

## **William Kenyon & Sons Superannuation and Life Assurance Scheme**

### **Implementation Statement 1 April 2023 – 31 March 2024**

The Trustees of the William Kenyon Scheme have prepared this implementation statement in compliance with the governance standards introduced under The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. Its purpose is to demonstrate how the Scheme has followed the policies on voting, stewardship and engagement as set out in the Scheme's Statement of Investment Principles (SIP). The latest version of the SIP is dated August 2023 and a copy can be downloaded from [www.williamkenyon.co.uk](http://www.williamkenyon.co.uk).

This statement covers the Scheme's financial year from 1 April 2023 to 31 March 2024.

After the substantial revision in the Scheme's investment strategy during the previous year, further changes to the structure of the portfolio were undertaken in the first half of the year. The year started with the Scheme's assets held entirely in cash and a portfolio of fixed and index-linked gilts. In August, some of the gilts were sold and then reinvested in a specific mix of three long dated gilts (one fixed and two index-linked) and three corporate bond funds. The overall target allocation was 40% gilts and 60% corporate credit. The structure of the portfolio then remained unchanged for the balance of the year. The asset allocation has been designed to broadly mirror insurer pricing as the Trustees continue to prepare the Scheme for a further buy-in transaction.

The Scheme's assets are managed by Castlefield Investment Partnership LLP (Castlefield). The invested portfolio throughout the year consisted exclusively of government debt, for which there are no voting rights to exercise nor engagement to undertake, and corporate debt, for which there are also no voting rights to exercise. The corporate fund providers engage extensively with the companies in whose debt they invest. Details of the nature of the engagement undertaken in the year under review by the three providers whose funds are held by the Scheme are presented in the pages below.

No changes were made to the voting, stewardship and engagement policies in the SIP during the year.

The Trustees have, in their opinion, followed the Scheme's stewardship policies throughout the year under review, by continuing to delegate to Castlefield, and through them to individual fund providers, the exercise of engagement activities in relation to investments, as well as working with an investment manager that has strong, proven stewardship policies and processes. The Trustees believe that Castlefield has acted in accordance with the Scheme's policies during the year.

The Scheme's investment strategy continues to evolve and the SIP will be revised as necessary to reflect the latest developments.

**Adopted by the Trustees on 11 October 2024.**

## FUND PROVIDER ENGAGEMENT

The table below provides an aggregated summary of the engagement activity undertaken during the year to 31 March 2024 by the three corporate bond fund providers whose funds are held by the Scheme.

Statistics for the individual providers, who define their own engagement topics and topic categories, are presented in the pages following.

It should be noted that engagements may relate to more than one topic.

|  |            |
|--|------------|
| <b>Number of entities engaged</b>  | <b>159</b> |
|  |            |
| <b>Number of engagements</b>   | <b>339</b> |
|  |            |
| <b>Engagement by topic</b>   |            |
| Business - Strategy & Performance  | 264        |
|  |            |
| Environmental - Climate change   | 112        |
| Environmental - Natural resource use/impact (e.g. water, biodiversity, waste, pollution) | 88         |
|  |            |
| Social - Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying)                  | 9          |
| Social - Human and labour rights (e.g. supply chain rights, community relations)         | 36         |
| Social - Human capital management (e.g. inclusion & diversity, employee terms, safety)   | 50         |
|  |            |
|  |            |
| Governance - Board effectiveness - Independence or Oversight                             | 157        |
| Governance – Remuneration  | 64         |
| Governance – Other   | 139        |

## INSIGHT INVESTMENT

|   |           |
|---|-----------|
| <b>Number of entities engaged</b>   | <b>61</b> |
|   |           |
| <b>Number of engagements</b>  | <b>98</b> |
|   |           |
| <b>Engagement by topic</b>  |           |
| Environment - Climate change  | 43        |
| Environment - Natural resource use/impact (e.g. water, biodiversity)  | 8         |
| Environment - Pollution, Waste  | 5         |
| Environment - Antimicrobial Resistance  | 0         |
| Governance - Board effectiveness - Independence or Oversight  | 17        |
| Governance – Remuneration   | 6         |
| Governance - Shareholder rights   | 4         |
| Other (specify below)   | 14        |
| Social - Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying)   | 4         |
| Social - Human and labour rights (e.g. supply chain rights, community relations)  | 8         |
| Social - Human capital management (e.g. inclusion & diversity, employee terms, safety)                                  | 14        |
| Social – Inequality   | 1         |
| Social - Public health  | 1         |
| Strategy, Financial and Reporting - Capital allocation  | 52        |
| Strategy, Financial and Reporting - Financial performance   | 74        |
| Strategy, Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting)                        | 50        |
| Strategy, Financial and Reporting - Risk management (e.g. operational risks, cyber/information security, product risks) | 30        |
| Strategy, Financial and Reporting - Strategy/purpose  | 81        |

**BLACKROCK**

|  |            |
|--|------------|
| <b>Number of entities engaged</b>          | <b>39</b>  |
|  |            |
| <b>Number of engagements</b>               | <b>105</b> |
|  |            |
| <b>Engagement by topic</b>                 |            |
| E-Biodiversity                             | 8          |
| E-Climate Risk Management                  | 51         |
| E-Land Use/Deforestation                   | 4          |
| E-Environmental Impact Management          | 0          |
| E-Operational Sustainability               | 0          |
| E-Other company impacts on the environment | 18         |
| E-Water and Waste                          | 5          |
| G-Board Composition and Effectiveness      | 35         |
| G-Board Gender Diversity                   | 5          |
| G-Business Oversight/Risk Management       | 37         |
| G-Corporate Strategy                       | 46         |
| G-Executive Management                     | 17         |
| G-Governance Structure                     | 20         |
| G-Other                                    | 6          |
| G-Remuneration                             | 43         |
| G-Sustainability Reporting                 | 29         |
| S-Business Ethics and Integrity            | 5          |
| S-Community relations                      | 9          |
| S-Diversity and Inclusion                  | 11         |
| S-Health and Safety                        | 2          |
| S-Human Capital Management                 | 19         |

**BLACKROCK (continued)**

| <b>Engagement by topic</b>                     |    |
|--|----|
| S-Indigenous Peoples Rights                    | 3  |
| S-Other Human Capital Management issues        | 1  |
| S-Other company impacts on people/human rights | 6  |
| S-Privacy and Data Security                    | 6  |
| S-Social Risks and Opportunities               | 15 |
| S-Supply Chain Labour Management               | 2  |

**FIDELITY**

|                                   |            |
|-----------------------------------|------------|
| <b>Number of entities engaged</b> | <b>59</b>  |
|                                   |            |
| <b>Number of engagements</b>      | <b>136</b> |
|                                   |            |
| <b>Engagement by topic</b>        |            |
| BIODIVERSITY                      | 19         |
| BOARD STRUCTURE                   | 5          |
| BUSINESS STRATEGY                 | 11         |
| CLIMATE CHANGE                    | 18         |
| COMMUNITY MANAGEMENT              | 2          |
| CYBER SECURITY / DATA PRIVACY     | 2          |
| DIGITAL ETHICS                    | 1          |
| DIVERSITY                         | 4          |
| EMPLOYEE MANAGEMENT               | 4          |
| ENERGY CONSUMPTION                | 2          |
| ESG INTEGRATION                   | 3          |
| EXECUTIVE REMUNERATION            | 15         |
| GHG EMISSIONS                     | 9          |
| GOVERNANCE                        | 21         |
| HUMAN RIGHTS / MODERN SLAVERY     | 4          |
| OPERATION SAFETY                  | 1          |
| SUPPLY CHAIN MANAGEMENT           | 2          |
| SUSTAINABILITY REPORTING          | 3          |
| WATER MANAGEMENT                  | 10         |