Annual Engagement Policy Implementation Statement

Building Societies Association Pensions and Assurance (No.3) Scheme

Introduction

This statement, written for the benefit of the members of the Building Societies Association Pensions and Assurance (No.3) Scheme (the "Scheme"), sets out how, and the extent to which, the Statement of Investment Principles ('SIP') produced by the Trustee has been followed during the 10-month period ended 30 April 2026. The reporting period has been aligned with the change in the Scheme's final accounting period.

This statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, and subsequent amendments, and the guidance published by the Pensions Regulator.

Investment Objectives of the Scheme

The Trustee recognises that its primary duty is to the members of the Scheme and that the investment strategy should be set in their interests. The Trustee believes that investment risk has substantially been mitigated having secured the liabilities of the Scheme through an insurance buy-in contract with Aviva.

The Scheme bought out of its bulk annuity policy with Aviva Life and Pensions UK Limited on 14 January 2026 and individual policies with Aviva Life and Pensions UK Limited were assigned to individual beneficiaries on 26 January 2026. The Scheme retained a pool of liquid cash assets to cover any remaining payments that may be required to cover all winding up costs, including the run-off Trustee Indemnity Insurance premium.

During the period, in view of the short period until the Scheme is expected to be wound up, the Trustee considered it was reasonable that there was no formal policy in relation to the balance between different investments, the expected return on investments, financially material considerations, non-financial matters and its arrangements with asset managers.

No changes have been made to the Scheme's SIP during the period.

Policy on ESG, Stewardship and Climate Change

As stated in the Scheme's SIP, the Trustee considers that it is reasonable that there should be no formal policy in relation to non-financial matters, stewardship and voting, as these are not applicable to the assets currently held by the Scheme.

June 2026