

Otter Controls Limited Retirement Benefits Scheme Implementation Statement for the year ended 31 October 2024

Purpose

This statement provides information on how, and the extent to which, the Trustee's policies in relation to the exercising of rights (including voting rights), attached to the Scheme's investments, and engagement activities have been followed during the year ended 31 October 2024 ("the reporting year"). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

Background

The Scheme's Statement of Investment Principles ("SIP") was updated in May 2024 to reflect the Scheme's new investment strategy. Through implementing the new investment strategy, the Trustee removed all exposure to equity assets, therefore the Scheme no longer has any exposure to assets with voting rights.

The Trustee's policy on ESG and stewardship

Environmental, Social and Governance policy

To appoint managers who satisfy the following criteria, unless there is a good reason why the manager does not satisfy each criteria:

1. Responsible Investment ("RI") Policy / Framework
2. Implemented via Investment Process
3. A track record of using engagement and any voting rights to manage ESG factors
4. ESG specific reporting
5. UN PRI signatory

The Trustee monitors the managers on an ongoing basis

Voting policy - How the Trustee expects managers to vote on their behalf

The Trustee no longer invests in assets with voting rights.

Engagement policy - How the Trustee will engage with investment managers, direct assets and others about "relevant matters"

The Trustee has acknowledged responsibility for the engagement policies that are implemented by the Scheme's investment managers on their behalf. The Trustee, via their investment advisers, will engage with managers about 'relevant matters' at least annually.

Manager selection exercises

One of the main ways in which this updated policy is expressed is via manager selection exercises: the Trustee may seek advice from XPS Investment 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 Trustee, with the assistance of XPS Investment, monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustee's requirements as set out in this statement.

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

Adherence to the Statement of Investment Principles

During the reporting year the Trustee was satisfied that it followed its policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree.

Voting activity

The main asset class where investment managers will have voting rights is equities. The equities the Trustee held were sold during the reporting year, as part of the Trustee's transitioning of the Scheme to a de-risked investment strategy. As such, voting data has not been included for this period.

I confirm that this Implementation Statement is accurate and representative of the Trustee's investment policies followed during the year.

Signed: _____

Trustee of the Otter Controls Limited Retirement Benefits Scheme

Date: _____