

Rickerby Limited Staff Pension and Assurance

Scheme Implementation Statement for year

to 31 October 2020

Introduction

This Implementation Statement has been prepared by the Trustees of the Rickerby Limited Staff Pension and Assurance Scheme ("the Scheme") and sets out how the policies in the Trustees' Statement of Investment Principles (SIP), in particular those regarding the exercise of rights (including voting rights) and engagement, have been followed over the year to 31 October 2020. This Statement covers both the Defined Benefit (DB) and Defined Contribution (DC) Sections of the Scheme.

The Trustees' SIP was last reviewed in September 2020 to comply with regulations that came into force on 1 October 2020. The SIP has been made available online [here](#).

As this is the first year Implementation Statements have been required, some investment managers have not been able to produce the full breadth of information that we expect them to be able to provide in future years. The Trustees have therefore produced this Implementation Statement using as much information as was available, and are working with their investment consultants and the Scheme's investment manager to improve the data that is available in future.

Trustees' policies on voting and engagement

According to the SIP, the Trustees' policy on the exercise of rights attaching to investments (including voting rights) is that these rights should:

"...be exercised by the investment manager on the Trustees' behalf having regard to the best financial interests of the beneficiaries. The investment manager should engage with companies to take account of ESG factors in the exercise of such rights as the Trustees believe this will be beneficial to the financial interests of members over the long term "

Overview of the Scheme's assets

The Scheme's assets are invested entirely with Scottish Widows. The DB Section invests in the Scottish Widows Consensus Mixed Fund and the Scottish Widows Pension Protection Fund. The DC Section also invests in these funds, as well as the Scottish Widows Cash Fund. The Trustees have only considered voting and engagement activity for the Consensus Mixed Fund, because:

- The Pension Protection Fund invests entirely in UK government bonds. There is therefore limited scope for engagement activities within the fund, and no voting rights are attached to the underlying assets.
- Similarly, the underlying holdings in the Cash Fund do not carry voting rights, and the nature of the assets means opportunities for engagement are limited.

The Consensus Mixed Fund invests using a number of underlying pooled funds, and at 31 October 2020 these funds were all managed by Aberdeen Standard Investments and BlackRock. Scottish Widows delegate engagement activities and the exercise of voting rights to the investment managers of the underlying funds.

How the SIP has been followed over the year

In the Trustees' opinion, the SIP has been followed over the year in the following ways:

- The Scheme offers a suitable default strategy for members of the DC Section which follows a "life-styled" approach to reflect the changing requirements of members at different ages.
- The Trustees monitor the performance of the Scottish Widows funds used by the Scheme on a regular basis.
- The Trustees appoint an investment consultant to advise on the Scheme's investment strategy. No review of the Scheme's investment strategy has been carried out during the year.
- The Trustees request information regarding the Environmental, Social, and Governance (ESG) practices of the Scheme's investment managers, as well as their voting and engagement policies, on a regular basis. This information has not been requested during the course of the year, but the Trustees are intending to request this information for review shortly.
- The Trustees consider whether they need to arrange for further training on ESG factors on a regular basis. No ESG training has been provided over the year, but the Trustees' investment advisors provide training in response to any changes in regulatory requirements.
- The Trustees have made no new investment manager appointments over the year.

Conclusions

Having reviewed the information set out in this Implementation Statement, the Trustees are comfortable that the voting and engagement activities carried out on their behalf over the year to 31 October 2020 was broadly in line with the policies set out in the SIP.

In particular, for the funds where voting data was available, the underlying investment managers in the Consensus Mixed Fund voted on 95% of the resolutions they were able to vote on over the year, which the Trustees believe to be an acceptable level. The Trustees are also satisfied that the examples of engagement activities that have been carried out over the year are appropriate.

Prepared by the Trustees of the Rickerby Limited Staff Pension and Assurance Scheme May 2021