

Implementation Statement

Keller Group Pension Scheme

Purpose of this statement

This implementation statement has been produced by the Trustees of the Keller Group Pension Scheme (**“the Scheme”**) to set out the following information over the year to 5 April 2024:

- how the Trustees’ policies on exercising rights (including voting rights) and engagement activities have been followed over the year.
- the voting activity undertaken by the Scheme’s investment managers on behalf of the Trustees over the year, including information regarding the most significant votes

The voting behaviour is not given over the Scheme year end to 5 April 2024 because investment managers only report on this data quarterly, we have therefore given the information over the year to 31 March 2024.

How voting and engagement policies have been followed

Based on the information provided by the Scheme’s investment managers, the Trustees believe that their policies on voting and engagement have been met in the following ways:

- The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme’s fund managers.
- The Trustees undertook an initial review of the stewardship and engagement activities of the current managers at their 16 September 2019 meeting and were satisfied that their policies were reasonable, and no remedial action was required at that time.
- The Trustees obtained training on ESG considerations in order to understand fully how ESG factors including climate change could impact the Scheme and its investments.
- Annually the Trustees monitor and review voting information and engagement policies from the asset managers, to ensure alignment with our own policies. The results are summarised in an annual sustainability monitoring report. The Trustees believe that the voting and engagement activities undertaken by the asset managers on their behalf have been in the members’ best interests.
- As part of ongoing monitoring of the Scheme's investment managers, the Trustees use ESG ratings information available within the pensions industry or provided by its investment consultant, to assess how the Scheme's investment managers take account of ESG issues

Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the fund managers are in alignment with the Scheme’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 Trustees’ investment consultants are in discussion with the managers around how this data will be provided for future statements.

Stewardship policy

The Trustees' Statement of Investment Principles (SIP) in force at 5 April 2024 describes the Trustees' stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in March 2024 and has been made available online here:

<https://www.keller.co.uk/sites/keller-uk/files/2024-03/2024-03-keller-sip-v1.0-website-version.pdf>

The Trustee has decided not to set stewardship priorities / themes for the Scheme, since the Scheme invests in pooled funds and therefore has limited scope to influence the managers' actions in this area. The Trustees have delegated the exercise of rights attaching to investments, including voting rights, and in undertaking engagement activities to the Scheme's investment managers.

Prepared by the Trustees of the Keller Group Pension Scheme

31 July 2024

Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Scheme's return-seeking strategy on behalf of the Trustees over the year to 31 March 2024. Voting only applied to funds that hold equities in their portfolio. Therefore, the Baring Global High Yield Credit Strategies Fund, the Vontobel TwentyFour Strategic Income Fund, and the Protection portfolio with Insight have no voting rights. The Schroder Private Equity Fund of Funds is in liquidation and so voting data is not available for the fund.

The Scheme disinvested from the Blackrock Dynamic Diversified Growth Fund in December 2023, however the table below provides a summary of voting activity over the full year to 31 March 2024.

Manager	Fundsmith	BlackRock
Fund name	Equity Fund	BIJF Dynamic Diversified Growth Fund
Structure	Pooled	Pooled
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.	
No. of eligible meetings	23	570
No. of eligible votes	404	7,166
% of resolutions voted	100.0%	94.4%
% of resolutions abstained	0.0%	1.6%
% of resolutions voted with management¹	92.0%	94.5%
% of resolutions voted against management¹	8.0%	5.5%
Proxy voting advisor employed	None	Institutional Shareholder Services' (ISS) electronic platform and various proxy research firms
% of resolutions voted against proxy voter recommendation¹	n/a	0.3%

¹ As a percentage of the total number of resolutions voted on

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustees over the year to be set out. The guidance states that a significant vote is likely to be one that is linked to one or more of a scheme's stewardship priorities. As the Trustees have decided not to set stewardship priorities for the Scheme, the Trustees have asked the investment manager to determine what they believe to be a significant vote for the purpose of this Implementation Statement. A summary of the data they have provided is set out in the tables below.

Fundsmith Equity Fund

	Vote 1	Vote 2	Vote 3
Company name	Church & Dwight	Idexx	Coloplast
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.0%	5.0%	3.0%
Summary of the resolution	Stockholder Proposal - Independent Board Chairman.	Advisory Vote on Executive Compensation. To approve a nonbinding advisory resolution on the Company's executive compensation.	Advisory vote on executive compensation
How the manager voted	For	For	Against
Rationale for the voting decision	Fundsmith believe that an independent chair is important for impartial decision making and promoting long term thinking on the board.	Idexx's Remuneration Policy was one of the few that included both growth and returns-based metrics. Fundsmith view both as required to properly incentivise management to focus on the long-term success of the business.	Fundsmith voted against Coloplast's remuneration policy as they do not believe it would effectively align the interests of management with that of the long-term success of the business.
Outcome of the vote	Shareholder proposal rejected	Remuneration Policy approved	Remuneration Policy approved
Implications of the outcome	Not provided	Not provided	Not provided
Criteria on which the vote is considered "significant"	Fundsmith view this as a concern related to good governance practices.	Fundsmith view remuneration as a key driver of the long-term sustainability of a business.	Fundsmith view remuneration as a key driver of the long-term sustainability of a business.

BlackRock, BIJF Dynamic Diversified Growth Fund

	Vote 1	Vote 2	Vote 3
Company name	Broadcom Inc.	Shell Plc	Alphabet Inc.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Not provided	Not provided	Not provided
Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation	Request Shell to Align its Existing 2030 Reduction Target Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement	Approve Recapitalisation Plan for all Stock to Have One-vote per Share
How the manager voted	Against	Against	For
Rationale for the voting decision	BlackRock believe that executive pay is not aligned with performance and peers.	BlackRock believe that the request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company.	BlackRock believe that one vote per share is in the best interest of long term shareholders
Outcome of the vote	Fail	Fail	Fail
Implications of the outcome	Not provided	Not provided	Not provided
Criteria on which the vote is considered "significant"	Not provided	Not provided	Not provided

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme's LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown. Please note that the Scheme invested in the Insight Short Dated Buy & Maintain Holding Fund and Insight Liquid ABS Holding Fund in December 2023, as well as fully disinvesting from its DGF holding. However, all data provided below covers the full year to 31 March 2024.

Manager	Fundsmith	BlackRock	Schroder	Insight
Fund name	Equity Fund	BIJF Dynamic Diversified Growth Fund	Private Equity Fund of Funds II**	UK Corporate Long Maturities Bond Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	49	331	Not provided	108
Number of entities engaged on behalf of the holdings in this fund in the year	25	193	Not provided	62
Number of engagements undertaken at a firm level in the year	Not provided	Not provided	Not provided	2,521

**The manager has not provided information regarding this fund as it is in the process of liquidation.

Manager	Insight	Insight	Barings	Vontobel TwentyFour
Fund name	Short Dated Buy & Maintain Holding Fund	Liquid ABS Holding Fund	Global High Yield Credit Strategies Fund	Strategic Income Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	104	60-70	260*	92
Number of entities engaged on behalf of the holdings in this fund in the year	45	55	176*	100**
Number of engagements undertaken at a firm level in the year	2,521	2,521	490	300

*Barings are unable to provide portfolio-level statistics. Therefore, these figures represent engagements across their fixed income platform.

**TwentyFour have stated that this number is approximate.

Examples of engagement activity undertaken over the year to 5 April 2024

Fundsmith Equity Fund

Idexx

Fundsmith engaged with Idexx to discuss their rationale for not establishing a net zero target, as one of the few companies within the portfolio that have not done so. Fundsmith met with the company's CEO and CFO, who highlighted the fact that they have worked with the SBTi to establish emission reduction targets in line with the Paris Agreement. Idexx are working to gain a better understanding of their emissions and the projects that can pursue that will have the biggest impact before focusing on net zero. Fundsmith were satisfied that the company were taking appropriate action to manage their carbon emissions. We will continue discussing this with them to assess their progress

Barings, Global High Yield Credit Strategies Fund

Global Tugboats Business (specific entity names were not disclosed by Barings)

Barings invest in a global tugboats business with a large fleet operating from a network of ports. Due diligence on the issuer by their investment analyst has highlighted areas of potential improvement on environmental topics.

Barings undertook an engagement with the CEO and CFO regarding emissions reduction strategies. They requested that the company continues to work with port authorities to install electric charging points across the port network to reduce idling emissions, and that the company explores options for the use of lower emissions fuel types on new vessels and its existing fleet. Barings expect this to be a multi-year engagement with semi-annual interactions with senior management.