

Implementation Statement, covering 1 April 2020 to 31 March 2021

The Trustee of the Charter Pension Scheme (the “Scheme”) is required to produce a periodic (in line with the reporting period) statement setting out

- how, and the extent to which, it has followed its Statement of Investment Principles (“SIP”) during the year (this statement is for the year 1 April 2020 to 31 March 2021 the “Scheme Year”),
- details of any review of the SIP during the Scheme year,
- subsequent changes made to the SIP with the reasons for the changes, and
- the date of the last SIP review.

The Statement is also required to include a description of the voting behaviour during the period by, and on behalf of, the Trustee (including the most significant votes cast by the Trustee or on its behalf); and state any use of the services of a proxy voter during the period. This is covered in Section 2 below.

1. Statement of Investment Principles

The SIP was updated on 17 September 2020 to include further details on the Scheme’s investment manager arrangements, as required to be included by 1 October 2020 under regulations that implement the European Union Shareholder Rights Directive, as well as minor amended wording on investment risks, in line with best practice.

No changes were made to the investment strategy for the Defined Benefit (“DB”) or (“DC”) sections of the Scheme, and there were no changes to any of the Trustee’s policies set out in the SIP, as the Scheme is preparing to wind-up.

2. Voting and engagement

The Trustee entered into a bulk annuity policy in November 2017 with Legal and General Assurance Society (“L&G”), to cover all members’ DB section benefits, and this fully insures the liabilities.

The Trustee acknowledges that environmental, social and governance (“ESG”) factors (which include climate change) are sources of risk. However, the Trustee considers these risks as very small, given the assets held by the Scheme and the expected short time period until the Scheme’s liabilities are secured.

Whilst the Trustee’s investments do not carry voting rights, it recognises its responsibilities as owners of capital, and believe that good stewardship practices, including monitoring and engaging with investee companies, protect and enhance the long-term value of investments.

The Scheme’s only remaining DB investment is held in a liquidity fund with BlackRock Investment Management. The DC section assets are held in deposit accounts. Therefore, there were no engagement opportunities over the period.

3. Description of voting behaviour during the period

The Scheme did not invest in equities during the reporting period to 31 March 2021 and therefore there is not any voting behaviour to report on in this Statement. The Trustee did not use of the services of a proxy voter during the period.