

# Pickerings Limited Retirement Benefits Plan

## ENGAGEMENT POLICY

## IMPLEMENTATION STATEMENT

Financial Year Ending 5 April 2025

### Introduction

This statement sets out how, and the extent to which, the stewardship policy and related policies on environmental, social and governance ('ESG') factors and climate change set out in the Statement of Investment Principles ('SIP') have been followed during the year to 5 April 2025 (the 'Plan Year'). This Statement has been produced in accordance with The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 and subsequent amendments; and the statutory and non-statutory guidance from the Department of Work and Pensions.

### Investment Objectives of the Plan and Investment Strategy

The Trustees believe it is important to consider the policies in place in the context of the investment objectives they have set.

As set out in the SIP, the investment objectives can be categorised into three components:

#### 1. Buy-in policy:

Over the Plan Year, the Trustees have purchased an insurance policy with Just Retirement Limited ('Just'), known as a 'buy-in' policy in respect of the benefits for all the Plan's members.

#### 2. GMP / Barber Equalisation Reserve:

It is expected that there will be an additional cost of insuring the benefits resulting from GMP and Barber equalisation.

The cost of securing these additional benefits with Just will move in line with bond and inflation market indices specified by Just.

The investment objective in relation to this is to invest in a way to provide an appropriate level of liability hedging, in order to mitigate the impact of market movements on the cost of securing the benefits.

#### 3. Surplus Assets:

Lastly, the Trustees have agreed that an appropriate objective for the 'surplus' assets, i.e., those assets in excess of the buy-in policy and the GMP / Barber equalisation reserve, should be to maintain liquidity and stabilise the capital value of the surplus, not to seek to take risk to generate additional returns above a money market rate.

### Policy on ESG, Stewardship and Climate Change

The Trustees understand that they must consider all factors that have the potential to impact upon the financial performance of the Plan's investments over the appropriate time horizon. This includes, but is not limited to, ESG factors.

The Plan's SIP includes the Trustees' policies on ESG factors, stewardship and climate change. These policies are also set out in the Appendix to this Statement. The Trustees keep their policies under regular review, with the SIP subject to review at least triennially.

The SIP was updated over the Plan Year on 6 December 2024, to reflect the Plan's assets following the buy-in. It replaces the SIP dated 7 March 2024. The latest SIP is available online at:

<https://www.pickeringslifts.co.uk/> (at the bottom of the page - 'Investment Principles')

### **Trustees' Engagement**

The Plans surplus assets and those in relation to the GMP / Barber equalisation reserve are invested in passive pooled investment vehicles managed by Columbia Threadneedle ('CT').

They are invested in pooled funds containing gilts and index-linked gilts issued by the UK Government, and a money market fund. ESG considerations do not readily apply to these investments and there is therefore very limited ability to influence issuer behaviour by engagement.

Taking the above into consideration, the Trustees have not engaged with CT on matters relating to ESG, stewardship or climate change.

The Trustees' policy is therefore to invest the non-insured assets with an investment manager where responsible investment is embedded appropriately in its overall approach to investment; including monitoring and engaging with investee companies.

Further information on CT's approach to responsible investment, and engagement is available at the following website:

<https://www.columbiathreadneedle.co.uk/en/inst/about-us/responsible-investment/>

CT has been a signatory of the UK Stewardship Code since 2022. (Source FRC Website.)

Taking all the above into consideration, the Trustees are satisfied that responsible investment is embedded appropriately in CT's approach to investing.

### **Voting Activity**

As noted above, the Plan has purchased a buy-in policy with Just and is also invested in passive pooled funds, which have no voting rights.

As such, the Trustees do not assess any form of voting information, as it is not applicable to the Plan's investments.

### **Assessment of how the Engagement and Voting policies in the SIP have been followed for the year to 5 April 2025**

The Trustees are satisfied that the engagement and voting policies set out in the SIPs, which have been in place over the year, have been followed.

## **Appendix – Trustees’ Policies on ESG factors, stewardship and Climate Change**

The policies below are included within the 6 December 2024 SIP:

### **Financially Material Considerations**

The Trustees consider many risks which they anticipate could impact the financial performance of the Plan’s investments over the Plan’s expected lifetime. Such risks are set out in Section 5 of the SIP.

The Trustees recognise that environmental, social and governance (ESG) factors, such as climate change, can influence the long-term investment risk and return outcomes of the Plan’s portfolio and in normal circumstances it would be in members’ and the Plan’s best interests that these factors are taken into account within the investment process.

However, the Trustees have secured a buy in policy with an insurer for the members’ benefits and are working towards the wind up of the Plan. The lifetime of the Plan is therefore expected to be short, and the Trustees are satisfied that it is appropriate not to embed long term ESG considerations into the Plan’s investment strategy.

Furthermore, given the non-insured assets are invested in a Sterling Liquidity Fund, and in pooled funds containing gilts and index-linked gilts issued by the UK Government, ESG considerations do not readily apply to these investments

### **Non-Financial Matters**

The Trustees have determined that the financial interests of the members are their first priority when choosing investments.

They have therefore decided not to consider non-financial considerations, such as ethical views, or to take members’ preferences into account when setting the investment strategy for the Plan.

### **Stewardship**

The Plan has purchased a buy-in policy with Just and is also invested in pooled funds containing gilts and index-linked gilts issued by the UK Government. There are no voting rights in relation to the buy-in policy, and none of non-insured assets hold equities. Therefore, the Plan has no voting rights, and limited ability to influence behaviour by engagement.

The Trustees’ policy is therefore to invest the non-insured assets with an investment manager where responsible investment is embedded appropriately in its approach to investment and note that the investment manager’s approach to responsible investment is available at:

<https://www.columbiathreadneedle.co.uk/en/inst/about-us/responsible-investment/>.