

LEONARDO HELICOPTERS PENSION SCHEME

Report and Financial Statements for the year ended 5 April 2025

Scheme Registration No: 10260073



XPS Administration is a trading name of XPS Administration Limited
Registered No. 9428346. Registered Office: Phoenix House, 1 Station Hill, Reading RG1 1NB
Part of XPS Group

LEONARDO HELICOPTERS PENSION SCHEME

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LEONARDO HELICOPTERS PENSION SCHEME

CHAIR'S INTRODUCTION

YEAR ENDED 5 APRIL 2025

I am pleased to present the Report and Financial Statements for the Leonardo Helicopters Pension Scheme (the "Scheme") for the year ended 5 April 2025.

Following the closure of Leonardo's defined benefit schemes on 5 April 2024, around 1,000 former Helicopters members successfully transitioned into the Company's defined contribution pension arrangement; Leonardo FuturePlanner. The redesigned FuturePlanner benefit structure offers an extended matching contribution framework, with Company contributions of up to a maximum of 15% of Pensionable Salary. Former Helicopters Scheme members who were in active membership on 5 April 2024 have become part of a new category of 'employed deferred' members within the Helicopters Scheme offering enhanced benefits whilst their Leonardo employment continues.

The Trustee is pleased to report that operational performance over the past year has been robust, with the governance and administrative processes running effectively. The establishment of a new Trustee entity, Leonardo Pension Schemes (Trustee) Ltd from May 2024 has brought consistency and efficiencies to the governance of the Scheme.

Over the 12 month period to 5 April 2025, equity markets generally delivered solid gains as investor confidence improved. In early March 2025 however, a fresh round of U.S. tariff escalations reignited global trade war fears, and a return to a more volatile environment. Overall, economic and market conditions led to an increase in the Scheme's funding position and the investment portfolio outperformed its liability benchmark over 12 months.

The Trustee has continued to de-risk the portfolio as opportunities have arisen, with changes centred on moving an allocation from growth assets into Cashflow Driven Investment assets which generate more consistent returns to meet the liabilities of the Scheme. The Scheme remains well funded against multiple actuarial bases with the liability hedging having operated as intended by tracking the movements in liabilities.

The Scheme is preparing for its 2026 triennial actuarial valuation, with annual funding showing the Scheme is in a position of surplus on the technical provisions funding basis, with a surplus of £41.7m. Focus remains on strengthening the funding level on more prudent valuation bases and on further reducing funding and investment risk.

We continue to actively monitor the evolving landscape of the UK pensions industry. An emphasis remains on understanding emerging industry developments, including funding regulations and risk management practices.

Work has continued to develop the Scheme's Environmental, Social and Governance (ESG) strategy as this affects both funding and investment. The Trustee has prepared its third climate-related risk report (TCFD report) which is available at www.lhpensions.co.uk/compliance and includes information on our overarching goal to achieve Net Zero carbon emissions for the portfolio by 2050.

This has been a period of embedding change and I am grateful to all the Trustee Directors, Pensions Management and our advisers for their significant contribution to the management of the Scheme during a busy and challenging year.

Martin Flavell

Martin Flavell

Leonardo Pension Schemes (Trustee) Ltd

Date: 25 September 2025

LEONARDO HELICOPTERS PENSION SCHEME

TRUSTEE AND ADVISERS

Trustee:	Leonardo Helicopter Pension (Trustee) Limited (Until April 2024) Leonardo Pension Schemes (Trustee) Ltd (From 1 May 2024)
Trustee Directors:	Martin Flavell * (Chair) Brian Airlie ** (Appointed 1 May 2024) Imran Bashir ** (Appointed 1 May 2024) Craig Drysdale * (Appointed 1 May 2024) Claire Ellis * (Appointed 1 May 2024) Martin Johnson ** (Appointed 1 May 2024) Mike Nixon * (Appointed 1 May 2024) Sian Riches * (Appointed 1 May 2024) Craig Weston ** (Appointed 1 May 2024) Malcolm Gillam ** Rebecca Ward ** Adrian Weir * Caroline Beaumont * (Resigned 30 April 2024) Chris Burton ** (Resigned 30 April 2024) Steve Jenkins ** (Resigned 30 April 2024) Simon Jones * (Resigned 30 April 2024)
	* <i>Company Nominated</i> ** <i>Member Nominated</i>
Scheme Secretary:	Rachael Skuse
Scheme Address:	Leonardo Helicopters Pension Scheme Box 205 Leonardo UK Ltd Lysander Road Yeovil Somerset BA20 2YB
Principal Employer:	Leonardo UK Ltd (02426132) One Eagle Place St James's London SW1Y 6AF
Actuary:	Robert Watkin Isio Group Limited Isio Bristol 22-24 Queens Square Bristol BS1 4ND
Auditor:	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB
Legal Adviser:	Burges Salmon LLP One Glass Wharf Bristol BS2 0ZX

LEONARDO HELICOPTERS PENSION SCHEME

TRUSTEE AND ADVISERS (continued)

Bankers:

Barclays Bank plc
1 Churchill Place
London E14 5HP

Covenant Adviser:

Cardano Advisory Limited

Investment Managers & Advisers:

Schroders IS Limited

Custodian:

CACEIS

AVC Providers:

Mobius Life Ltd
Prudential Assurance Company Ltd

Administrators:

XPS Administration Limited
10 Victoria Street
Bristol BS1 6BN

Correspondence address:
XPS Group
PO Box 562
Middlesbrough TS1 9JA

TRUSTEE'S REPORT FOR THE YEAR ENDED 5 APRIL 2025

The Trustee presents to the members its annual report and financial statements for the year ended 5 April 2025.

Scheme Information

The Leonardo Helicopters Pension Scheme is governed by Scheme Rules and provides pensions and lump sum benefits on retirement and death for those employees who are members of the Scheme.

The Scheme provides defined benefit pensions. The Scheme closed to new entrants in October 2007. Following a consultation process carried out by the Principal Employer with its employees and employee representatives, the Scheme closed to future benefit accrual from 5 April 2024.

The Trustee is a sole Corporate Trustee, Leonardo Pension Schemes (Trustee) Ltd. Leonardo Pension Schemes (Trustee) Ltd is also Trustee of Leonardo Electronics Pension Scheme and Leonardo FuturePlanner Pension Scheme.

The new Trustee Board which took effect from 1 May 2024 consists of 12 Trustee Directors, of whom six are nominated by the Principal Employer (one of whom is the Chair of the Trustee Board) and six nominated by the membership.

The Member Nominated Directors have been appointed to the Trustee Board for an initial period of 3 years.

During the year, the Trustee Directors met frequently to deal with various matters relating to the management of the Scheme including monitoring funding and investing the Scheme assets. The Trustee Directors have responsibility for ensuring that the Scheme is properly run in accordance with its governing documents, and in the best interests of the members.

The new Trustee Board has established a sub-committee structure which is similar to the prior committee structures. This consists of a Governance & Administration Committee, a DB Investment Committee and a DC Investment Committee

The Trustee produces an annual business plan, and a long-term strategic plan which sets out the objectives of the Trustee. Progress against the business plans is monitored by the Trustee at each quarterly meeting.

Trustee knowledge

There is a requirement for the Trustee Directors to have knowledge and understanding of the law relating to pensions and the principles relating to the funding of the Scheme and the investment of the Scheme's assets. The Trustee Directors are also required to be conversant with the Scheme's documents. To fulfil these requirements the Trustee has adopted a training policy and attends regular training sessions.

Risk management

The Trustee Directors have put in place steps to monitor areas of potential risk to the Scheme. They regularly monitor, amongst other aspects of the Scheme, investments, the funding of the Scheme and the administration of the Scheme. The Scheme's risk register is reviewed on a quarterly basis by the Trustee and updated as necessary.

The Trustee has adopted an integrated risk management plan, which looks at the financial covenant, investment and funding risks faced by the Scheme.

LEONARDO HELICOPTERS PENSION SCHEME

TRUSTEE'S REPORT FOR THE YEAR ENDED 5 APRIL 2025 (continued)

Employer's Covenant

The Principal Employer of the Scheme is Leonardo UK Ltd.

The Trustee Directors recognise that the ability of the Principal Employer to meet its ongoing contribution requirement is important to the funding of the Scheme and hence the security of members' benefits. As a way of increasing the security of the Scheme, the Trustee has entered into an agreement with the Leonardo Group's parent company, Leonardo SpA, in which Leonardo confirms it will provide support for the Scheme. Leonardo has agreed that it will be responsible for the liabilities of the participating employers and has undertaken to pay any outstanding Scheme contributions and pay any Scheme deficit if the Scheme were to wind up with insufficient assets.

The Trustee regularly monitors the financial status of the Principal Employer and has engaged Cardano Advisory Limited to carry out independent reviews of the financial strength of the employers on a regular basis, with ad-hoc reviews if the Trustee considers this appropriate.

Overall, the employer covenant has been robust and continues to be rated as strong. The closure of the Scheme to future benefit accrual from 5 April 2024 has assisted in controlling the risks inherent in a defined benefit pension arrangement and has enabled the Trustee to take further de-risking steps.

Voluntary Contributions

The Additional Voluntary Contribution (AVC) option provided members with an opportunity to make further provision for their retirement in addition to the benefits provided by the Scheme. Investment choices are available in the form of a "Lifestyle" arrangement and a "Self-select" option. A Mobius Life microsite is in place providing additional investment fund information to members. In addition, some members have AVCs with Prudential.

In addition to AVCs, members of the Main Section were able to contribute under the Buy Up option which provided for a higher career salary accrual rate, in return for an additional member contribution.

All employee contributions ceased from April 2024 when the Scheme closed to future pension accrual.

Membership

The number of members as at the year-end was:

Active members at 6 April 2024		1,062
Retirement	(1)	
Deferred	(1,061)	<hr/>
Active members at 5 April 2025		0
Deferred pensioners at 6 April 2024		1,095
From Active	1,061	
Retirement	(113)	
Death	(4)	<hr/>
Deferred pensioners at 5 April 2025		2,039
Pensioners at 6 April 2024		2,745
Retirement	114	
New Dependants	26	
Death	(34)	
Exit to Trivial commutation	(2)	<hr/>
Pensioners at 5 April 2025*		<u>2,849</u>
Total members at 5 April 2025		<u><u>4,888</u></u>

*Included in Pensioners is 1 member who is a suspended pensioner dependant child.

LEONARDO HELICOPTERS PENSION SCHEME

TRUSTEE'S REPORT FOR THE YEAR ENDED 5 APRIL 2024 (continued)

Membership (continued)

Following the closure of Leonardo's defined benefit pension arrangements to future benefit accrual from 5 April 2024, all former active DB Scheme members were transferred to FuturePlanner membership from 6 April 2024. All pension accrual for Leonardo in the UK is now provided through FuturePlanner.

Pension increases

Different rates of increase, and caps on the level of increase, apply for different sections and tranches of benefit within the Scheme.

All pensions in payment were increased on 1 April 2025 in accordance with the Rules of the Scheme. The applicable increase rate (before caps) on 1 April 2025 was generally 2.7% which is the level of RPI in September 2024, with benefits accrued after 5 April 2019 having an applicable increase (before caps) of 1.7%, which is the level of CPI at the same date. Relevant deductions or additions were made for statutory obligations to provide increases in relation to Guaranteed Minimum Pension (GMP).

Some pensioners have elected to exchange the increases provided in the Rules of the Scheme for the statutory minimum increases required by legislation.

Deferred pensions in excess of the GMP are increased annually in line with the statutory measure of inflation for pension purposes, up to a maximum of 5% for benefits accrued before 6 April 2009 and 2.5% for benefits accrued after.

All increases to pensions in payment and deferred pensions were made in accordance with the Rules of the Scheme. There were no discretionary increases made during the year.

Transfer Values

Cash equivalents (transfer values to other approved pension arrangements) payable are calculated and verified as prescribed by Section 97 of the Pension Schemes Act 1993. No discretionary benefits are included.

Scheme Changes

There has been one deed of amendment over the Scheme Year. This deed of amendment formally recorded the removal of a £50K limit on the use of voluntary savings as part of a member's Pension Commencement Lump Sum and aligned the Trustee liability and protection provisions across the three Leonardo pension arrangements to reflect the single Trustee Board structure. Some clarificatory wording was also added regarding revaluation of the Supplement post April 2024.

Financial Development of the Scheme

Changes in the Scheme's net assets during the year were as follows:

	£'000s
Net assets at 5 April 2024	1,153,991
Net withdrawals from dealings with members	(58,729)
Net returns on investments	<u>(38,963)</u>
Net assets at 5 April 2025	<u>1,056,299</u>

The financial statements for the year have been prepared and audited in accordance with Sections 41(1) and (6) of the Pensions Act 1995.

LEONARDO HELICOPTERS PENSION SCHEME

TRUSTEE'S REPORT FOR THE YEAR ENDED 5 APRIL 2025 (continued)

Communication

"InTouch", a newsletter for Scheme members is issued by the Trustee on a regular basis. In addition members can access information from the Scheme website, www.lhpensions.co.uk. XPS Administration Limited ("XPS Group") also offers MyPension.com, an online tool for members enabling them to view their pension records and undertake various activities online. All communications have moved to predominantly electronic distribution, other than where members have opted into continuing with paper copies.

A series of pensions workshops are offered to members in line with demand.

Going concern

The Trustee of the Scheme has made an assessment on going concern and given the funding position and the support from the Principal Employer, the Trustee concludes that the Scheme retains sufficient liquidity that the going concern basis remains appropriate for the foreseeable future and at the very least for the next twelve months.

Taxation Status

The Scheme is a registered pension scheme within the meaning of Section 153 of the Finance Act 2004.

Enquiries

All enquiries about the Scheme and individual benefit entitlements should be addressed to the Scheme Trustee:

c/o XPS Group
PO Box 562
Middlesbrough TS1 9JA
E-mail: lhps@xpsgroup.com

MoneyHelper

MoneyHelper provides pension guidance, money guidance and debt advice. These services were previously provided by three separate government entities; The Pensions Advisory Service (TPAS), Pension Wise and the Money Advice Service. MoneyHelper can be contacted at:

MoneyHelper
Bedford Borough Hall
138 Cauldwell Street
Bedford MK42 9AB
Tel: 0800 011 3797
Email: pensions.enquiries@moneyhelper.org.uk
Website: www.moneyhelper.org.uk

LEONARDO HELICOPTERS PENSION SCHEME

TRUSTEE'S REPORT FOR THE YEAR ENDED 5 APRIL 2025 (continued)

Pensions Ombudsman

If you have a complaint concerning your Scheme pension arrangements, you should first make a formal complaint to the Scheme Trustee. Complaints should be addressed to the Scheme Trustee at the address above under Enquiries.

If you are unhappy with the response, you can refer your complaint to The Pensions Ombudsman free of charge. The Pensions Ombudsman deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes.

Contact with The Pensions Ombudsman about a complaint needs to be made within three years of when the event(s) you are complaining about happened – or, if later, within three years of when you first knew about it (or ought to have known about it). There is discretion for those time limits to be extended.

10 South Colonnade

Canary Wharf

London E14 4PU

Tel: 0800 917 4487

Email: enquiries@pensions-ombudsman.org.uk

Website: www.pensions-ombudsman.org.uk

You can also submit a complaint online: www.pensions-ombudsman.org.uk/making-complaint

The Pensions Regulator (TPR)

The Pensions Regulator can intervene if they consider that a scheme's trustees, advisers, or the employer are not carrying out their duties correctly. The address for the Pensions Regulator is:

Telecom House

125-135 Preston Road

Brighton BN1 6AF

Tel: 0345 600 0707

Email: customersupport@tpr.gov.uk

Website: www.thepensionsregulator.gov.uk

The Pension Scheme Registry

The Scheme is registered with the Pension Scheme Registry which is part of the Pensions Regulator's office. The registration number is 10260073. The data held by the Registry is used by the Pension Tracing Service to assist former members of schemes to trace their scheme benefits. The Pension Tracing Service can be contacted at:

The Pension Service

Post Handling Site A

Wolverhampton WV98 1AF

Tel: 0800 731 0193

Website: www.gov.uk/find-lost-pension

INVESTMENT REPORT

Defined Benefit

Background

At the Scheme year end, 5 April 2025, the net investments of the Defined Benefit section of the Scheme were valued at £1.04 billion compared with £1.14 billion at the start of the Scheme year. This reduction in asset value was primarily driven by the significant increase in interest rates, which has pushed down the value of the Scheme's liability hedging assets. The Scheme's liabilities have also reduced by a corresponding amount and whilst the size of the Scheme has reduced, the funding level has held up.

The assets of the Scheme continue to be invested by the fiduciary manager Schroders IS Limited. This includes a liability hedging portfolio through which the impact of movements in long-term interest rate and inflation expectations are managed.

This report gives information about the assets as at 5 April 2025.

Investment Principles

The Trustee has produced a Statement of Investment Principles (SIP) showing how it invests the assets of the Scheme. The SIP is reviewed regularly by the Trustee and was last updated in September 2024.

The overall objective of the Scheme is to meet the benefit payments promised as they fall due with the long term intention of becoming financially and operationally self-sufficient. This is broken down into the following qualitative objectives:

1. Acquire suitable assets which, having due regard to risk, will generate income and capital growth to pay, together with the Employer and member contributions, the benefits as they fall due.
2. Limit the risk of the assets failing to meet the liabilities over the long term.
3. Achieve a return on investment which is expected at least to meet the Actuary's assumptions over the long term.

The Trustee has translated its objectives into benchmarks for the Scheme. The benchmarks are consistent with the Trustee's views on the appropriate balance between maximising the long-term return on investments and minimising short-term volatility and risk measured relative to liabilities.

Copies of the SIP (and the separate defined contribution SIP) are available to members from the Scheme Administrator, XPS Administration, using the contact details on page 4.

The SIPs are also available from the Scheme website at: www.lhpensions.co.uk/compliance.

Investment Manager

The Trustee has delegated responsibility for the day-to-day management of the assets to the Scheme's Investment Manager, Schroders IS Limited ("Schroders Solutions"). An Investment Management Agreement between the Trustee and Schroders IS Limited governs this relationship.

The Investment Manager has been appointed in two capacities:

- Implement a liability hedging strategy and
- Actively manage Growth Assets which covers a wide range of asset classes and investment managers, including Equities, Cashflow Matching Credit, Active Structured Equity, Liability Hedging and Collateral Fund.

INVESTMENT REPORT (continued)

Market Commentary

The 12-month period was dominated first by changing expectations over when major central banks might be able to cut interest rates, and then by what Donald Trump's re-election as US President would mean for markets. There was significant volatility at the very end of the period as investors began to digest the implications of Trump's tariff announcements on 2 April.

At the start of the period, softer-than-expected US inflation data in late 2023 reinforced the market's view that the Federal Reserve (Fed) would move towards cuts early in 2024. However, as 2024 progressed, inflation proved to be stickier than expected and markets were forced to push back both the timing and extent of US rate cuts.

Some weaker employment data in early summer led to fears that the Federal Reserve ("Fed") may have left it too late to cut rates, prompting worries about economic slowdown or even recession. The Fed responded in September with a 50 basis point (bps) cut to interest rates, larger than the typical 25 bps move.

It was a similar situation for the eurozone and UK, with higher-than-expected inflation resulting in the dialling back of expectations around policy easing. However, both central banks did cut interest rates during the period.

In emerging markets, soft economic data from China continued to suggest a lacklustre economic recovery from the Covid-induced slowdown of prior years. The ongoing real estate crisis continued to weigh on sentiment. The Chinese authorities responded with a package of stimulus measures in September 2024.

November brought the much-anticipated US presidential election. While the polls had been close, the result was a clean sweep for the Republicans with Donald Trump taking the presidency.

Trade tariffs drew particular focus at the end of the period. President Trump initially announced tariffs on certain countries (notably Mexico and Canada) and on some goods (cars, steel, aluminium). Then on 2 April, dubbed "Liberation Day", he announced a broader swathe of tariffs. These included a 10% tariff rate on all US imports and higher "reciprocal" tariffs for countries with which the US has a large trade deficit.

The tariff news prompted a sharp fall in global equity markets in the early days of April. The MSCI World index returned -0.8% (total return in US dollars) for the 12-month period. Emerging markets outperformed their developed market counterparts. The MSCI EM index returned 9.9% (in US dollars).

In fixed income, yields rose across most major government bond markets over the 12-month period. Although softer inflation data over the summer months boosted expectations of interest rate cuts, particularly in the US, the November elections were the catalyst for a sell-off.

Weaker labour market data prompted the Fed to sanction interest rate cuts in September and November although Fed officials issued more cautious guidance for 2025. Subsequently, the Trump administration's proposals for extensive trade tariffs fuelled fears of an economic slowdown.

The European Central Bank was the first major central bank to cut interest rates in 2024, as eurozone economic growth stagnated. In March 2025, the German parliament approved plans from the new Chancellor to raise borrowing limits.

Despite the Bank of England reducing interest rates by 0.25% in August, November and February, the 10-year UK gilt yield rose as the new Labour government announced a £28 billion annual increase in borrowing in the autumn. Japanese government bond yields rose significantly as the Bank of Japan abandoned its negative interest rate policy.

The US dollar recorded a 38-year high against the yen in June, before weakening as the interest rate differential between the US and Japan narrowed. Overall, the US dollar index rose sharply after the November elections before giving up these gains on concerns over the impact of trade tariffs.

LEONARDO HELICOPTERS PENSION SCHEME

INVESTMENT REPORT (continued)

Asset Allocation

The Trustee reviews the strategic asset allocation of the Scheme on a regular basis. However, investment decisions within this framework are delegated to Schroders Solutions.

The Trustee has undertaken some significant de-risking during the year from a target return of Gilts+1.65% to a target return of Gilts+1.4% as the funding level has improved. The Scheme's strategic allocation is 23.0% of assets to Growth Assets, 46.5% of assets off-risk for liability hedging, 15% of assets to Active Structured Equity and 15.5% of assets to Cashflow Driven Investment Assets.

The Trustee continues to monitor the strategy through regular reviews. In addition, the Trustee will review on an on-going basis the extent to which risk and volatility can be reduced further over time.

The table below shows the asset allocation at the current and prior year ends:

	5 April 2025		5 April 2024	
	Market Value £'000s	% of funds (ex AVCs)	Market Value £'000s	% of funds (ex AVCs)
Equity	92,930	8.9	158,346	13.9
Private Equity	1,596	0.2	2,118	0.2
Alternatives	35,919	3.5	43,174	3.8
Return Seeking Credit	42,578	4.1	68,804	6.0
Property	16,738	1.6	22,510	2.0
Cash & Sovereign Bonds	41,943	4.0	50,179	4.4
Commodities	4,983	0.5	3,685	0.3
Currency Hedge	<u>292</u>	<u>0.0</u>	<u>(204)</u>	<u>0.0</u>
Total Growth Assets portfolio	<u>236,979</u>	<u>22.8</u>	<u>348,612</u>	<u>30.6</u>
Liability Hedging Assets	470,936	45.3	478,789	41.7
Active Structured Equity	171,128	16.5	163,739	14.4
Cash Flow Matching Credit Assets	<u>160,483</u>	15.4	<u>151,668</u>	13.3
Total assets (excluding AVCs)	<u>1,039,526</u>	<u>100.0</u>	<u>1,142,808</u>	<u>100.0</u>
AVCs	10,872		12,342	
Cash in transit	<u>76</u>		<u>9</u>	
Total investments	<u>1,050,474</u>		<u>1,155,159</u>	

Liability Risk

The Trustee has put a programme in place to reduce some of the unrewarded risks that the Scheme faces in relation to the value of the liabilities. In particular, Schroders Solutions Derivatives manages a liability hedge.

The liability hedge is designed to protect the Scheme from adverse movements in long term interest rates and inflation, which directly impact the value of the Scheme's liabilities. The value of the gilts that are part of the hedging portfolio tends to move in line with the Scheme's liabilities when interest rates and inflation rates change. Similarly the swaps in the hedging portfolio, which are implemented via a number of counterparty banks, are such that, if interest rates fall significantly (and so the liabilities rise in value), the swap counterparty pays the Scheme to cover the rise in the value of the liabilities. Conversely, if the value of the liabilities falls due to interest rate and inflation changes, the Scheme pays the counterparty under the swap contracts an amount that is in line with this fall in the liabilities. Importantly, the purpose of the liability hedge is to offset (or hedge) the changes in the value of the liabilities whether there is a rise or fall.

The mark to market valuation of the swaps represented an unrealised gain/loss, as at 5 April, for the following years:

	2025 £'000s	2024 £'000s	2023 £'000s	2022 £'000s	2021 £'000s	2020 £'000s
Interest rate swaps	(22,501)	(45,082)	(42,782)	(16,687)	34,813	149,439
Inflation swaps	4,598	17,652	18,320	19,629	(23,872)	(44,532)
Swaptions	-	-	-	-	-	-
Gilt total return swaps	(2,171)	(1,037)	(2,731)	(6,396)	(18,406)	26,248
Total Gain/(Loss)	(20,074)	(28,467)	(27,193)	(3,454)	(7,465)	131,155

LEONARDO HELICOPTERS PENSION SCHEME

INVESTMENT REPORT (continued)

Liability Risk (continued)

A positive mark-to-market value of the swaps represents a rise in the value of the swaps from the Scheme's perspective, and vice versa. However, this rise will have been necessary to offset the rise in the value of the Scheme's liabilities, and so the impact of the interest rate changes on the Scheme's finances will (as intended) have been broadly neutral.

During the Scheme Year, there were some adjustments in the level of the liability hedge to reflect the challenging market conditions. The hedge level was reduced during this period to ensure the Scheme retained sufficient collateral to support the hedge.

Collateral

The gilts can be used to meet collateral calls from the Scheme's counterparties: Barclays Bank plc, Citigroup Inc., Credit Agricole, Deutsche Bank AG, Goldman Sachs, Merrill Lynch & Co. Inc., Royal Bank of Canada, HSBC, JP Morgan and Morgan Stanley & Co. International plc. The Scheme would be obliged to post collateral to the counterparties as and when the swap mark-to-market is negative to the Scheme (i.e. in the counterparties' favour). Once the collateral is transferred to the respective counterparty it is held by the counterparty but in the name of the Trustee.

Return Seeking Portfolio

The Growth Assets (GA) are designed to deliver performance in excess of a specific target through exposure to diversified investment arrangements. Schroders Solutions invests and manages the Scheme's assets on behalf of the Trustee.

Schroders Solutions fiduciary management service reduces the risks and costs of decision delay and provides access to a broad range of asset allocation and increased *investment* specialisation, such as high yield bonds, leveraged loans and other alternative asset classes as well as currency hedging. As well as the delegated responsibility for dynamic asset allocation, Schroders Solutions is also responsible for selecting, combining and replacing fund managers.

The core strength of the fiduciary management portfolio proposition lies in the delegation to the manager of the flexibility to dynamically allocate across all asset classes in accordance with medium to long term views on global markets, and to 'defend' by increasing the allocation to cash when the risk/return attributes of multiple asset classes are poor. This is demonstrated in the Asset Allocation table above showing the variation at the current and prior year end.

The investment objective for GA is a return of SONIA + 3.125% per annum, after the deduction of fees, over rolling three year periods. Performance of the GA assets against objective is as follows:

GA	1 Year	3 Years p.a.	5 Years p.a.
Investment return	3.6%	3.1%	7.4%
Objective	8.1%	7.2%	5.6%
Investment return relative to target	-4.5%	-4.1%	1.8%

Performance is shown to 31 March 2025 after the deduction of fees (to the extent that fees are paid from assets). The objective is shown to 31 March 2025.

The Trustee monitors the performance of GA on a quarterly basis and is provided with a valuation of all the Scheme's assets on a monthly basis. Over 1 and 3-year periods the GA underperformed the objective primarily due to subdued equity market performance while the 5-year performance remains above target.

The Trustee also has a derivatives programme to manage the exposure of the assets to currency movement which is managed by Schroders Solutions.

The Trustee has de-risked the portfolio significantly during the year and will continue to consider further opportunities to reduce unrewarded risks where this can be done cost effectively. There are appropriate arrangements in place to provide collateral for the derivatives programmes.

LEONARDO HELICOPTERS PENSION SCHEME

INVESTMENT REPORT (continued)

Total Investment Performance

The performance of the Scheme's return-seeking portfolio and the total performance (including the performance of the swaps) was negative over the year ended 5 April 2025 although ahead of the objective. This was driven by the significant increases in gilt yields, which has driven down the value of the liability hedging assets alongside a corresponding reduction in the value of the Scheme's liabilities.

Total investment performance against objective over different time periods is as follows:

Total performance	1 Year	3 Years p.a.	5 Years p.a.
Investment return	-5.1%	-12.4%	-4.9%
Objective	-4.2%	-12.2%	-7.6%
Investment return relative to target	-0.9%	-0.2%	2.7%

Performance is shown to 31 March 2025 after the deduction of fees (to the extent that fees are paid from assets). The objective is shown to 31 March 2025.

Investment Expenses

Investment management fees and expenses amounted to £3.4m during the period (previously £1.1m). It should be noted that, in addition to these direct expenses, the majority of underlying managers' fees are reflected in unit prices and these are not separately disclosed. Discounts on investment management fees are negotiated where possible.

Custody of Assets

During the Scheme Year, the Trustee transitioned from a number of direct principal to principal ISDA contracts to agency ISDA contracts with each counterparty bank through Schroders IS Limited. This has maintained/improved terms and improved the governance structure. The collateral provided to the counterparties to secure their value when their mark-to-market is positive is held by CACEIS, as custodian for the Scheme.

The pooled fund units and shares comprising the assets managed through the fiduciary management portfolio are held by CACEIS Bank in the name of its nominee company, CACEIS Nominees Limited.

Environmental, Social and Governance Factors

Financially material investment considerations can affect the long-term financial performance of investments and can (but do not have to) include environmental, social and governance factors (otherwise known as "ESG") where relevant. The Trustee delegates consideration of financially material factors to the Investment Manager, who considers these when constructing the portfolio, including looking at Underlying Managers. All references to ESG relate to financial factors only. All references to ESG also include climate change.

ESG factors and stewardship are considered, in the context of long-term performance, by the Investment Manager as part of the manager selection criteria. This review occurs before they are approved for investment in the portfolio. Once an Underlying Manager is appointed, the Investment Manager monitors the ESG implementation and ongoing compliance with other factors, such as stewardship, as a part of overall engagement.

Corporate Governance and Stewardship

The Trustee and Investment Manager have agreed, and will maintain, formal agreements setting out the scope of the Investment Manager's activities, charging basis and other relevant matters. The Investment Manager has been provided with a copy of the SIP and is required to exercise its powers with a view to giving effect to the principles contained therein and in accordance with subsection (2) of Section 36 of the Pensions Act 1995.

The Trustee has appointed the Investment Manager to implement the Scheme's investment strategy. The Investment Manager manages assets directly on behalf of the Trustee as well as having delegated authority to appoint, monitor and change the underlying managers.

INVESTMENT REPORT (continued)

Corporate Governance and Stewardship (continued)

The Investment Manager is appointed to carry out its role on an ongoing basis. The Trustee periodically reviews the overall value-for-money of using Schroders Solutions, and information in relation to costs associated with investing is included in the quarterly monitoring report. The Investment Manager's remuneration is based on the Scheme's asset size, and the Investment Manager is therefore incentivised to maximise the Scheme's asset size over the long term. The Trustee is satisfied that these arrangements incentivise the Investment Manager:

- to align its investment strategy and decisions with the Trustee's investment policies, such as their return target and the restrictions detailed in the Investment Management Agreement, and
- to assess and make decisions based on the medium to long-term financial and non-financial performance of issuers of debt or equity, and to engage with such issuers to improve this medium to long-term performance.

The success of such engagement will contribute to the Scheme's performance, which is measured relative to the Trustee's long-term performance objectives.

The Scheme's investments are made via pooled investment funds, in which the Scheme's investments are pooled with those of other investors. As such, direct control of the process of engaging with the companies that issue these securities, whether for corporate governance purposes or social, ethical or environmental factors, is delegated to the manager of the pooled investment fund. The extent to which these factors are taken into account in the selection, retention and realisation of investments is considered by the Investment Manager as part of the process of selecting organisations with which to invest.

The Trustee supports the Myners Principles and the UK Stewardship Code. It has conducted a 'comply or explain' review in respect of the Myners Principles and Investment Guidance from the Pensions Regulator.

Financial Material Considerations

These considerations, can affect the long-term financial performance of investments and can (but do not have to) include environmental, social and governance factors (otherwise known as "ESG") where relevant. The Trustee delegates consideration of financially material factors to the Investment Manager, who considers these when constructing the portfolio, including looking at Underlying Managers. All references to ESG relate to financial factors only, and also include climate change.

ESG factors and stewardship are considered, in the context of long-term performance, by the Investment Manager as part of the manager selection criteria. This review occurs before they are approved for investment in the portfolio. Once an Underlying Manager is appointed, the Investment Manager monitors the ESG implementation and ongoing compliance with other factors, such as stewardship, as a part of overall engagement.

Non-financial matters

The Trustee does not directly take into account non-financial matters (such as members' ethical or future impact priorities) given the difficulty of establishing consensus views on such matters. The Trustee maintains a dialogue with members through the Pension Consultative Committee and may seek views directly from time to time. The DCIC consults members from time to time in the context of self-select investment options for DC assets.

Turnover costs

The Investment Manager oversees the turnover costs incurred by Underlying Managers as part of its ongoing monitoring process and evaluates such costs to determine if they are in line with peer groups and the Investment Manager's expectations. Where there are material deviations the Investment Manager engages with Underlying Managers to understand the rationale for such deviations and take appropriate action.

INVESTMENT REPORT (continued)

Conflicts of interest

The Trustee acknowledges the inherent potential for conflicts of interest which exist as part of ongoing Investment management business activities. As an FCA regulated firm, the Investment Manager is required to prevent or manage conflicts of interest. Where Underlying Managers are also regulated, they are likely to be subject to such requirements to manage conflicts of interest as are applicable in their jurisdiction of incorporation or operations. The Investment Manager directly monitors these as part of their regulatory filings (where available), the Investment Manager also monitors this as part of ongoing review. The Investment Manager's Conflict of Interest framework is available publicly here:

<https://www.schroders.com/en/global/individual/footer/identification-and-management-of-conflicts-of-interest/>

Employer Related Investments

There were no employer related investments during the year.

LEONARDO HELICOPTERS PENSION SCHEME

REPORT ON ACTUARIAL LIABILITIES

Section 222 of the Pensions Act 2004 stipulates that all pension schemes must have a "Statutory Funding Objective", which should be to have "sufficient and appropriate assets" to cover its "technical provisions" (i.e. meet members' benefit obligations). The valuation allows for all benefits accrued to members but yet to be paid at the valuation date. It uses assumptions about various factors that will influence the Scheme in the future, such as the levels of investment return and inflation, when members will retire and how long members will live. These assumptions are agreed between the Trustee and Principal Employer and are set out in the Statement of Funding Principles, which is available to members on request.

The latest Actuarial Valuation of the Scheme was completed as at 5 April 2023 and the respective Schedule of Contributions was certified on 7 December 2023. This valuation disclosed technical provisions of £1,219.3 million compared to assets of £1,219.3 million, resulting in a £0 million surplus/deficit.

There was an estimated shortfall of £177.6 million relative to the solvency position (i.e. the estimated level of assets needed to buy insurance policies for benefits earned to the valuation date).

Significant Assumptions

Set out below is a summary of the key actuarial assumptions used for the 5 April 2023 valuation, which used the Projected Unit Method to place a value on the technical provisions.

Discount rate: Term dependent rates set by reference to the Bank of England nominal gilt yield curve plus a decreasing term-dependent margin. The margin decreases from 0.55% per annum from 5 April 2023 to 0.50% per annum from 5 April 2038, with incremental decreases in margin of 0.01% every 3 years between these dates, with the first decrease occurring on 5 April 2026.

Rate of RPI price inflation: Term dependent rates set by reference to the Bank of England's break-even inflation expectations at appropriate durations

Rate of CPI price inflation: The rate of RPI inflation less 0.9% per annum prior to the year 2030 and equal to the rate of RPI inflation post 2030.

Increases to pensions in service and payment: Derived from the appropriate price inflation assumption allowing for the maximum and minimum annual increases. The Black Scholes model is used with an appropriate estimate of expected future volatility of inflation.

Pay increases: the rate of CPI inflation plus 1% per annum at each term.

Post retirement mortality: Standard tables S3PMA for males and S3PFA for females, with scaling factors of 101% for male members and 106% for female members.

Future improvements in mortality: An allowance for future improvements was made from 2013 in line with the CMI 2022 core projections with a smoothing parameter of 7.0, initial addition to improvement rates of 0.25%, recent experience weighting parameters of 0%, 0% and 25% for 2020, 2021 and 2022 data respectively, and a long-term improvement rate of 1.50% per annum.

Retirement age: An allowance for early retirements was made for each section of the Scheme, based on modelled past member experience.

Cash commutation: 90% of members were assumed to commute 30% of their pension on retirement (before any allowance for at-retirement options) using the Scheme's commutation factors at the time of the 5 April 2023 valuation.

Pension increase exchange on retirement: An allowance for 30% of members retiring to take PIE, on terms which are 70% of the balanced deal value percentage calculated on the cash equivalent transfer value basis.

GMP equalisation: An allowance was made of 0.15% of past service liabilities, for members where GMP equalisation had not been completed by 5 April 2023.

Discretionary benefits: No allowance.

Expenses: the Principal Employer pays £2.0m per year (or such other amount agreed) to the Scheme to cover its operating expenses.

The next formal valuation of the Scheme will become due with an effective date of 5 April 2026 and is expected to be finalised no later than 5 July 2027.

Scheme Actuary's Certification

1. 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 can be expected, on 5 April 2023, to continue to be met for the period for which the schedule is to be in force.

2. 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 (i.e. signed on behalf of the Trustee) on 7 December 2023.

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: 	Date: 7 December 2023
Name: Robert Watkin	Qualification: Fellow of the Institute and Faculty of Actuaries
Address: 22-24 Queen's Square, Bristol, BS1 4ND	Employer: Isio Group Limited

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The financial statements, which are prepared in accordance with United Kingdom Accounting Standards 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, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the scheme during the scheme year and of the amount and disposition at the end of the scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the scheme year, 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, including a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging the above responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the scheme will not be wound up.

The Trustee is also responsible for making available certain other information about the scheme in the form of an annual report.

The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the scheme and to prevent and detect fraud and other irregularities including the maintenance of an appropriate system of internal control.

The Trustee is responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary revising a schedule of contributions showing the rates of contributions payable towards the scheme by or on behalf of the employer and the active members of the scheme and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the scheme and for adopting risk-based processes to monitor whether contributions are made to the scheme by the employer in accordance with the schedule of contributions. Where breaches of the schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

The Trustee is responsible for the maintenance and integrity of the pension and financial information included on the Leonardo Helicopters Pension Scheme website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustee's Report, which includes the Investment Report, the Report on Actuarial Liabilities, the Statement of Trustee's Responsibilities and the Implementation Statement was approved by the Trustee.

Martin Flavell

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Trustee Director, Leonardo Pension Schemes (Trustee) Ltd

Date: 25 September 2025

Rebecca Ward

.....
Trustee Director, Leonardo Pension Schemes (Trustee) Ltd

Date: 25 September 2025

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE LEONARDO HELICOPTERS PENSION SCHEME

Opinion

We have audited the financial statements of the Leonardo Helicopters Pension Scheme for the year ended 5 April 2025 which comprise the fund account, the statement of net assets (available for benefits) and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 5 April 2025, and of the amount and disposition at that date of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial documents, we have concluded that the Scheme Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Schemes ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Schemes Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Schemes Trustee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE LEONARDO HELICOPTERS PENSION SCHEME (continued)

Responsibilities of the Trustee

As explained more fully in the Trustee's responsibilities statement set out on page 19, the Trustee is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Schemes ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the environment, including the legal and regulatory framework that the Scheme operates in and how the Scheme is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are the Pensions Act 1995 and 2004 and regulations made under them and FRS 102, including the Financial Reports of Pension Schemes 2018 (the Pensions SORP). We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE LEONARDO HELICOPTERS PENSION SCHEME (continued)

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions outside the normal course of business, challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our Report

This report is made solely to the Schemes Trustee as a body, in accordance with Regulation 3 of the Occupational Pension Schemes (Requirements to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Schemes Trustee those matters we are required to state to them 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 Scheme and the Schemes Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP

Statutory Auditor, Chartered Accountants
25 Farringdon Street
London EC4A 4AB

25 September 2025

Date:

LEONARDO HELICOPTERS PENSION SCHEME

FUND ACCOUNT

For the year ended 5 April 2025

	Note	2025 £'000s	2024 £'000s
CONTRIBUTIONS AND BENEFITS			
Employer contributions	4	2,652	21,691
Employee contributions	4	-	27
Total contributions	4	<u>2,652</u>	<u>21,718</u>
Other income	5	14	631
		<u>2,666</u>	<u>22,349</u>
Benefits paid or payable	6	(59,822)	(56,500)
Payments to and on account of leavers	7	(362)	(1,451)
Other payments	8	(53)	(251)
Administrative expenses	9	(1,158)	(1,892)
		<u>(61,395)</u>	<u>(60,094)</u>
NET WITHDRAWALS FROM DEALINGS WITH MEMBERS		<u>(58,729)</u>	<u>(37,745)</u>
RETURNS ON INVESTMENTS			
Investment income	10	9,472	6,854
Change in market value of investments	12	(47,043)	(42,394)
Investment management expenses	11	(1,392)	(2,437)
NET RETURNS ON INVESTMENTS		<u>(38,963)</u>	<u>(37,977)</u>
NET DECREASE IN THE FUND FOR THE YEAR		<u>(97,692)</u>	<u>(75,722)</u>
OPENING NET ASSETS		<u>1,153,991</u>	<u>1,229,713</u>
CLOSING NET ASSETS		<u><u>1,056,299</u></u>	<u><u>1,153,991</u></u>

The notes on pages 25 to 37 form part of these financial statements.

LEONARDO HELICOPTERS PENSION SCHEME

STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS)

At 5 April 2025

	Note	2025 £'000s	2024 £'000s
INVESTMENT ASSETS	12		
Bonds		849,885	690,856
Pooled investment vehicles	13	195,515	442,798
Derivatives	14	26,982	82,485
AVC investments	15	10,872	12,342
Cash deposits		6,815	6,849
Cash in transit		76	9
Other investment balances	16	<u>12,746</u>	<u>9,681</u>
		<u>1,102,891</u>	<u>1,245,020</u>
INVESTMENT LIABILITIES			
Derivatives	14	(46,034)	(89,861)
Other investment balances	16	<u>(6,383)</u>	<u>-</u>
		<u>(52,417)</u>	<u>(89,861)</u>
TOTAL NET INVESTMENTS		1,050,474	1,155,159
CURRENT ASSETS	20	7,460	2,390
CURRENT LIABILITIES	21	<u>(1,635)</u>	<u>(3,558)</u>
CLOSING NET ASSETS		<u><u>1,056,299</u></u>	<u><u>1,153,991</u></u>

The notes on pages 25 to 37 form part of these financial statements.

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which takes into account such obligations for the Defined Benefit Section, is dealt with in the Report on Actuarial Liabilities on page 17 of the Annual Report and these financial statements should be read in conjunction with this report.

These financial statements were approved by the Trustee on 25 September 2025

Martin Flavell

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Trustee Director, Leonardo Pension Schemes (Trustee) Ltd

Rebecca Ward

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Trustee Director, Leonardo Pension Schemes (Trustee) Ltd

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 5 April 2025

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Occupational Pensions Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and the guidance set out in the Statement of Recommended Practice (Revised 2018).

The Scheme is a registered hybrid pension scheme under the Chapter 2, Part 4 of the Finance Act 2004. This means that contributions by the employer and employees are normally eligible for tax relief and income and capital gains earned by the Scheme receive preferential tax treatment. The Scheme is administered by the Trustee in accordance with the Trust Deed and Rules, solely for the benefit of its members and other beneficiaries.

As stated in the Statement of Trustee's Responsibilities on page 19, the Trustee is responsible for preparing the Financial Statements on a going concern basis unless it is inappropriate to presume that the Scheme will continue on this basis. The Trustee has undertaken an assessment in relation to going concern and has considered such matters as the potential impact on the Scheme's investment strategy, the Employer's business and its ability to pay contributions to the Scheme, taking into account the Scheme's strong funding level, well diversified investment strategy, strength of the Employer covenant and the guarantee from Leonardo SpA. The Trustee believes it is appropriate to prepare the Financial Statements on a going concern basis.

2. IDENTIFICATION OF THE FINANCIAL STATEMENTS

The Scheme is established as a trust under English law. The address for enquiries to the Scheme is c/o XPS Group, PO Box 562, Middlesbrough TS1 9JA. Email: lhps@xpsgroup.com.

3. ACCOUNTING POLICIES

(a) Accounting convention

The financial statements are prepared on an accruals basis.

(b) Contributions

Employers' contributions, members' contributions, including those paid under the SMART option, are accounted for on an accruals basis in accordance with the Schedule of Contributions.

AVC's are accounted for on an accruals basis, and the resulting investments are included within the net assets statement on the basis values provided by the AVC investment managers.

Augmentation contributions are accounted for in accordance with the agreement under which they are payable, or, in the absence of an agreement, on a receipt basis.

Employer deficit funding contributions are recognised on the due dates in accordance with the Schedule of Contributions or in the absence of a formal agreement on a receipts basis.

(c) Payments to Members

Pensions in payment are accounted for in the period to which they relate.

Benefits are accounted for in the period in which the member notifies the Trustee of his decision on the type or amount of benefit to be taken or, if there is no member choice, on the date of retirement or leaving.

Individual transfers in or out are accounted for when the member liability is accepted or discharged which is normally when the transfer is paid or received.

(d) Expenses

Expenses are accounted for on an accruals basis. The Scheme bears all the costs of administration.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2025

3. ACCOUNTING POLICIES (continued)

(e) **Investment Income**

Dividends from equities are accounted for on the ex-dividend date.

Income from bonds, other interest receivable and annuity income is taken into account on an accruals basis.

Income from pooled investment vehicles is accounted for when declared by the fund manager.

Income arising on the underlying investments of accumulation funds is reflected within the change in market value.

(f) **Investments**

Investments are included at fair value as follows:

Quoted securities in active markets are usually valued at the current bid prices at the reporting date.

Unquoted securities are included at fair value estimated by the Trustee using appropriate valuation techniques.

Accrued interest is excluded from the market value of fixed income securities and is included in investment income receivable.

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.

Annuities purchased by the Trustee, which fully provide the benefits for certain members, are included in the financial statements at nil value. The cost of purchasing immediate annuities in respect of pensioners is reported with the Fund Account under 'Benefits'. The Trustee has reviewed the Scheme's annuity policies and has concluded that these are not significant to the Scheme's assets and the fund account movement, and therefore not valued these policies on the grounds of materiality.

Swaps are valued based on the present value of future cash flows arising from the swap, determined using discounted cash flow models and market data at the reporting date.

Options are valued at fair value using pricing models and relevant market data at the year-end date.

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.

(g) **Foreign Currency Translation**

Foreign currency transactions are recorded in sterling at the spot exchange rate at the date of the transaction. Monetary items denominated in foreign currencies are translated into sterling using the closing exchange rates at the year-end.

(h) **Currency**

The Scheme's functional and presentational currency is Pound Sterling (GBP). Monetary amounts in these financial statements are rounded to the nearest £'000s.

LEONARDO HELICOPTERS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2025

4. CONTRIBUTIONS	2025	2024
	£'000s	£'000s
Employer contributions		
Normal	652	11,510
SMART	-	6,395
Additional voluntary Expenses	-	1,786
	<u>2,000</u>	<u>2,000</u>
	2,652	21,691
Employee contributions		
Normal	<u>-</u>	<u>27</u>
	<u>2,652</u>	<u>21,718</u>

From April 2024, the Scheme closed to future pension accrual and no further member contributions are payable.

From April 2024, the Employer has agreed to make annual contributions of £2million to the Scheme to cover the Scheme's administrative expenses, including professional advisory fees and Pension Protection Fund levies.

The £652k of normal employer contributions in the year is in relation to the release of prepaid normal contributions for the period up to April 2024 which have been released following the closure to accrual.

5. OTHER INCOME	2025	2024
	£'000s	£'000s
Income tax refund	8	-
Sundry income	6	-
Claims on term insurance policies	<u>-</u>	<u>631</u>
	<u>14</u>	<u>631</u>

6. BENEFITS PAID OR PAYABLE	2025	2024
	£'000s	£'000s
Pensions	45,950	43,892
Commutation of pensions and lump sum retirement benefits	13,416	12,156
Lump sum death benefits	456	400
Purchase of annuities	-	82
Taxation where lifetime or annual allowance exceeded	<u>-</u>	<u>(30)</u>
	<u>59,822</u>	<u>56,500</u>

The negative amount shown above relates to the over accruals from the prior year.

7. PAYMENTS TO AND ON ACCOUNT OF LEAVERS	2025	2024
	£'000s	£'000s
Individual transfers out to other schemes	<u>362</u>	<u>1,451</u>

LEONARDO HELICOPTERS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2025

8. OTHER PAYMENTS	2025	2024
	£'000s	£'000s
Premiums on term insurance policies	<u>53</u>	<u>251</u>
<p>The core death in service cover is no longer provided from the Scheme following the closure to active membership in April 2024, with members now provided with death cover within the Leonardo FuturePlanner pension arrangement.</p>		
9. ADMINISTRATIVE EXPENSES	2025	2024
	£'000s	£'000s
Administration	641	912
Actuarial fees	237	475
Legal fees	137	110
Other professional fees	19	21
Audit fees	35	29
Levies	71	323
Other fees	18	16
Miscellaneous expenses	<u>-</u>	<u>6</u>
	<u>1,158</u>	<u>1,892</u>
10. INVESTMENT INCOME	2025	2024
	£'000s	£'000s
Income from bonds	19,115	9,941
Income from pooled investment vehicles	3,837	11,969
Interest on cash deposits	378	392
Gains/(losses) on foreign exchange	(293)	(448)
Income from derivatives / swaps	(13,619)	(15,057)
Annuity income	<u>54</u>	<u>57</u>
	<u>9,472</u>	<u>6,854</u>
11. INVESTMENT MANAGEMENT EXPENSES	2025	2024
	£'000s	£'000s
Administration, management & custody	1,245	2,327
Investment fee rebate	-	(12)
Investment custodian fees	<u>147</u>	<u>122</u>
	<u>1,392</u>	<u>2,437</u>

LEONARDO HELICOPTERS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2025

12. RECONCILIATION OF INVESTMENTS

	Value at 5.4.2024	Purchases at cost & derivative payments	Sales proceeds & derivative receipts	Change in market value	Value at 5.4.2025
Defined Benefit Section	£'000s	£'000s	£'000s	£'000s	£'000s
Bonds	690,856	494,188	(291,399)	(43,760)	849,885
Pooled investment Vehicles	442,798	112,752	(358,042)	(1,993)	195,515
Derivatives	(7,376)	59,425	(69,287)	(1,814)	(19,052)
AVC investments	12,342	1,858	(3,852)	524	10,872
	1,138,620	<u>668,223</u>	<u>(722,580)</u>	<u>(47,043)</u>	1,037,220
Cash deposits	6,849				6,815
Cash in transit	9				76
Other investment balances	<u>9,681</u>				<u>6,363</u>
	<u>1,155,159</u>				<u>1,050,474</u>

Transaction costs are included in the cost of purchases and deducted from sale proceeds. Direct transaction costs include costs charged to the Scheme such as fees, commissions and stamp duty.

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

13. POOLED INVESTMENT VEHICLES

The Scheme's investments in pooled investment vehicles at the year-end comprised:

Defined Benefit Section	2025 £'000s	2024 £'000s
Equity	103,269	153,835
Bonds	46,010	220,065
Property	16,737	22,510
Cash	224	495
Alternatives	<u>29,275</u>	<u>45,893</u>
	<u>195,515</u>	<u>442,798</u>

14. DERIVATIVES

Objectives and policies

The Trustee has authorised the use of derivatives by its investment managers as part of its investment strategy for the Scheme as follows.

Swaps – the Trustee's aim is to match as far as possible the fixed income portfolio and the Scheme's long term liabilities, in particular in relation to their sensitivities to interest rate movements. Due to the lack of available long dated bonds the Trustee has entered into OTC interest rate swaps during the year that extend the duration of the fixed income portfolio to better match the long term liabilities of the Scheme.

LEONARDO HELICOPTERS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2025

14. DERIVATIVES (continued)

Forward foreign exchange – in order to maintain appropriate diversification of investments within the portfolio and take advantage of overseas investment returns, a proportion of the underlying investment portfolio is invested overseas. To balance the risk of investing in foreign currencies whilst having an obligation to settle benefits in Sterling, a currency hedging programme, using forward foreign exchange contracts, has been put in place to reduce the currency exposure of these overseas investments to the targeted level.

Options – the Trustee wants to benefit from the potentially greater returns available from investing in equities but wishes to minimise the risk of loss of value through adverse equity price movements. During the year the Scheme held a number of equity option contracts that protect it from falls in value in the main markets in which the Scheme invests.

At the year-end the Scheme held the following derivatives:

	2025	2025	2024	2024
	Asset	Liability	Asset	Liability
	£'000s	£'000s	£'000s	£'000s
Swaps	8,935	(29,009)	21,572	(50,039)
Options	17,007	(16,277)	60,771	(39,476)
Forward foreign exchange contracts	<u>1,040</u>	<u>(748)</u>	<u>142</u>	<u>(346)</u>
	<u>26,982</u>	<u>(46,034)</u>	<u>82,485</u>	<u>(89,861)</u>
		<u>(19,052)</u>		<u>(7,376)</u>

Swaps	Expiration	Notional principal	Asset	Liability
Nature		£'000s	£'000s	£'000s
Interest Rate Swaps	2025-2035	133,380	2,452	(24,953)
Inflation Swaps	2028-2031	(86,829)	6,062	(1,464)
Total Return Swaps	2025	75,515	<u>421</u>	<u>(2,592)</u>
			<u>8,935</u>	<u>(29,009)</u>

Included in bonds is collateral of £31.7m (2024: £42.2m) which has been pledged to the counterparty. At the year-end the Scheme held £21.7m (2024: £34.4m) of collateral belonging to the counterparty. This collateral is not reported within the Scheme's net assets.

Options

Type	Expiration	Underlying Investment	No of outstanding contracts	Asset	Liability
				£'000s	£'000s
Call	2025-2026	DJ EURO STOXX 50	14	6,606	(4,762)
Call	2025	FTSE 100 INDEX	6	995	(282)
Call	2025-2026	NIKKIE 225	8	1,364	(280)
Call	2025	S&P 500 INDEX	30	8,013	(3,229)
Put	2025-2026	DJ EURO STOXX 50	7	29	(1,490)
Put	2025-2026	FTSE 100 INDEX	3	-	(243)
Put	2025-2026	NIKKIE 225	4	-	(902)
Put	2025-2026	S&P 500 INDEX	11	-	(5,089)
				<u>17,007</u>	<u>(16,277)</u>

LEONARDO HELICOPTERS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2025

14. DERIVATIVES (continued)

Forward Foreign Exchange

Contract	Settlement Date	Number of contracts	Currency bought	Currency sold	Asset £'000s	Liability £'000s
Forward OTC	Under 1 month	6	£36,005,190	€43,102,471	-	(606)
Forward OTC	Under 1 month	2	\$5,522,598	£4,269,646	4	(5)
Forward OTC	Under 1 month	1	¥124,505,682	£646,523	16	-
Forward OTC	Under 1 month	2	£1,677,483	¥324,862,211	-	(51)
Forward OTC	Under 1 month	8	£85,083,803	\$108,882,680	1020	(86)
					<u>1,040</u>	<u>(748)</u>

15. AVC INVESTMENTS

The Trustee holds assets invested separately from the main fund securing additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. Members participating in this arrangement receive an annual statement made up to the year-end confirming contributions paid and the value of their fund. The aggregate amounts of AVC investments are as follows:

	2025 £'000s	2024 £'000s
Prudential (With Profits)	373	359
Mobius Life (Unit Linked)	<u>10,499</u>	<u>11,983</u>
	<u>10,872</u>	<u>12,342</u>

16. OTHER INVESTMENT BALANCES

	2025 £'000s	2024 £'000s
Amounts due from broker	6,185	6,532
Dividends and interest receivable	6,561	3,149
Amount due to broker	<u>(6,383)</u>	<u>-</u>
	<u>6,363</u>	<u>9,681</u>

17. FAIR VALUE DETERMINATION

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

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The Scheme's investment assets and liabilities fall within the above hierarchy as follows:

LEONARDO HELICOPTERS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2025

17. FAIR VALUE DETERMINATION (continued)

	At 5 April 2025			
	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s	Total £'000s
Defined Benefit Section				
Bonds	-	849,885	-	849,885
Pooled investment vehicles	38,369	94,000	63,146	195,515
Derivatives	-	(19,052)	-	(19,052)
AVC investments	-	10,499	373	10,872
Cash	6,891	-	-	6,891
Other investment balances	<u>6,363</u>	<u>-</u>	<u>-</u>	<u>6,363</u>
	<u>51,623</u>	<u>935,332</u>	<u>63,519</u>	<u>1,050,474</u>

	At 5 April 2024			
	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s	Total £'000s
Defined Benefit Section				
Bonds	-	690,856	-	690,856
Pooled investment vehicles	67,907	283,251	91,640	442,798
Derivatives	-	(7,376)	-	(7,376)
AVC investments	-	11,983	359	12,342
Cash	6,858	-	-	6,858
Other investment balances	<u>9,681</u>	<u>-</u>	<u>-</u>	<u>9,681</u>
	<u>84,446</u>	<u>978,714</u>	<u>91,999</u>	<u>1,155,159</u>

18. INVESTMENT RISK DISCLOSURES

Investment Risk

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: this is the 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: this comprises currency risk, interest rate risk and other price risk.

- **Currency risk:** this is the 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:** this is the 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:** this is the risk that the fair value of 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 Trustee determines its investment strategy after taking advice from a professional investment adviser. The Scheme has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Scheme's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustee by regular reviews of the investment portfolio.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2025

18. INVESTMENT RISK DISCLOSURES (continued)

Credit Risk

The Scheme is subject to credit risk because the Scheme directly invests in bonds, over the counter (OTC) derivatives and has cash balances. The Scheme also invests in pooled investment vehicles and is therefore indirectly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles. The Trustee's policy for managing credit risk is detailed in the Statement of Investment Principles.

The Scheme holds £684.2m in directly held bonds (2024: £690.3m), -£19.1m in OTC derivatives (2024: -£7.4m) and £7.1m in directly held cash balances (2024: £13.4m). The Scheme also holds £42.8m in bonds and cash through underlying pooled fund investments (2024: £218.8m).

Credit risk arising on derivatives held directly depends on whether the derivative is exchange traded or over the counter. The Scheme holds OTC derivative contracts which are not guaranteed by any regulated exchange and therefore the Scheme is subject to risk of failure of the counterparty. Credit risk for OTC derivative contracts is mitigated by placing restrictions on Schroders Solutions which ensure that new contracts are only entered into with counterparties that are investment grade. The credit risk in respect of OTC swaps is further reduced by collateral arrangements.

Credit risk arising on bonds held directly is mitigated by Schroders Solutions choosing to only invest in government bonds, where the credit risk is minimal.

Directly held cash balances are at financial institutions which are at least investment grade credit rated. This is the position at the year-end.

Credit risk also arises on the insurance policy that is held with a regulated insurance company.

In all above instances, "investment grade" is defined as being rated at least BBB- by Standard & Poor's or Baa3 by Moody's.

Indirect credit risk arises in relation to underlying investments held in bond and cash pooled investment vehicles. This risk is mitigated by the Trustee mandating Schroders Solutions that the underlying investment in sub-investment grade debt may not exceed 30% of the Growth Assets.

Both direct and indirect credit risk is mitigated by holding a diversified portfolio to minimise the impact of default by any one issuer. The Trustee monitors the investment strategy adopted by Schroders Solutions to ensure that the arrangement remains diversified.

Direct credit risk arises in respect of pooled investment vehicles. The Scheme's Growth Assets is invested across a large number of different pooled funds which have various legal structures in various domiciles (e.g. open-ended investment companies, unit trusts, limited partnerships etc.).

The direct credit risk associated with these managers is also mitigated by:

- the regulatory environments in which those managers operate;
- diversification amongst a large number of pooled arrangements; and
- due diligence checks by Schroders Solutions on the appointment of new pooled managers, and monitoring on an ongoing basis for any changes to the operating environment of each manager.

LEONARDO HELICOPTERS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2025

Credit Risk (continued)

Type of arrangement	2025 £'000s	2024 £'000s
Cayman Islands Exempted Company	1,377	-
Fonds Commun De Placement (FCP)	1,133	-
Investment company with variable capital (ICVC)	6,421	10,019
Limited Liability Company	-	11,365
Limited Partnership	24,317	24,563
Open ended investment company (OEIC)	28,226	175,415
Exchange Traded Fund	33,813	65,471
Exchange Traded Commodity	2,483	1,922
Unit Trust	28,061	37,127
Investment company with variable capital (SICAV)	12,812	19,617
Mutual Fund	<u>56,872</u>	<u>97,281</u>
	195,515	442,780

Currency risk

The Scheme is subject to currency risk because some of the Scheme's investments are held in overseas markets, either as segregated investments or via pooled investment vehicles. The Trustee's policy for managing this risk is detailed in the Statement of Investment Principles.

Currency risk is mitigated by delegating management of currency exposures at total portfolio level to Schroders Solutions. Schroders Solutions implement currency hedging through the use of hedged shared classes of pooled funds (where available) and the use of FX forward contracts.

Net of currency hedging, 2.0% of the Scheme's holdings were exposed to overseas currencies as at year-end (2024: 3.7%).

Interest rate risk

Some of the Scheme's Growth Assets will be subject to interest rate risk. The Scheme's Liability Hedging Assets will be affected by changes in interest rate in a way that largely offsets the impact of changing interest rates on the Scheme's liabilities, and therefore act as a liability hedge. Under this strategy if interest rates fall the value of these investments will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise these investments will fall in value as will actuarial liabilities because of an increase in the discount rate. At the year-end, the assets held for liability hedging purposes comprised of:

	2025 £'000s	2024 £'000ss
Direct		
Bonds	849,885	690,856
Swaps	(20,074)	(28,467)
Indirect		
Bond PIVs	46,010	220,065
Cash PIVs	224	495

Please note clean values have been used where applicable.

LEONARDO HELICOPTERS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2025

Other price risk

Other price risk arises principally in relation to the Scheme's return seeking portfolio which includes equities held in pooled vehicles, equity options, hedge funds, other alternatives and property. The Scheme manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

At the year end, the Scheme's exposure to investments subject to other price risk was:

	2025 £'000s	2024 £'000s
Direct		
Equity Options	1,277	14,861
S&P Options	(546)	6,434
Advanced Bond Beta	171,128	-
Indirect		
Bond PIVs	46,010	220,065
Cash PIVs	224	495
Equity PIVs	103,269	151,717
Property PIVs	16,737	22,510
Alternatives PIVs	27,678	45,893
Private Equity PIVs	1,597	2,118

19. CONCENTRATION OF INVESTMENTS

The following investments represented over 5% of the net assets of the Scheme in the current or previous year:

	2025		2024	
	£'000s	%	£'000s	%
Schroders Solutions 0.625% Index-Linked Treasury Gilt 2042	80,522	7.7	81,788	7.1
Schroders Solutions 1.125% Index-linked Treasury Gilt 2037	72,889	7.0	82,697	7.2
BNY Mellon (SS) Global Equity Fund	52,215	5.0	88,244	7.6
Insight Investment maturity Buy & Maintain Bond Fund 2026-2030	-	-	150,097	13.0

20. CURRENT ASSETS

	2025 £'000s	2024 £'000s
Bank balance	7,364	2,201
VAT recoverable by the Employer	96	136
Life assurance paid in advance	-	53
	<u>7,460</u>	<u>2,390</u>

The tax recoverable by the Employer is VAT on administrative expenses which the Employer reclaims and reimburses to the Scheme.

LEONARDO HELICOPTERS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2025

21. CURRENT LIABILITIES	2025 £'000s	2024 £'000s
Accrued expenses	466	2,474
Unpaid benefits	504	19
Tax payable	665	586
Contributions prepaid	-	479
	<u>1,635</u>	<u>3,558</u>

Employer contributions are received annually in advance in January each year. Contributions have been prepaid in line with the Schedule of Contributions currently in force.

22. EMPLOYER RELATED INVESTMENTS

There were no employer related investments within the meaning of Section 40(2) of the Pensions Act 1995.

23. RELATED PARTIES

Following the closure of the Scheme to future benefit accrual, none of the Trustee Directors holding office during the Scheme year were contributing members of the Scheme.

Two of the Trustee Directors who held office at Scheme year-end are pensioner members of the Scheme, who receive pension benefits in line with the Scheme Rules.

Management and governance services are provided by an in-house Pensions Management team based at Leonardo UK Ltd which is the Principal Employer. Costs of the governance service are agreed with Leonardo UK Ltd and are met by the Scheme. For 2024/25 these costs amounted to £160,000 (2023/24: £160,000).

Trustee Directors who are pensioner members of a Leonardo Group Pension Scheme receive remuneration from Leonardo UK Ltd for governance services. Trustee remuneration for the 2024/25 Scheme Year totalled £24,683 (2023/24: £32,990).

£95,910 (2023/24: £135,853) was due to the Scheme from the Employer at the year-end in respect of VAT reclaimed by the Employer on Scheme Administration expenses.

Additional security is provided by the terms of a legally binding guarantee with the Leonardo Group's parent company, Leonardo SpA, in which Leonardo confirms it will provide support for the Scheme. Leonardo has agreed that it will be responsible for the liabilities of the participating employers and has undertaken to pay any outstanding Scheme contributions and pay any Scheme deficit if the Scheme were to wind up with insufficient assets.

The Trustee Directors are not aware of any material related party transactions that require disclosure in the financial statements, other than those already disclosed.

24. CAPITAL COMMITMENTS

There were no outstanding capital commitments as at 5 April 2025 (2024: Nil).

25. TAXATION

The Scheme is a registered Pension Scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2025

26. GMP EQUALISATION

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Trustee of the Scheme agreed with the Company a proposed method of equalisation and the project was concluded during 2024 for pensioner members at that time. The Trustee and Company have agreed processes to ensure all future pension payments are made on an equalised basis.

On 20 November 2020, the High Court handed down a second judgment involving the Lloyds Banking Group's defined benefit pension schemes. This latest judgment confirms that Defined Benefit (DB) schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised benefits. The Trustee is considering next steps as the Scheme has experienced historical transfers out which will be subject to adjustment as a result of this second ruling. Any adjustments necessary will be recognised in the year they are determined. It is not possible to estimate the value of any such adjustments at this time, although these are expected to be immaterial to the financial statements.

27. CONTINGENT LIABILITY

Under the Pension Schemes Act 1993 and relevant regulations, a court case outcome on 16 June 2023 and subsequent appeal dismissal on 25 July 2024 involving Virgin Media has revealed potential challenges with other previously contracted-out defined benefit schemes in the UK. This development may cast doubt on the validity of scheme changes made between 1997 and 2016, where those changes were not accompanied by appropriate actuarial certificates.

On 6 June 2025 the UK Government issued a ruling to say that legislation will be introduced to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation. Work was commenced early 2025 to identify Scheme changes undertaken during this period and retrospective written actuarial confirmations will be obtained, if required.

LEONARDO HELICOPTERS PENSION SCHEME

INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS UNDER REGULATION 4 OF THE OCCUPATIONAL PENSION SCHEMES (REQUIREMENT TO OBTAIN AUDITED ACCOUNTS AND A STATEMENT FROM THE AUDITOR) REGULATIONS 1996, TO THE TRUSTEE OF THE LEONARDO HELICOPTERS PENSION SCHEME

Statement about contributions payable under the Schedule of Contributions

We have examined the summary of contributions payable to the Leonardo Helicopters Pension Scheme on page 39, in respect of the Scheme year ended 5 April 2025, to which this statement is attached.

In our opinion the contributions for the Scheme year ended 5 April 2025 as reported in the attached summary of contributions on page 39 and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the Actuary on 7 December 2023.

Scope of work on statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported on page 39 in the attached summary of contributions have in all material respects been paid at least 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 Scheme and the timing of those payments under the Schedule of Contributions.

Respective responsibilities of the Trustee and the Auditor

As explained more fully on page 19 in the Statement of Trustee's Responsibilities, the Scheme'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 Scheme by or on behalf of the employer and the active members of the Scheme. The Trustee is also responsible for keeping records in respect of contributions received in respect of active members of the Scheme and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions.

It is our responsibility to provide a statement about contributions paid under the Schedule of Contributions and to report our opinion to you.

Use of our Statement

This statement is made solely to the Scheme's Trustee as a body, in accordance with the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to it in an Auditor's statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme and the Scheme's Trustee as a body, for our audit work, for this statement, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP

Statutory Auditor, Chartered Accountants
25 Farringdon Street
London EC4A 4AB

25 September 2025

Date:

LEONARDO HELICOPTERS PENSION SCHEME

SUMMARY OF CONTRIBUTIONS PAID IN THE YEAR

During the year, the contributions paid to the Scheme by the employer under the Schedules of Contributions were as follows:

	£'000s
Employer normal contributions	652
Employer expense contributions	<u>2,000</u>
Total contributions paid	<u>2,652</u>
Contributions receivable per the financial statements	<u><u>2,652</u></u>

This summary was approved by the Trustee on 25 September 2025

Martin Flavell

.....
Trustee Director, Leonardo Pension Schemes (Trustee) Ltd

Rebecca Ward

.....
Trustee Director, Leonardo Pension Schemes (Trustee) Ltd

LEONARDO HELICOPTERS PENSION SCHEME

LEONARDO HELICOPTERS PENSION SCHEME IMPLEMENTATION STATEMENT

1. Introduction

The Trustee is required to make publicly available online a statement ("the Implementation Statement") covering the Leonardo Helicopters Pension Scheme (the "Scheme") in relation to the Scheme's Statement of Investment Principles (the "SIP").

The SIP was amended once during the year ending 5 April 2025, and the updates made were to reflect strategic changes to the Scheme's Cashflow Driven Investments allocation ('CDI'). The CDI Assets are a delegated portfolio of high-quality credit assets, made up of a segregated portfolio of Buy & Maintain Credit Assets. This SIP came into force from September 2024.

A copy of the current SIP signed and dated September 2024 can be found here:

www.lhpensions.co.uk/compliance

This Implementation Statement covers the Scheme year from 6 April 2024 to 5 April 2025 (the "Scheme Year"), although the information on engagement and voting statistics relates to the period from 1 April 2024 to 31 March 2025. It sets out:

- How the Trustee's policies on stewardship have been followed over the Scheme Year; and
- The voting by or on behalf of the Trustee during the Scheme Year, including the most significant votes cast and any use of a proxy voter during the Scheme Year.

The latest guidance ("the Guidance") from the Department for Work and Pensions ('DWP') aims to encourage the Trustee of the Scheme to properly exercise its stewardship policy including both voting and engagement which is documented in the Scheme's SIP. With the help of the Scheme's Fiduciary Manager, to whom the Trustee delegated the implementation of its Stewardship policy, this Implementation Statement has been prepared to provide the details on how the Trustee has complied with the DWP's statutory guidance.

The Trustee uses the Fiduciary Management service of Schroders IS Limited as its Investment Manager and Adviser (referred to as the 'Fiduciary Manager' in the Implementation Statement). The Fiduciary Manager can appoint other investment managers (referred to as 'Underlying Investment Managers') to manage part of the Scheme's assets, and investments with these managers are generally made via pooled funds, where the Scheme's investments are pooled with those of other investors.

A copy of this Implementation Statement is available on the following website:

www.lhpensions.co.uk/compliance

2. How the Trustee's policies on stewardship have been followed over the Scheme Year

The Trustee uses the Fiduciary Management service of Schroders IS Limited as their Investment Manager and Adviser (it is referred to as the "Fiduciary Manager" in the Implementation Statement). As described in the SIP, the Trustee's approach to stewardship is to delegate the voting and engagement activities to the Fiduciary Manager. The Trustee takes responsibility for regularly reviewing the approach and stewardship policies of the Fiduciary Manager to ensure they are aligned with the Trustee's priorities and objectives. A copy of the Scheme's SIP has been provided to the Fiduciary Manager, who is expected to follow the Trustee's investment (including stewardship) policies when providing Fiduciary Management services.

The Fiduciary Manager is a signatory to the UK Stewardship Code which sets high standards for those investing money on behalf of UK pensioners and savers. The Trustee expects the Fiduciary Manager's stewardship activities will result in better management of ESG and climate related risks and opportunities, which is expected to improve the long-term financial outcomes of the Scheme. The Fiduciary Manager aligns its stewardship activities with Schroders' Engagement Blueprint, which identifies six themes: Climate Change, Natural Capital & Biodiversity, Human Rights, Corporate Governance, Human Capital Management, and Diversity & Inclusion. From these, the Trustee has chosen Climate Change, Corporate Governance, and Human Rights as its focus for the stewardship actions performed by the Fiduciary Manager on behalf of the Trustee. The Trustee will monitor and, where necessary, engage with the Fiduciary Manager to ensure alignment with these priorities.

LEONARDO HELICOPTERS PENSION SCHEME

LEONARDO HELICOPTERS PENSION SCHEME IMPLEMENTATION STATEMENT (continued)

The UK Stewardship Code describes stewardship as *"the responsible allocation, management and oversight of capital to create long-term value ... leading to sustainable benefits for the economy, the environment and society."* Thus, the Fiduciary Manager's stewardship activities on behalf of the Trustee encompass a variety of tools, including portfolio ESG integration, manager research and selection, portfolio ESG metric monitoring and voting and engagement.

The Fiduciary Manager can appoint other investment managers in respect of underlying investments (these are referred to as **"Underlying Investment Managers"**). The Scheme invests in some assets with voting rights attached (e.g. equities) and with engagement possible in relation to most asset classes. Whilst the Trustee has delegated responsibility to the Fiduciary Manager and Underlying Managers for voting and engaging on its behalf, the Trustee regularly reviews the approach and stewardship policies of the Fiduciary Manager to ensure they are aligned with the Trustee's beliefs and objectives.

As part of ongoing monitoring of how the Fiduciary Manager (FM) has exercised the Trustee's stewardship policy, the Trustee reviewed quarterly FM ESG updates and the FM Annual ESG Report during the Scheme Year. The quarterly ESG updates allow the Trustee to monitor the ESG characteristics of the Scheme's portfolio and thereby assess the Fiduciary Manager's allocation, management and oversight of the Scheme's capital. In addition, the quarterly report also includes stewardship activities including both voting and engagement the Fiduciary Manager carried out on behalf of the Trustee. The FM Annual ESG Report details various areas concerning the Fiduciary Manager's ESG integration within the investments and stewardship activities over the previous calendar year.

The Trustee is satisfied that the stewardship policy outlined in the SIP has been implemented well over the year, with the Fiduciary Manager taking the Trustee's stewardship policy and priorities into account as part of its stewardship activities and manager selection over the Scheme Year. Examples of how this has been evidenced include:

- The Fiduciary Manager continues to integrate ESG and climate factors via MSCI and SustainEx scores and apply exclusions to our core equity offerings during the security selection process as per the Schroders Group criteria which includes UNGC Global Norms Violators, controversial weapons, thermal coal, oil and gas production, oil and gas refining, and exposure to commodity-driven deforestation. This ensures a closer alignment of the Scheme's investments with the Trustee's stewardship priorities, as these excluded investments are generally viewed as causing significant harm to People or Planet.
- ESG integration throughout the portfolio, with Underlying Investment Manager and counterparty engagement carried out in Growth, Structured Equity, Buy and Maintain and LDI portfolios.
- Manager research identified a hedge fund with sustainability objectives which has been included in the liquid alternatives portfolio. This fund goes beyond simply considering sustainability risks and actively promotes environmental and social objectives.
- Working with the core active credit manager to enhance their mandate to have a specific climate transition focus. This involves the introduction of a net zero target at the strategy level.
- Annual assessment of Underlying Investment Managers' ESG ratings against a comprehensive internal ESG assessment framework. Lower-rated managers are categorised as either Red-Engagement or Red-Exclusion, requiring further engagement to improve their rating, or exclusion on the grounds of poor ESG credentials. The ESG ratings were also used to identify the areas of engagement with Underlying Investment Managers across the engagement priorities.
- The Fiduciary Manager carried out regular investment and operational due diligence on the Underlying Investment Managers to monitor voting and engagement policies concerning the Scheme's investments.
- In addition to regular reporting, the Fiduciary Manager have developed our ESG reporting to include voting and engagement examples to the Trustee, facilitating a more regular review throughout the year of the Fiduciary Manager and Underlying Investment Managers' stewardship activities. In addition, the quarterly ESG reporting also includes "spotlight" pages to provide the Trustee with ESG related hot topics and educational material such as ESG integration of asset classes.
- Development of biodiversity metric NatCapEx to be used as an engagement tool and to provide a greater understanding of exposure to nature related risks.

LEONARDO HELICOPTERS PENSION SCHEME

LEONARDO HELICOPTERS PENSION SCHEME IMPLEMENTATION STATEMENT

Considering the voting statistics and behaviour set out in this Implementation Statement, along with the engagement activity (detailed in a separate Engagement Report, available upon request) that took place on the Trustee's behalf during the Scheme Year within the Growth Asset portfolio, Structured Equity portfolio, Cashflow Driven Investment portfolio and the Liability Hedging portfolio, the Trustee is pleased to report that the Fiduciary Manager and the Underlying Investment Managers have demonstrated high levels of voting and engagement in line with its stewardship policy.

Specifically, the Trustee noted that:

- Each manager demonstrated high levels of voting rights being acted on, where voting is relevant.
- Where the holdings did not have voting rights attached, the Underlying Investment Managers showed they carried out a good level of engagement activity with the underlying companies over the Scheme Year.
- Challenge to management was demonstrated through votes by the Underlying Investment Managers against management.
- The Fiduciary Manager has carried out a high level of engagement activities with the Underlying Investment Managers, focussing on laggards and material allocations.
- The Fiduciary Manager has also carried out a high level of engagement with different governing bodies for the Liability Hedging mandate to ensure that the Scheme's liability hedging programme not only remained robust during the Gilt Crisis of Autumn 2022 and beyond, but the Fiduciary Manager also provided inputs to those governing bodies to ensure they continue to deliver even better outcomes for their clients, including the Scheme.

Given the activities carried out during the Scheme Year and by preparing this Implementation Statement, the Trustee believes that it has acted in accordance with the DWP Guidance over the Scheme Year.

3. Voting and Engagement Summary

On behalf of the Trustee the Fiduciary Manager exercises voting rights in relation to pooled funds managed by the Underlying Investment Managers, in line with its voting policy.

Most voting rights and engagement regarding the Scheme's investments relate to underlying securities within these pooled funds. At a general meeting of a company, the Underlying Investment Managers exercise voting rights and engage with the company issuing the security in line with their policies, which the Fiduciary Manager may have influenced. Nonetheless, the pooled funds themselves often confer certain rights around voting or policies, which the Fiduciary Manager exercises on behalf of the Trustee, and we cover these here.

Over the year to 31 March 2025, the Fiduciary Manager voted on 57 resolutions across 13 meetings. The Fiduciary Manager voted against management on 0 resolutions which, and abstained on 2 resolutions (3.5% of the total resolutions). The engagement topics covered a range of areas, including executive board composition, investment management processes, fund documentation, auditor tenure and fund costs.

Within the Scheme's portfolio, **BNYM Global Equity Fund** makes up more than a quarter of the Scheme's investments in growth assets, with equity being the only asset class to hold voting rights. Additionally, within the Scheme's Growth Asset portfolio, this is the only fund for which the Fiduciary Manager has responsibility over security selection. For these reasons, the voting activity associated with the securities in this fund holds particularly significant for the Scheme. From 1 January 2024, the proxy voting for this fund moved to Schroders' central ESG team which will ensure the voting policy going forward is guided by Schroders' Engagement Blueprint and therefore aligns with the Trustee's stewardship priorities.

Most Significant Votes

The following criteria must be met for a vote to be considered "significant":

1. Must relate to the BNY Mellon (Schroder Solutions) Global Equity Fund;
2. Must be defined as significant by the Fiduciary Manager; and
3. Must relate to the Trustee's three stewardship priority themes.

LEONARDO HELICOPTERS PENSION SCHEME

LEONARDO HELICOPTERS PENSION SCHEME IMPLEMENTATION STATEMENT (continued)

The BNY Mellon (Schroder Solutions) Global Equity Fund constitutes a significant proportion of the Scheme's Growth Asset portfolio and thus constitutes the majority of the Scheme's investments in equity assets – with equity being the main asset class that holds voting rights. Additionally, within the Scheme's Growth Asset portfolio, this is the only fund for which the Fiduciary Manager has responsibility over security selection. For these reasons, the voting activity associated with the securities in this fund holds particular significance for the Scheme.

From 1 January 2024, the proxy voting responsibilities for this fund moved to Schroders' Active Ownership team which ensures that the voting policy is guided by Schroders' Engagement Blueprint and therefore aligns with the Trustee's stewardship priorities. The Fiduciary Manager believes that all resolutions voted against the board's recommendations should be classified as a significant vote. Generally, the Fiduciary Manager does not communicate their voting intentions to companies regarding shareholder resolutions, however in some circumstances Schroders will publish their voting intentions on their Active Ownership Blog. Regarding next steps after a vote, in the instance that votes are successful, the Schroders team will typically monitor progress closely and look to take further action at the next AGM should no progress be made.

Of the votes that satisfy these criteria, the Trustee has selected one vote relating to each of the priority themes that it deems most material to the long-term value of the investments. These votes are hereby defined as "most significant votes", and as per DWP guidance, the Trustee has communicated this definition of "most significant votes" to the Fiduciary Manager. All of the most significant votes over this Scheme Year have been reported below.

CLIMATE CHANGE - At the Equinor ASA annual general meeting on 15 May 2024, Schroders voted for a shareholder resolution asking the Board to update its strategy and capital expenditure plan, considering the company's commitment to support the goals of the Paris Agreement and the Norwegian Government's expectations for the company to align with the Paris Agreement. The resolution also requests the updated plan to "specify how any plans for new oil and gas reserve development are consistent with the Paris Agreement goals". This vote was against management, which stated in its response that its energy transition plan demonstrates a business model and strategy that are already aligned with the Paris Agreement's most ambitious 1.5°C goal. Schroders acknowledge the company is leading on decarbonisation action relative to its sector. Nonetheless, they believe this resolution will encourage the company to produce more complete disclosures and provide further evidence to its claims that the strategy is already aligned with the Paris Agreement goals. This resolution could help shareholders to better assess how the company is addressing climate-related risks and potential costs to the business from climate transition trends. Schroders believe that by disclosing this information, Equinor will provide greater transparency to investors on the alignment between its commitments and implementation of its strategy. This vote against management was unsuccessful as the shareholders' proposal was not adopted. The resolution was filed by the Climate Action 100+ group, which Schroders are a part of, and the direct filers will continue dialogue with Equinor.

CORPORATE GOVERNANCE - At the Meta Platforms, Inc. annual general meeting (AGM) on 29 May 2024, Schroders voted for a shareholder resolution asking the company to disclose the voting results on matters subject to a shareholder vote according to the class of shares. Schroders had co-filed this shareholder resolution along with Wespath Benefits and Investments, led by the Treasurer for the State of Illinois. Although, Schroders had not formally communicated with the company their intention to vote in advance, the company would have anticipated Schroders' support for the resolution as they were co-filers. This decision to co-file, followed a long period of solo and group engagement on this topic. Despite numerous engagements on this topic, the company remained reluctant to implement such disclosure and Schroders therefore believe filing and supporting this resolution was an appropriate next step in their engagement to continue to express the request. Schroders believe that greater transparency is needed to concretely understand when concerns are shared by a majority of independent investors to allow for greater accountability and alleviate concerns of board entrenchment. This vote against management was unsuccessful, so Schroders are still discussing the dual-class share structure, and related shareholder rights issues, with the company. The engagement is very much ongoing with the company and the group of shareholders with whom Schroders co-filed the resolution, and Schroders may look to file future resolutions too.

LEONARDO HELICOPTERS PENSION SCHEME

LEONARDO HELICOPTERS PENSION SCHEME IMPLEMENTATION STATEMENT (continued)

HUMAN RIGHTS - At the JP Morgan Chase & Co. annual general meeting (AGM) on 21 May 2024, Schroders voted for a shareholder resolution asking the company to produce a report "outlining the effectiveness of JPMorgan Chase & Co.'s policies, practices, and performance indicators in respecting internationally recognised human rights standards for Indigenous Peoples' rights in its existing and proposed general corporate and project financing." Schroders believe that the requested report would benefit shareholders as they seek to understand how the company manages relations with its stakeholders, and the associated regulatory, reputational, and financial risks. Although the company provides explanation on the frameworks it uses to identify and manage environmental and social (E&S) risks, an assessment of how effective these practices are would allow shareholders to better understand their robustness, and the company's ability to mitigate any risks which may have financial implications. This vote against management was unsuccessful and Schroders intend to engage with JP Morgan on the topic raised in this resolution as well as others over the coming year.

Summary of voting statistics

	BNYM Global Equity Fund	Morant Wright Fuji Yield Japanese Fund	FSSE All China Fund
Total meetings eligible to vote	727	59	83
Total resolutions eligible to vote	9,450	747	759
% of resolutions did you vote on for which you were eligible?	96%	100%	100%
% did vote with management?	86%	85%	94%
% vote against management?	14%	15%	6%
% abstained	0%	0%	0%
% of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	12%	N/A	7%

Note:

- Schroders Investment Management (when exercising voting rights for the BNY Mellon fund) use Glass Lewis ("GL") for proxy voting services and receive ISS's Benchmark research. Alongside ISS's research, Schroders receives recommendations from GL in line with their own bespoke guidelines. This is complemented with analysis by their in-house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.
- Morant Wright do not subscribe to any shareholder advisory services, and their portfolio managers are directly responsible for proxy voting decisions.
- FSSA uses Glass Lewis as their proxy voting advisor.
- The voting statistics provided may slightly differ depending on the exact composition the Scheme holds.
- Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of "Abstain" is also considered a vote against management.

LEONARDO HELICOPTERS PENSION SCHEME

LEONARDO HELICOPTERS PENSION SCHEME IMPLEMENTATION STATEMENT (continued)

Alternative Funds	Lumyna Marshall Wace - TOPS (Market Neutral) Fund	Lumyna Marshall Wace - TOPS Environmental Focus (Market Neutral) Fund	Lumyna Marshall Wace – TOPS Fund	North Rock Fund	JP Morgan Europe Equity Absolute Alpha Fund	BlackRock Systematic Total Alpha Fund
Total meetings eligible to vote	<i>Data not provided</i>	<i>Data not provided</i>	<i>Data not provided</i>	364	156	1,988
Total resolutions eligible to vote	6,297	2,509	10,379	<i>Data not provided</i>	2,616	18,845
Of resolutions eligible to vote, % of resolutions voted on	98%	97%	98%	100%	97%	99%
Of voted resolutions, % vote with management	75%	57%	72%	100%	93%	92%
Of voted resolutions, % vote against management	12%	9%	12%	0%	6%	7%
Of voted resolutions, % abstained	12%	33%	17%	0%	0%	0%
Of voted resolutions, % vote contrary to the recommendation of proxy adviser (if applicable)	9%	6%	8%	0%	1%	0%

Note:

- The voting statistics provided may slightly differ depending on the exact composition the Scheme holds.
- Lumyna Marshall Wace and North Rock use Glass Lewis for proxy voting services. JP Morgan uses ISS for proxy voting services. BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS).
- Lumyna Marshall Wace have included votes withheld in votes abstained (in order to be in line with the PLSA template which other managers have used), although there are differences between votes withheld and votes abstained.
- Figures have been rounded but may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of 'Abstain' is also considered a vote against management.
- North Rock voted all resolutions with management or with the recommendations of the proxy advisory service.
- Two new liquid alternative funds, JP Morgan European Equity Absolute Alpha and BlackRock Systematic Total Alpha, held at the Scheme Year-end, were introduced into the Growth portfolio in October 2024. The guidance is to include the data for the 12-month period to the Scheme year end and therefore the voting stats reported in this statement are for the year to 31 March 2025.

The Trustee is satisfied that the voting and engagement activity undertaken by both the Fiduciary Manager and the Underlying Investment Managers align with the stewardship priorities determined during the Scheme Year, hence the Trustee believes that it has satisfactorily implemented the Stewardship Policy stated in the Scheme's SIP.

LEONARDO HELICOPTERS PENSION SCHEME

LEONARDO HELICOPTERS PENSION SCHEME IMPLEMENTATION STATEMENT (continued)

Appendix 1 – ESG, Voting and Engagement Policies

Links to the voting and engagement policies for both Investment Manager and Underlying Investment Managers can be found here:

Investment Manager & Underlying Investment Manager	Voting & Engagement Policy
Schroders Solutions	https://mybrand.schroders.com/m/6197143c263420f5/original/Schroders-Group-Sustainable-Investment-Policy.pdf https://mybrand.schroders.com/m/75fa1cd8dd188c3b/original/613798_SC_Listed-Assets-Blueprint-Report-Digital_16_9_V12.pdf
Bank of New York Mellon	https://www.mellon.com/content/dam/mellondotcom/pdf/disclosures/proxy-voting-guidelines-mellon.pdf
SCOR	SCOR IP Engagement Policy_052024_EN_0.pdf
Morant Wright	https://www.morantwright.co.uk/sites/default/files/policies/voting_policy_2023.pdf
T Rowe Price	https://www.troweprice.com/content/dam/trowecorp/Pdfs/esg/proxy-voting-guidelines-TRPA.pdf
Neuberger Berman	https://www.nb.com/handlers/documents.ashx?id=aba155d6-e78e-4668-800f-fa69f05d45d0&name=Stewardship%20and%20Engagement%20Policy
CBRE	CBRE Global ESG policy: https://www.cbreim.com/-/media/project/cbre/bussectors/cbreim/cbreim-global-esg-policy.pdf
FSSA	https://www.fssaim.com/uk/en/private/sustainability/our-approach-to-sustainability.html
Sumvna Marshall Wace	https://cdn.mwam.com/download/MW_Engagement_Policy_Jan_2022.pdf
JP Morgan	https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/institutional/communications/lux-communication/corporate-governance-principles-and-voting-guidelines.pdf Engagement-and-proxy-voting-statement.pdf