

Yuill Group Pension Scheme

Statement of Investment Principles - Implementation Statement

The purpose of this Statement is to provide information, which is required to be disclosed in accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, as subsequently amended, including amendments to transpose the EU Shareholder Rights Directive (SRD II) into UK law. In particular, it confirms how the investment principles, objectives and policies of the Trustee's Statement of Investment Principles (SIP) dated August 2020 have been implemented.

It also includes the Trustee's voting and engagement policies, as well as details of any review of the SIP during the year, subsequent changes made with the reasons for the changes (if any). A description of the voting behaviour during the year, either by or on behalf of the Trustee, or if a proxy voter was used, is also included within this Statement. This Statement covers the period 1 July 2022 to 30 June 2023.

Investment objectives of the Scheme

The Employer has ceased to trade. The Scheme entered the Pension Protection Fund assessment period, but did not transfer to the PPF as the Scheme is sufficiently funded on a PPF basis to pay benefits above PPF compensation levels.

The primary funding and investment objective of the Scheme is to secure the benefits of members with an insurance company who will ultimately provide benefits to the Scheme members as and when these fall due.

Once each individual member's benefits have been secured through an insurance policy, the Scheme will be wound up.

Stewardship policy

The Trustee's stewardship policy, as set out in the SIP is as follows.

The Trustee has taken into consideration the Financial Reporting Council's UK Stewardship Code and is supportive of the Code. The Trustee understands that investment rights will be exercised by Aviva and Legal & General in line with the investment managers' general policies on corporate governance, which reflect the recommendations of the Code, and which are provided to the Trustee from time to time.

Review of the SIP and Investment Strategy

The Trustee previously reviewed the SIP in August 2020, which was updated in line with new regulations relating to Environmental, Social and Governance (ESG) considerations.

There were no revisions made to the SIP in place during the Scheme year.

After the Scheme year-end, a revised version of SIP was executed in August 2023. The SIP was updated to comply with the updated regulatory requirements, and to reflect the change of Investment Manager from Legal & General to BlackRock for managing the cash assets of the Scheme that took place in May 2022.

Over the year, there have been no changes made to the Scheme's investment strategy.

The Trustee has a policy on financially material considerations relating to ESG issues, including the risk associated with the impact of climate change. In addition, the Trustee has a policy on the exercise of rights and engagement activities, and a policy on non-financial considerations. These policies are set out later in this Statement and are detailed in the Trustee's SIP.

Investment managers and funds in use

The Scheme holds the majority of its assets in a bulk annuity buy-in policy with Aviva Life & Pensions ('Aviva'). The remaining assets held to meet expected expenses associated with winding up the Scheme are invested in the Blackrock ICS Sterling Government Liquidity Fund which is held via the Mobius Life investment platform.

Investment Governance

The Trustee is responsible for making investment decisions and seeks advice as appropriate from Broadstone Corporate Benefits Limited ('Broadstone'), as the Trustee's investment consultant.

The Trustee does not actively obtain views of the membership of the Scheme to help form their policies set out in the SIP.

There were no changes to the investment management agreement with Aviva and Mobius Life during the year.

There were no changes to the objectives put in place for Broadstone which were last reviewed in November 2022. The Trustee is due to formally review these objectives by November 2025 or earlier.

Trustee Policies

The table below sets out how, and the extent to which, the relevant policies in the Scheme's SIP have been followed:

Requirement	Policy	Implementation of Policy
Financially and Non-Financially Material Considerations	<p>The Trustee has appointed Aviva to manage the buy-in policy and Blackrock to manage the cash assets. The Trustee has given them both discretion in relation to the selection, retention and realisation of investments.</p> <p>The Trustee expects the investment managers to take steps to ensure environmental, social and corporate governance factors are implicitly incorporated into the investment decision-making process and expect their appointed investment managers to be cognisant of climate change risks and opportunities within their investment processes as applied to the assets of the Scheme.</p> <p>The Trustee does not take into account social, environmental and ethical factors in making their investment decisions, except to the extent set out in this section.</p>	No deviation from this policy over the year to 30 June 2023
Voting Rights and Engagement	<p>The Trustee cannot directly influence Aviva's policies on the exercise of investment rights (such as voting and engagement) for their bulk annuity policy. This is due to the nature of these investments. The Trustee also cannot directly influence Blackrock's policies on voting and engagement for the assets held in the cash fund.</p> <p>The Trustee has taken into consideration the Financial Reporting Council's UK Stewardship Code, and is supportive of the Code. The Trustee understands that investment rights will be exercised by Aviva and Blackrock in line with the investment managers' general policies on corporate governance, which reflect the recommendations of the Code, and which are provided to the Trustee from time to time.</p>	No deviation from this policy over the year to 30 June 2023

Financially and non-financially material considerations

The Trustee notes that the manner by which financially material ESG factors will be taken into account in an investment strategy or pooled fund offering will depend on the underlying asset classes within the pooled fund offering and the management style (e.g. active or passive).

The Trustee is satisfied that the funds currently invested in by the Scheme are managed in accordance with their views on financially material considerations, as set out below, and in particular with regards to the selection, retention, and realisation of the underlying investments held.

This position is monitored periodically. As part of the monitoring process, the Trustee has access to updates on governance and engagement activities by the investment managers, and input from their investment advisors on ESG matters. These views are also taken into account when appointing and reviewing an investment manager.

The Trustee acknowledges that they are delegating the consideration of financially material factors in relation to determining the underlying holdings to their investment managers, given they are investing in pooled funds.

A summary of the Trustee's views for each asset class in which the Scheme invests is outlined below:

Asset Class	Actively or Passively Managed?	Comments
Insurance policies	Active	The Trustee believes there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the investment. However voting rights are expected to be exercised by the insurer in line with their general voting policies.
Cash	Active	The Trustee believes there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the cash asset class. However, voting rights are expected to be exercised by the investment managers in line with their general voting policies.

Voting rights and engagement activities

The Trustee currently invests in a bulk annuity buy in policy with Aviva and a pooled investment fund with BlackRock. The Trustee acknowledge that this limits their ability to directly influence the investment managers.

The Trustee has employed Broadstone to assist in monitoring the voting and engagement activity of BlackRock. The Trustee, with the assistance of Broadstone, concluded that the voting and engagement activity of BlackRock is in line with their policy on voting and engagement.

The Trustee has delegated engagement activities to the investment manager, and the investment manager reports to the Trustee on how they have voted on behalf of the Trustees for the underlying holdings.

Within the current investment arrangements, the underlying assets held by Aviva in respect of the bulk annuity policy are not expected to attract voting rights given the fixed income nature of the investments.

The assets held within the Blackrock ICS Sterling Government Liquidity Fund also do not typically attract voting rights, however we have provided information upon the votes made by BlackRock at a company level which is measure of the wider engagement work done by BlackRock across all asset classes. The voting statistics reflect data provided by BlackRock for the period 1 July 2022 to 30 June 2023.

Manager	BlackRock
Proposals Voted on	171,555
Management Proposals	89% (% of director elections BlackRock supported) 12% (% of proposals where BlackRock did not support management recommendations) 7,219 (number of companies where BlackRock did not support one or more management recommendation)
Total Engagements	4,000 (2,642 Unique companies engaged)

Information regarding proxy voting is detailed below:

- **BlackRock** uses ISS's electronic platform to execute their vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting.

Engagement activity

A notable engagement activity of BlackRock over the last 12 months is provided below:

- **BlackRock** – in July 2022, the Blackrock Investment Stewardship and the Global Public Policy Group responded to the European Financial Reporting Advisory Group's (EFRAG) consultation on the draft European Sustainability Reporting Standards (ESRS). This intended to set out the detail of what must be reported by entities in scope of the EU Corporate Sustainability Reporting Directive. While BlackRock views the draft ESRS as an important contribution to establishing a sustainability reporting framework, they saw this as an opportunity to improve the sustainability reporting standards to enhance the disclosures on material and relevant sustainability related risks and opportunities. Accordingly, BlackRock submitted several comments and recommendations to EFRAG. BlackRock also urged EFRAG to continue its efforts to align with the global baseline sustainability reporting standards being developed by the International Sustainability Standards Board, in the interests of a coherent outcome for both preparers and users of sustainability reporting, and to meet the objective of delivering reliable, comparable, and consistent disclosures.

The Trustee is comfortable with the investment manager's approach for exercising rights and conducting engagement activities, and specifically that they attempt to maximise shareholder value as a long-term investor.

Signatories to the UNPRI (United Nations Principles for Responsible Investment) will receive an overall 'score' which represents how well ESG metrics are incorporated into managers' investment processes. The investment managers will submit a transparency report on their processes across different categories which is then assessed by the UNPRI and graded in a formal report.

For the 2021 UNPRI Assessment Reports, scores are presented as a 'star' rating ranging from 1 star to 5 stars, with more stars representing a higher score.

The latest available UNPRI scores of the Investment Managers are outlined in the table below:

Manager	UNPRI Score
Aviva	5
BlackRock	4
Median	3

The Trustee also considers the investment manager's policies on stewardship and engagement when selecting and reviewing an investment manager.

Monitoring of Investment Arrangements

In addition to any reviews of the investment managers or approaches, and direct engagement with investment manager (as detailed above), the Trustee receives periodic reports to ensure the investment objectives set out in their SIP are being met.

Signed: Rosemary Kennell

Date: 26 January 2024

On behalf of the Trustee of the Yuill Group Pension Scheme