

# The Sutcliffe Speakman Pension & Life Assurance Scheme Implementation Statement for the year ended 31 March 2023

## Purpose

---

This Implementation Statement provides information on how, and the extent to which, the Trustees of the Sutcliffe Speakman Pension & Life Assurance Scheme (“the Scheme”) have followed their policy in relation to the exercising of rights (including voting rights) attached to the Scheme’s investments, and engagement activities during the year ended 31 March 2023 (“the reporting year”). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

## Background

---

In Q1 2019, the Trustees received training on Environmental, Social and Governance (“ESG”) issues from their Investment Adviser, XPS Investment (“XPS”) and discussed their beliefs around those issues. This enabled the Trustees to consider how to update their policy in relation to ESG and voting issues which, up until that point, had simply been a broad reflection of the investment managers’ own equivalent policies. The Trustees’ new policy was first documented in the updated Statement of Investment Principles dated September 2019, then subsequently updated in the version dated September 2020 to reflect additional detail on stewardship and remains in the latest Statement of Investment Principles dated January 2021.

## The Trustees’ updated policy

---

The Trustees believe that there can be financially material risks relating to ESG issues. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme’s investment managers. The Trustees require the Scheme’s investment managers to take ESG and climate change risks into consideration within their decision-making, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

The Trustees have delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme’s investments to the investment managers and encourage them to engage with investee companies and vote whenever it is practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments.

## Manager selection exercises

---

One of the main ways in which this updated policy is expressed is via manager selection exercises: the Trustees seek advice from XPS on the extent to which their views on ESG and climate change risks may be taken into account in any future investment manager selection exercises.

During the reporting year, there have been no such manager selection exercises.

## Ongoing governance

---

The Trustees, with the assistance of XPS, monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustees’ requirements as set out in this statement. Further, the Trustees have set XPS the objective of ensuring that any selected managers reflect the Trustees’ views on ESG (including climate change) and stewardship.

Beyond the governance work currently undertaken, the Trustees believe that their approach to, and policy on, ESG matters will evolve over time based on factors including developments within the industry. In particular, whilst the Trustees have not to date, introduced specific stewardship priorities, they will monitor the results of those votes deemed by the managers to be the most significant in order to determine whether specific priorities should be introduced and communicated to the managers.

## **Adherence to the Statement of Investment Principles**

---

The Trustees are satisfied that during the reporting year they followed their policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree.

## **Voting activity**

---

The assets that the Scheme held throughout the year (ending 31 March 2023) had no equity exposure and therefore no voting information was disclosed.

The Trustees confirm the Implementation Statement is accurate and representative of the Trustees' investment policies followed during the year.

The Statement has been approved by the Trustees of the Sutcliffe Speakman Pension & Life Assurance Scheme and subsequently signed. For security reasons, signed copies of this statement are only available upon request.