

# Kellands (Holdings) Limited Pension and Life Assurance Fund

Implementation statement – September 2023



## Introduction

This Implementation Statement covers the period 6 April 2022 to 5 April 2023 and has been prepared by Open Trustees Limited, Trustee of the Kellands (Holdings) Limited Pension and Life Assurance Fund (the **Trustee and Fund**) to set out:

- How the Trustee's policies on stewardship and engagement have been followed.
- The voting behaviour of the Trustee, or that undertaken on our behalf.

## Statement of Investment Principles ("SIP")

The Trustee's policies on stewardship and engagement are included in the Fund's SIP, which is available on request. The SIP has been reviewed by the Trustee during the period.

## Meetings with fund managers

The Trustee's investments are held in an insurance policy with AVIVA Life Services Limited (**Aviva**). Aviva is responsible for the underlying investments of that policy which are invested in the Aviva With-Profits Fund. The investment performance is a smoothed return under which investment gains and losses are spread over the years. Each year AVIVA, announce what bonuses will be awarded on the policy.

## Reviews of fund managers

Under the insurance policy with Aviva there are valuable Guaranteed Annuity Rates which would be lost were the policy to be surrendered. The Trustee does not believe that it would be possible to adopt an alternative investment strategy which would provide sufficient returns to make up for the loss of these Guaranteed Annuity Rates for an acceptable level of risk. The Trustee therefore did not formally review the provision of fund management services during the period.

## Stewardship

Aviva has provided details of their Environmental, Social and Governance (**ESG**) and Stewardship policies which the Trustee has been provided for the period. This includes whether or not they are signatories to the UK Stewardship code and UN Principles for Responsible Investment (UN PRI). The UN PRI are a set of global best practices that provide a framework for integrating ESG issues into financial analysis, investment decision-making and ownership practices.

## Voting behaviour

The Trustee's policy is to delegate the exercise of voting rights to their managers and to disclose information on the voting decisions made by their managers. The Trustee will review the voting behaviour of the managers regularly to check that they are comfortable with the decisions taken by the managers and their approach generally.

### **How voting and engagement policies have been followed**

The Fund invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Fund's fund managers. The Trustee has taken into consideration the Financial Reporting Council's UK Stewardship Code. However, the Trustee cannot usually directly influence the managers' policies on the exercise of investment rights where the Trustee hold assets in pooled funds. This is due to the nature of these investments. The Trustee receive reporting on the voting and engagement policies of the fund managers and consider these as part of manager appointment and review processes.

The Trustee believes that Environmental, Social and Governance ("ESG") factors are financially material – that is, they have the potential to impact the value of the investments from time to time.

The Trustee considers it to be part of their investment managers' roles to assess and monitor how the companies in which they are investing are managing developments in ESG related issues, and in particular climate risk, across the relevant parts of the capital structure for each of the companies in which the managers invest on behalf of the Fund.

The Trustee have received information from the Investment managers on their voting behaviours, stewardship and engagement activities during the period of this Implementation Statement. Information provided can be accessed from the Aviva's website.

The Trustee was satisfied that the managers' policies were reasonable and no further remedial action was required during the period. Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the investment managers are in alignment with the Fund's stewardship policies.

### **Data limitations**

Where information is not included in this statement, it has been requested but has not been provided in a useable format or at all by the investment manager. The Trustee is in discussion with the managers around how this data will be provided for future statements.

### **Statement of compliance with Regulations**

Over the period, the Trustee is pleased to report that we have in our opinion adhered to the policies set out in the SIP and have complied with the Regulations.