



NatWest
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Cushon Master Trust

Responsible Investment Policy

October 2025

203CMT1125

Cushon Group Limited is registered in England and Wales company number 10967805. Registered office: 250 Bishopsgate, London EC2M 4AA. Cushon Money Limited is authorised and regulated by the Financial Conduct Authority with FRN 929465 and is registered in England and Wales with company number 11112120. Cushon Master Trust is regulated by The Pensions Regulator with PSR number 12008536. Cushon MT Limited is the sponsoring company of Cushon Master Trust and is registered in England and Wales with company number 12366412. We provide high quality impartial information but not advice, so it is important that you understand the risks of investing. The value of investments can go down as well as up which means you may get back less than you put in.



1 Introduction

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

The Trustees define Responsible Investment (“RI”) in line with the UN-backed Principles for Responsible Investment (“UNPRI”), which states that RI is an approach to investing that aims to incorporate Environmental, Social and Governance (“ESG”) factors into investment decisions, to better manage risk and generate sustainable, long-term investment returns. The Trustees believe that this approach to investment is in the best interests of Scheme members in accordance with their legal duties.

This Policy supports the Scheme’s Statement of Investment Principles (“SIP”) and investment beliefs and is maintained in conjunction with the Trustees’ Stewardship Policy, formalising the Trustees’ beliefs with respect to RI and their policy on how ESG factors (including climate change) will be integrated in their investment decision making. This Policy is to be made available to members via the NatWest Cushon website <https://cushon.co.uk/workplace-pensions/climate-focused>.

2 The Trustees’ Investment Beliefs

The Trustees’ investment beliefs, which will be taken into consideration when developing the Scheme’s investment strategy and investment objective, are set out below. It is the Trustees’ opinion that their investment beliefs and adherence to UNPRI will contribute to good investment outcomes for Scheme members. The investment beliefs will also form part of the Trustees’ investment governance reporting framework, which is used to monitor effective implementation and management of the Scheme’s investment portfolio on behalf of members.

- The Trustees’ investment objective is to maximise returns for members adjusted for risk and inflation regardless of when they take their benefits.
- The Trustees will consider a broad range of opportunities when sourcing investments, including assets on regulated and unregulated markets, and assets that are publicly and privately held, as well as different investment management styles. There may be times when certain types of investments offer better value, and the Trustees will seek to maximise these opportunities for the benefit of members.
- There are some risks which can be rewarded, such as illiquidity, active management, and diversification. Some of these risks may be linked to responsible investment factors (such as climate change). The Trustees will seek exposure to these investment opportunities, provided they meet their investment objective and the cost of accessing the investment presents value for money for members.
- The Trustees believe that responsible, sustainable, and social impact investment opportunities can contribute to meeting their investment objective.

3 The Trustees' Commitments

The Trustees' investment beliefs apply to all asset classes and support the principles underlying the UNPRI initiative. The Trustees will use these beliefs to inform their commitments and will work with partners and other industry parties who share their beliefs. Given the material financial risk that climate change poses to Scheme members, the Trustees have made the following commitments:

- To offer default investment options with a lower carbon footprint than typical UK investors.
- To target the following carbon reductions for the default strategies, Cushon Sustainable Investment Strategy and Cushon Core Investment Strategy:
 - For the carbon footprint (scope 1 & 2 emissions) to be at least 80% lower than the 2022 baseline by 30 September 2030.¹
 - Achievement of net zero well in advance of 2050.

The 2022 baseline is defined as the weighted average carbon footprint (scope 1 & 2 emissions) of broad market indices weighted by the Cushon Sustainable Investment Strategy's growth phase asset allocation. These are: 90% Solactive GBS Global Markets Large and Mid-Cap, 2.5% Bloomberg Global Aggregate, 4.3% Bloomberg Global Aggregate Corporates and 3.2% 50 / 50 ICE BoA Global High Yield / Global Investment Grade.

- To gather member views and preferences using a variety of methods and take them into consideration when developing this Policy and the Trustees' investment beliefs over time, to the extent that to do so does not conflict with the Trustees' legal obligations and fiduciary duties as pension scheme trustees. The Trustees may take member views into account when choosing self-select options. Member investment choice will be provided through the self-select investment options for those members who wish to express different beliefs in how their pension pot is invested.
- To act as responsible stewards of the assets the Trustees manage on behalf of members, and engage with companies, funds, service providers and industry bodies and through investor initiatives in partnership with the Scheme Funder to drive ESG integration and responsible behaviour.

NatWest Cushon is the parent company of the Scheme Funder and is also a non-reporting signatory of the UNPRI, a signatory of the Carbon Disclosure Project ("CDP"), and a member of Pensions for Purpose.

4 Impact of this Policy on Investment Decision Making

RI is a core element of the Trustees' investment strategy, which is set by the Trustees with support from their investment adviser, Isio, and the Scheme Funder, Cushon MT Limited. In making any portfolio construction decisions, the Trustees will have regard to this Policy and their investment beliefs. To implement the Trustees' RI beliefs, all investments within the Cushon Sustainable Investment Strategy and Cushon Core Investment Strategy default strategies consider RI as a core component. The table below explains how each individual mandate does this: -

¹ As reported in the latest Climate Change Report, this target has been achieved. The Trustees are working across 2025 to refresh their Sustainability strategy and establish new climate targets which will be disclosed in the subsequent climate change report.



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Asset Class	Manager and Fund	Approach	How RI is implemented
Global equities	Macquarie True Index	Tracks the Solactive Cushon Index and aims to deliver exact net returns for no management fee and a zero tracking error.	<p>The fund delivers an immediate scope 1 + 2 CO2e emission reduction of 60% and targets an ongoing reduction of 7% per annum.</p> <p>Companies are screened for their alignment with the UN Sustainable Development Goals (“SDG”) and excludes the lowest performers. Companies with an SDG impact rating of less than -5.1 are excluded. SDG Impact rating is an ISS developed scoring metric for measuring UN SDG alignment. The score range is -10 (strong negative impact on SDGs) to +10 (strong positive impact on SDGs).</p> <p>The fund increases Green Revenues by 100% and aims to increase its Carbon Risk Rating by 20% compared to the benchmark. Both are company level data climate points developed by ISS which are integrated into the index design. The fund further excludes all companies with verified ongoing failure to respect established international norms and companies with verified ongoing involvement in controversial weapons.</p>
Credit	Lombard Odier – Target NetZero Investment Grade Corporate Bond	<p>Lombard Odier: A forward-looking approach financing the climate transition by investing in companies demonstrating a CO2 emissions pathway targeting net zero by 2050 in line with the Paris agreement.</p> <p>Aims to outperform a standard corporate bond benchmark. The fund targets 100bps gross outperformance p.a. versus the Bloomberg Barclays Global Aggregate Corporate Bond Index over a credit cycle.</p>	<p>The portfolio targets a 50% reduction in scope 1 + 2 CO2e emissions by 2030, and net zero by 2050.</p> <p>The Fund seeks to apply the following exposure restrictions, but not binding: -</p> <ul style="list-style-type: none"> • Tobacco: Companies deriving more than 10% of their revenues from either production of tobacco products or retailing of tobacco products/services. • Thermal Coal: - <ul style="list-style-type: none"> ○ Mining: Companies deriving more than 10% of their revenues from thermal coal extraction. ○ Power Generation: companies deriving more than 10% of their revenues from coal power generation. • Unconventional Oil & Gas: Companies deriving more than 10% in aggregate of their revenues from any of tar sands, shale gas and oil and arctic oil & gas exploration. <p>Material breaches of UN Global Compact Principles, the OECD guidelines for multinational enterprises, the UN guidelines principles on business and Human rights and their underlying conventions: Companies that</p>



			are involved in the most severe breaches of those norms ("Highest Level Controversies").
Credit	Wellington – Global Impact Bond	<p>Wellington: The fund invests in fixed income assets through which it seeks to improve access to, and the quality of, basic life essentials, reduce inequality, and mitigate the effects of climate change while delivering long-term total returns in excess of the Bloomberg Global Aggregate Index.</p> <p>The fund seeks to deliver long-term returns in excess of the Bloomberg Barclays Global Aggregate Index (hedged to USD).</p>	<p>Wellington: Focusing on high impact issuers across 3 core impact areas (Life Essentials, Human Empowerment, and the Environment), with key performance indicators measuring each investment's level of impact.</p> <p>The fund applies the Wellington Management exclusions policy which restricts investment in: -</p> <ul style="list-style-type: none"> • Manufacture of nuclear weapons • Controversial weapons • Thermal coal extraction or thermal coal-based power generation • Production and generation of oil sands (also known as tar sands) • Production, distribution, retail or supply of tobacco related products.
Credit	L&G Future World Corporate Bond Index	L&G: Track the performance of the Solactive L&G ESG GBP Investment Grade Corporate TR Index	<p>L&G: The fund employs a passive index tracking strategy while reflecting significant environmental, social and corporate governance (ESG) issues.</p> <p>Companies that fail to meet LGIM's minimum standards in low carbon transition and corporate governance standards may be excluded from the fund.</p>
Credit	Ninety One Global Target Return Credit	Ninety One: The fund targets SONIA + 4% per annum (gross of fees) over a full credit cycle (which may be measured over 5-year rolling periods)	<p>Ninety One: The fund uses an unconstrained, bottom-up investment approach, targeting the most efficient allocation of capital across the global credit universe.</p> <p>The fund employs a bottom-up sustainability framework to identify the best-in-class companies and align the portfolio with net zero by 2050.</p>
Private Markets	Schroders Capital Climate +	<p>Targets net return objective of 8% p.a. by investing in privately held ESG focused assets.</p> <p>Impact targets of 12.5k tCO₂e avoided, 11k tCO₂e captured, 300k people with increased climate risk resilience and less than 17.5k tCO₂e generated per £10m invested.</p>	<p>The fund is a diversified private multi-asset portfolio across private equity (20-40%), sustainable infrastructure (20-40%), real estate (10-25%), natural capital (10-25%) and liquid climate impact (5-20%). The target allocation is split between UK and Europe (30-60%), Global Ex EM (10-50%), and Emerging Markets (10-30%). The portfolio will be built up over time to meet these target allocations. The fund exclusively invests in one of four impact</p>

			themes: Social Equity & Inclusion, Carbon Capture, Adaptation and Mitigation.
Private Markets	Aviva Investors Carbon Removal Fund	Targets a dual objective of 8% p.a. and an aim to generate/distribute high integrity carbon removal credits.	In order to deliver the sustainable investment objective, the Fund aims to actively remove carbon from the atmosphere, increase supply of sustainable wood products, and restore nature through direct investment in forestry, nature-based, and engineered removal solutions and supporting technology. The fund also aims to deliver ancillary social outcomes by creating local employment and providing income for communities in rural areas.

Within the self-select range, the Trustees aim to integrate RI as a core element of as many funds as possible, subject to availability of funds within different asset classes. The self-select range will be regularly reviewed considering market and product developments in the ESG integrated fund sector. Where feasible, member preferences expressed through various means, such as member surveys within the NatWest Cushion App, are taken into consideration.

5 Roles and Responsibilities

The Trustees, with support from NatWest Cushion, their investment adviser Isio, and the investment managers, retain overall legal and fiduciary responsibility for how the Scheme's assets are invested, as well as ESG considerations (including climate change). The Trustees' responsibilities are summarised below.

- Agree (and regularly review) their investment beliefs and the Scheme's investment strategy and investment objective, including the setting of RI ambitions or areas to prioritise.
- Maintain this Policy in a manner that reflects their beliefs and is used as a basis for driving and monitoring the integration of ESG within the Scheme's investments.
- Carry out regular reviews of the investment managers' approaches to and effectiveness in RI. ESG criteria will be applied when appointing investment managers, with explicit consideration of the manager's approach to RI and climate change.
- Consider the investment managers' track record on voting and engagement with the management of companies in which they are invested in line with the Trustees' Stewardship Policy and report on this via the annual Implementation Statement.
- Consider the member survey data collected via the NatWest Cushion App and if this should be reflected in this Policy over time.
- Receive regular climate-related updates from the Trustees' advisers, potentially covering the investment managers' climate capabilities, progress on various climate workstreams and any relevant market or regulatory updates.
- Assess how external advisers and providers have performed against their climate responsibilities and, where relevant, the Trustees will explicitly include these responsibilities in adviser objectives.
- Decide which ESG-related bodies to support and or join.

- Respond to regulatory queries.
- Fulfil regulatory requirements with respect to ESG, including preparing the annual Implementation Statement and annual Climate Change reporting, including: -
 - Undertaking scenario analysis to understand and manage exposures
 - Agreeing interim targets and carbon journey planning
 - Monitoring progress against targets
 - Agreeing methodology and metrics used for climate change reporting
- Continue to develop their understanding of responsible investment through regular training on prevailing risks and sustainable investment opportunities.

The Scheme Funder, Cushon MT Limited, provides ongoing support to the Trustees in terms of investment strategy and responsible investment. Its responsibilities include: -

- Working with the Trustees to review the strategic direction regarding responsible investment and agreeing/delivering on, this Policy.
- Proposing investment strategies and managers which are aligned to the SIP and this Policy.
- Communicating with members on behalf of the Trustees, as appropriate, regarding the investments and providing engagement tools to collate member views, in accordance with the Service Agreement in place between the Trustees, Mitsubishi UFJ Trust & Banking Corporation and Cushon MT Limited.
- Providing updates to the Trustees on the Scheme's investments with respect to responsible investment and climate change.
- Assisting with the selection, collection, presentation and monitoring of metrics, targets and scenario analysis required for climate change reporting
- Collating information on the voting and engagement activity of underlying managers for inclusion in the Implementation Statement.

The Trustees retain an investment adviser, Isio, whose responsibilities include, but are not limited to, the following (some of these responsibilities may also be delegated to other advisers for specialist functions): -

- Advising on the inclusion of RI, ESG and climate considerations, which may arise as risks or opportunities, in the Scheme's governance framework, investment strategy, risk management and monitoring.
- Assessing the suitability of proposed mandates from an RI, ESG and climate perspective as part of the manager selection process.
- Reviewing the Scheme's investments from an RI, ESG and climate perspective.
- Assisting with the development of Climate Change reporting.
- Reviewing information on the voting and engagement activity of underlying managers for inclusion in the Implementation Statement.
- Providing training and updates to the Trustees on relevant RI, ESG and climate-related matters.

The Trustees also retain a legal adviser whose responsibilities include, but are not limited to, the following: -

- Providing training to the Trustees on RI, ESG and climate-related legal matters, and ensuring the Trustees are aware of their RI, ESG and climate-related legal and fiduciary obligations, as required.

- Where requested, assisting in the documentation of the arrangements with the Scheme's third parties with respect to RI, ESG and climate-related matters.

The Trustees' investment managers' responsibilities include, but are not limited to, the following: -

- Identifying, assessing and managing RI, ESG and climate-related risks and opportunities in relation to the Scheme's investments.
- Exercising voting rights and engaging with portfolio companies in relation to RI, ESG and climate-related risks and opportunities, with consideration of the Trustees' Stewardship Policy where applicable.
- Reporting to the Trustees on their stewardship record, and how this is aligned to the Trustees' investment beliefs and Stewardship Policy.
- Providing the agreed climate-related metrics in relation to the Scheme's investments in accordance with the Trustees' Climate Change reporting requirements and focus on increasing the quality and availability of these metrics.
- Responding to assessments from the Trustees on their stewardship activities in line with the Trustees' Stewardship Policy.

6 Monitoring and Reviewing this Policy

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

The Trustees view the development of this Policy as an ongoing process, as approaches to RI evolve over time. When reviewing this Policy, the Trustees will consider any significant developments with the intention of taking a good practice approach. This Policy will be reviewed in line with regulation and at least every 3 years, or more frequently if necessary.

Signed: 

Name: Roger Mattingly – Chair of Trustees

Date: 15 October 2025

Appendix

What are Environmental, Social and Governance (“ESG”) factors?

Examples of ESG factors include: -

- Environmental: -
 - Climate change
 - Resource depletion, including water
 - Waste and pollution
 - Deforestation
- Social: -
 - Working conditions, including slavery and child labour
 - Local communities, including indigenous communities
 - Conflict
 - Health and safety
 - Employee relations and diversity
- Governance: -
 - Executive pay
 - Bribery and corruption
 - Political lobbying and donations
 - Board diversity and structure
 - Tax strategy

Source: www.unpri.org

What are the UN-backed Principles for Responsible Investment (“PRI”)?

The PRI is a proponent of responsible investment.

The PRI aims to understand the investment implications of ESG factors and helps support its international network of signatories in incorporating these factors into their investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole.

The PRI is truly independent. It encourages investors to use responsible investment to enhance returns and better manage risks but does not operate for its own profit; it engages with global policymakers but is not associated with any government; it is supported by, but not part of, the United Nations. The PRI provides education, training and research on how ESG factors can be incorporated in investment decisions.

Source: www.unpri.org

What are the six UN-backed Principles for Responsible Investment?

1. Incorporate ESG issues into investment analysis and decision-making processes.
2. Be active owners and incorporate ESG issues into ownership policies and practices.
3. Seek appropriate disclosure on ESG issues by the entities in which investments are made.
4. Promote acceptance and implementation of the Principles within the investment industry.
5. Work together to enhance effectiveness in implementing the Principles.
6. Report on activities and progress towards implementing the Principles.

What is Climate Change Reporting?

The Financial Stability Board established a taskforce (the Taskforce on Climate-related Financial Disclosures (TCFD)) to develop recommendations for effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions and, in turn, enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks.

The TCFD was committed to market transparency and stability, and believed that better information will allow companies to incorporate climate-related risks and opportunities into their risk management and strategic planning processes. As this occurs, companies' and investors' understanding of the financial implications associated with climate change will grow, empowering the markets to channel investment to sustainable and resilient solutions, opportunities, and business models.

In 2017, the TCFD released climate-related financial disclosure recommendations designed to help companies provide better information to support informed capital allocation.

The TCFD's disclosure recommendations are structured around four thematic areas that represent core elements of how organizations operate: governance, strategy, risk management, and metrics and targets. These thematic areas are intended to interlink and inform each other.

The TCFD has since been disbanded having successfully developed recommendations for consistent climate-related financial disclosures. For pension schemes, these recommendations have been adapted into law through the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021.

Source: <https://www.fsb-tcfd.org/about/>

What is the Implementation Statement?

From 1 October 2020, Trustees must prepare an annual Implementation Statement. This document is to be included in the scheme report and accounts and published online on a publicly accessible website.

The Implementation Statement is to provide evidence that the Scheme continues to follow and act on the principles outlined in the Statement of Investment Principles with a focus on stewardship activities, implementation of the main investment principles, and ESG factors.

Data use and limitations

The Trustee invests in funds managed by third parties. This raises the following particular risks: -

- The third-party fund manager is responsible for the selection of underlying assets (such as equities, corporate fixed income and sovereign bonds), and therefore the determination of the ESG-related characteristics of the overall fund (for example, the carbon intensity of the fund) is determined by the underlying assets held within the fund and thus the Trustee is reliant on the decisions taken by the third party fund manager;

- The availability of fund-level ESG related data relies on fund managers disclosing their fund holdings to data providers. This data might lag, causing the Trustees' ESG reporting to reflect data that is potentially no longer accurate (for example, the carbon intensity of a portfolio might have changed due to a change in underlying fund holdings that is not yet reflected in the data used by third-party data providers);
- The Trustees rely on third-party fund managers to accurately disclose their holdings, and on data providers to accurately aggregate equity and fixed income data up to the fund level. Any errors in this can impact the Trustees own reporting.

Additional Information

The following related documents are publicly available on the Scheme website: -

- Statement of Investment Principles
- Implementation Statement
- Stewardship Policy
- Sustainability Policy (NatWest Cushon)
- Climate Change Report

Source: <https://cushon.co.uk/workplace-pensions/climate-focused>



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