to be significant	Votes identified by the size and public significance of a company,	

Vote 3	Company name	Equinor, ASA.
Date of vote (DOV)	14 May 2025	
Holding at the DOV	Units in BlackRock Sustainable Equity Factor Plus Fund	
Resolution summary	Shareholder proposals 9, 10, 12, 14 and 15 variously asked the company to withdraw from wind, oil and gas, and/or international operations.	
Vote	BlackRock Active Investment Stewardship voted **AGAINST** the item noted.	
Vote rationale	The requests are not in the purview of shareholders, and/or unduly constraining on the company.	
Vote outcome	The proposals were not adopted > 99% of votes against.	
Criteria the Trustee deems this vote to be significant	Votes relating to the climate, biodiversity, just transition and/or DEI	

Vote 4	Company name	Deere & Company
Date of vote (DOV)	25 February 2026	
Holding at the DOV	Units in BlackRock ESG Screened and Selected Strategic Growth Fund	
Resolution summary	**Proposal 4:** a shareholder requested a report be produced on the current and expected return on investment of the company's emission reduction goals, accounting for cognizable litigation and reputation risk. **Proposal 5**: a shareholder requested the Board take steps to permit action by written consent of shareholders without restriction based on length of stock ownership. **Proposal 6:** a shareholder requested a report evaluating the reputational, human capital, operational, legal and other relevant risks of failing to allow faith-based (employee) business resource groups (BRGs).	
Vote	BlackRock Active Investment Stewardship voted with management **AGAINST** all three of the shareholder proposals.	
Vote rationale	On proposal 4, BAIS believe that Deere's climate-related goals are already appropriately overseen by the company's Board. They noted also that Deere will shortly be publishing its 2025 Sustainability Disclosures and Metrics Report which will include a recently conducted materiality report. On proposal 5, BAIS agreed with management that the Company's current rule permitting 25% of shareholders to call a special meeting is fit for purpose and renders the proposal redundant. On proposal 6, BAIS noted that Deere does not ban faith-based BRGs and has recently re-affirmed its commitment to Equal Opportunity and Non-Discrimination. In summary – none of the shareholder proposals were deemed by BAIS to be in the financial interests of shareholders.	
Vote outcome	**Proposal 4:** not approved. ~85.3% of shares counted were voted against. **Proposal 5:** not approved. ~53.3% of shares counted were voted against. **Proposal 6:** not approved. ~85.4% of shares counted were voted against.	
Criteria the Trustee deems this vote to be significant	Votes relating to the climate, biodiversity, just transition and/or DEI	

Appendix 2: Glossary of Terms

Actuarial Valuation
A valuation of the Collective Plan which compares the assets to its liabilities. Economic and demographic assumptions are made to value the liabilities.

Additional Voluntary Contributions (AVCs)
Contributions made by members to purchase additional Defined Contribution (DC) benefits.

Asset Allocation
The proportions in which the assets are distributed between different classes of investment.

Custodian
A financial institution that holds and manages securities or other assets on their behalf to reduce the risk of losing those assets or having them stolen.

Collective Money Purchase (CMP)
CMP arrangements are a sub-category of money purchase arrangements and are something of a halfway house between Defined Benefits and Money Purchase.

Derivatives
Financial contracts which derive their value from some other underlying asset. Examples include futures, options and swaps.

Employer Covenant
The ability of a pension plan's sponsoring employer to fund its pension plan and underwrite investment risk.

Equities
Shares in UK and overseas companies.

Fair Value
A rational and unbiased estimate of the market value of goods, services or assets.

Foreign Exchange ("FX" Forward)
A contract in the foreign exchange market that locks in the exchange rate for the sale or purchase of a foreign currency at an agreed future date.

Futures Contracts
A futures contract is a firm agreement to buy or sell a security or quantity of securities at an agreed price and future date.

Hedge
A hedge is an investment position intended to offset potential losses/gains that may be incurred by an organisation. Liability hedging typically involves investing in assets which mitigate against the adverse impact of changes to interest rates and inflation rates.

Internal Controls
Processes for assuring achievement of an organisation's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies.

Investment Returns
The return achieved by the Collective Plan's investments in respect of both income and capital gains (realised and unrealised) normally expressed as an equivalent annual rate.

Myners Principles
A set of high-level principles compiled by a committee headed by Lord Myners relating to investment decision making and governance, recommended by The Pensions Regulator.

Options
An options contract is an agreement between a buyer and seller that gives the purchaser of the option the right to buy or sell a particular asset at a later date at an agreed upon price.

Over The Counter (OTC) Contracts
Contracts traded directly between the two parties rather than those which take place on a public regulated exchange.

Pooled investments
Funds from many investors that are aggregated for the purpose of investment.

Realised Gains
The net gain on investments sold, calculated by comparing the selling price with the price at which they were purchased, or with the value which they were transferred to the Collective Plan at inception.

Swaps
Swaps are derivative contracts between two parties in which they agree to exchange one set of cash flows for another.

The Pensions Regulator
A statutory body in the UK which regulates workplace pension schemes.

Transfer Value
The cash equivalent or present value of a deferred pensioner's preserved benefit which can be used to purchase benefits in a new employer's pension plan or a personal pension.

Unrealised Gains
The net increase in the market value of investments held but not yet realised.