

## **T Grocock & Co (Rothwell) Limited Retirement Benefits Scheme (“the Scheme”) - Implementation Statement 9th April 2024 – 8th April 2025**

### **Introduction**

An Implementation Statement (‘Statement’) has been prepared in accordance with applicable legislation, taking into account guidance from The Department of Work and Pensions for the period from 9<sup>th</sup> April 2024 to 8<sup>th</sup> April 2025 (‘the Scheme Year’).

The Statement sets out how and the extent to which, the Trustee’s policy in relation to exercising voting rights has been followed during the year by describing the voting behaviour on behalf of the Trustee of the Scheme. It also sets out some of the Trustee policies in the SIP.

### **Trustee’s Policies**

This section sets out the policies in the SIP in force at the Scheme year end relating to the following:

- Financially material considerations
- Non-financial matters
- Investment management arrangements

Stewardship including the exercise of voting rights and engagement activities is set out in the ‘Voting and Engagement’ section.

As documented in the SIP, dated November 2024:

#### **Financially Material Considerations**

*The Trustee has considered financially material factors such as environmental, social and governance (‘ESG’) issues as part of the investment process to determine a strategic asset allocation over the length of time during which the benefits are provided by the Scheme for members. Such matters are assessed for materiality and impact within a broader risk-management framework, which takes account of the Trustee’s funding timeframe and views on the Sponsor’s covenant.*

*In endeavouring to invest in the best financial interests of the beneficiaries, the Trustee has elected to invest through pooled funds.*

*The Scheme is invested in gilts and index linked gilts and there is limited scope to take into account financially material considerations and socially responsible investment. However, the Trustee does expect its fund manager and investment adviser to take account of financially material considerations when carrying out their respective roles, where possible.*

*The Trustee will only invest with investment managers that are signatories for the United Nations supported Principles of Responsible Investment (‘UN PRI’) or other similarly recognised standards.*

#### **Non-Financially Material Considerations**

*The Trustee has not considered non-financial matters in the selection, retention and realisation of investments.*

#### **Investment Manager Arrangements**

#### **Incentives to align investment managers’ investment strategies and decisions with the Trustee’s policies**

*The Scheme invests in pooled funds and so the Trustee acknowledges that decisions cannot be tailored to the Trustee’s policies. However, the Trustee sets its investment strategy and then selects managers that best suits its strategy, taking into account the fees being charged, which acts as the fund manager’s incentive.*

*Incentives for the investment managers to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term*

*The Trustee invests passively solely in gilts and index linked gilts and so believes that there is no scope to improve the financial performance of the UK Government.*

*How the method (and time horizon) of the evaluation of the investment managers' performance and the remuneration for asset management services are in line with the Trustee's policies*

*The Trustee assesses the performance of the funds, where possible, over at least a 3-5 year period when selecting a manager, albeit it should be noted that it is expected that the Scheme will have entered the PPF before then, and will always consider this when looking to select or terminate a manager together with other relevant factors other than performance after obtaining advice from the investment consultant.*

*The fund manager's remuneration is considered as part of the manager selection process.*

*As the timeframe before the assets are sold is 12-24 months and passive management is being used, the Trustee will only take action to replace the manager in extreme circumstances on receipt of advice from the investment consultant.*

*How the Trustee monitors portfolio turnover costs incurred by the investment managers, and how they define and monitor targeted portfolio turnover or turnover range*

*The Trustee does not monitor portfolio turnover costs incurred by the asset manager as it is not a financially material concern over the investment time horizon.*

*The duration of the arrangement with the investment managers*

*The Scheme is in a PPF assessment period and is only expected to hold the investments until it is transferred into the PPF, which is likely to be relatively short.*

### **Voting and Engagement**

The Trustee is required to disclose the voting and engagement activity over the Scheme Year. The Trustee requested this information from their investment managers and they have confirmed that there is no information to report given the nature of the Scheme's assets.

### **Voting and Engagement Policy and Funds**

The Trustee policy on stewardship is set out below, as documented in the SIP:

*The Trustee's 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 Trustee's behalf, having regard to the best financial interests of the beneficiaries.*

*The investment manager should engage with companies that take account of ESG factors in the exercise of such rights as the Trustee believes this will be beneficial to the financial interests of members over the long term.*

*The Trustee invests in gilts and index linked gilts and so there are no voting rights and limited scope to engage in the investments, however, it does encourage the fund manager to do so where possible.*

*The Trustee has taken into consideration the Financial Reporting Council's UK Stewardship Code and expects investment managers to adhere to this where appropriate for the investments they manage.*

The table below details the assets which the Scheme invested in over the Scheme year.

Asset class	Fund name	Investment period 09/04/2024 - 08/04/2025	Proxy advisor	Voting activity/ significant votes	Engagement activity
Gilts	LGIM 5 to 15 Years Gilts Index Fund	Whole period	N/A	N/A	None reported
Gilts	LGIM Over 15 Year Index-Linked Gilts Index Fund	Whole period	N/A	N/A	None reported
Gilts	LGIM Over 15 Years Gilt Index Fund	Whole period	N/A	N/A	None reported
Gilts	LGIM Under 15 Years Index-Linked Gilts Index Fund	Whole period	N/A	N/A	None reported

### Conclusion

The Scheme is invested in gilt and index linked gilt funds that have no voting or engagement activity to report which the Trustee believes is reasonable given the asset class.

In summary, it is the Trustee's view that the policies in the SIP have been followed during the Scheme Year.

Signed on behalf of the Trustee on 29 October 2025