

30th NOVEMBER 2024

RAWLE, GAMMON & BAKER LIMITED PENSION & LIFE ASSURANCE SCHEME

IMPLEMENTATION STATEMENT

Good member outcomes require effective investment governance and decision-making. To support this, new requirements have been placed upon Trustees by the Department for Work and Pensions (DWP), which asks them to publicly disclose their Statement of Investment Principles (SIP), and state how these principles have been implemented. Since October 2019, the SIP must include the Trustees' policies on financially material environmental, social and governance (ESG) factors.

Requirement for implementation statement

From 1st October 2020, Trustees are required to provide an implementation statement to be enclosed with scheme accounts produced/signed after this date. The key requirements of the implementation statement are as follows:

- Details of how and the extent to which, in the opinion of the Trustees, the SIP has been followed during the year in relation to voting and engagement.
- Description of voting behaviour (including most significant votes by, or on behalf of, the Trustees) and any use of a proxy voter during the year.

The Trustees understand the above reference to 'year' being the relevant accounting year, so in this case, the 12 months to 31st October 2024.

Trustee confirmations

The Trustees recognise that the consideration of financially material factors, including environmental, social and governance (ESG) factors and climate change, is relevant at different stages of the investment process. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme's investment manager(s).

During December 2023 and first quarter of 2024, the Trustees carried out an Investment strategy review and decided to move to LGIM's Buyout Aware range. Prior to investment, the Trustees and their Investment Adviser had a presentation with LGIM which covered their role as a potential steward of the scheme assets and were satisfied at the role they would play to exert influence on the companies in which they invest to drive and improve ESG best practice.

In June 2024, the Trustees subsequently entered into a buy-in insurance policy with Just plc. The buy-in aims to reduce risk in the Scheme covering the longevity risks of members and increasing the accuracy in matching the Scheme's liabilities covered.

Following the buy-in, the Trustees leave the extent to which social, environmental (including climate risk/opportunities) and governance are taken into account in investment decisions to the discretion of the underlying Insurer.

With respect to voting rights and engagement activities

Following changes made in October 2022, the scheme no longer held individual company shares directly or equities and therefore there were no associated voting rights over the reporting period.

The Trustees accept that the assets invested in pooled funds are subject to the underlying Investment Managers’ policies on corporate governance. The Trustees are satisfied that this corresponds with their responsibility to invest the assets in the best interests of members and beneficiaries and, in the case of a potential conflict of interest, in the sole interest of their members and beneficiaries. As noted above, engagement and stewardship were considered when appointing manager(s).

The Trustees note that members’ views on non-financial matters including their ethical views in relation to social and environmental impact and present and future quality of life will not be sought; however, they would have been considered if raised by the membership.

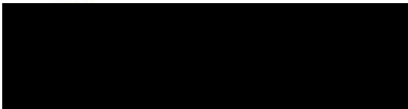
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In summary, the Trustees, together with their Investment Adviser, monitor their investment manager(s) from time to time to ensure they remain appropriate and in line with the Trustees’ requirements. By using pooled funds, the Trustees were able to disinvest and realise their funds from a specific asset manager without penalty or delay, should they underperform or act outside the Trustees’ investment objectives, stewardship and environmental, social and governance requirements. However, the Trustees accept that the assets invested in an insurer buy-in are now subject to the underlying Insurer’s policies, therefore the Insurer will not be able to directly align their strategy with the Trustees’ policy.

In conclusion

Finally, the Trustees can confirm that they have also arranged for the latest Statement of Investment Principles to be made available via a publicly accessible website (in this case via the sponsoring employer’s website).

The Trustees are happy that the above meets the requirements of the annual implementation statement and are also aware that this document will also need to be made available via a publicly accessible website.



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For and on behalf of the Trustees

30 November 2024