

# Keller Group Pension Scheme

## Implementation Statement

September 2021

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This is the Implementation Statement prepared by the Trustees of the Keller Group Pension Scheme (“the Scheme”) and sets out:

- How the Trustees’ policies on exercising rights (including voting rights) and engagement have been followed over the year to 5 April 2021.
- The voting and engagement behaviour of the Trustees, or that undertaken on their behalf, over the year.

### How voting and engagement policies have been followed

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 monitor the ESG performance of the managers on a regular basis, alongside preparation of the Implementation Statement.

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.

### Voting Data

Voting only applies to funds that hold equities within their portfolio. As such, this will only include the Fundsmith equity fund and the BlackRock Dynamic Diversified Growth Fund. The investment managers of these funds vote on behalf of the Trustees and information on the votes made over the year are summarised over the next few pages.

## Voting Data

Manager	Fundsmith	BlackRock
<b>Fund name</b>	Equity Fund	BIJF Dynamic Diversified Growth Fund
<b>Structure</b>	Pooled	Pooled
<b>Ability to influence voting behaviour of manager</b>	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.
<b>Number of company meetings the manager was eligible to vote at over the year</b>	30	977
<b>Number of resolutions the manager was eligible to vote on over the year</b>	449	12,398
<b>Percentage of resolutions the manager voted on</b>	100.0%	96.6%
<b>Percentage of resolutions the manager abstained from</b>	0.0%	0.9%
<b>Percentage of resolutions voted with management, as a percentage of the total number of resolutions voted on</b>	93.5%	93.3%
<b>Percentage of resolutions voted against management, as a percentage of the total number of resolutions voted on</b>	6.5%	5.8%
<b>Percentage of resolutions voted contrary to the recommendation of the proxy advisor</b>	n/a	n/a

## Significant votes

For the first year of implementation statements we have delegated to the investment managers to define what a "significant vote" is. A summary of the data they have provided is set out below.

	Vote 1	Vote 2	Vote 3	Vote 4
<b>Company name</b>	Reckitt Benckiser	Nike	Coloplast	PepsiCo
<b>Date of vote</b>	12 May 2020	17 September 2020	3 December 2020	6 May 2020
<b>Approx. size of fund's holding as at the date of the vote (% of portfolio)</b>	3%	Not provided	2%	4%
<b>Summary of the resolution</b>	Changes to the executive remuneration plan (updates to the LTIP).	Proposal to for increased disclosure regarding political contributions.	Approval of the company's remuneration policy.	Approval of the company's remuneration policy.
<b>How the manager voted</b>	For	For	For	Against
<b>Did the manager communicate their intent for "against" votes to the company ahead of the vote?</b>	n/a	Yes	Yes	Yes
<b>Rationale for the voting decision</b>	After voting against the company's executive remuneration plan in the previous AGM Fundsmith engaged with the company. Following consultation the company agreed to work towards updating the LTIP. The manager therefore voted in favour of the changes at the following AGM, as the metric used better incentivises long-term growth and profitability of the business and protects the best interests of investors.	The manager believed that voting in favour of the shareholder-proposed resolution was the best decision for the company's long-term performance given the circumstances at the time of the vote.	The company's remuneration structure doesn't use the manager's preferred returns-based metric so the manager engaged with the company regarding the metrics. The manager felt that the company's response showed the policy is well suited to the company and supports sustainable, long-term growth. The manager therefore voted in favour of the policy.	Despite voting in favour of the company's remuneration policy in 2019, Fundsmith voted against in in 2020. After engaging with the company on the matter they kept relative TSR in their policy. The company's LTIP goes against Fundsmith's preferred remuneration policy
<b>Outcome of the vote</b>	Plans for an updated remuneration policy were started.	The proposal was rejected	Old remuneration policy remains in place.	Old remuneration policy remains in place.
<b>Implications of the outcome</b>	Not provided	Not provided	Not provided	Fundsmith continue to engage with the company about including a returns-based measure in their LTIP.
<b>Criteria on which the vote is considered "significant"</b>	Influence on company	Vote topic	Departure from the manager's typical approach	Influence on company

## BlackRock, BIJF Dynamic Diversified Growth Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Barclays Plc	Chevron Corporation	The Procter & Gamble Company
<b>Date of vote</b>	7 May 2020	27 May 2020	13 October 2020
<b>Approx. size of fund's holding as at the date of the vote (% of portfolio)</b>	Not provided	Not provided	Not provided
<b>Summary of the resolution</b>	Approve Barclays' Commitment to Tackling Climate Change	Report on Climate Lobbying Aligned with Paris Agreement Goals	Annual Report on Diversity
<b>How the manager voted</b>	For	For	Against
<b>Did the manager communicate their intent for "against" votes to the company ahead of the vote?</b>	n/a	Not provided	n/a
<b>Rationale for the voting decision</b>	The manager voted for the resolution via an independent fiduciary. The independent fiduciary took several factors into consideration when voting on this resolution and determined that the company has set a clear ambition to become net-zero and align to the goals of the Paris Agreement, addressing shareholders' concerns for the time being.	The manager voted for this resolution as they felt that increasing the transparency of the company's approach would help to demonstrate consistency between the company's private and public messaging regarding the management of climate risk and the transition to a lower-carbon economy.	The manager believed that the report requested in the resolution would be redundant given the company's existing workplace demographic disclosure and other initiatives.
<b>Outcome of the vote</b>	Not provided	Not provided	Not provided
<b>Implications of the outcome</b>	Not provided	Not provided	Not provided
<b>Criteria on which the vote is considered "significant"</b>	Not provided	Not provided	Not provided

## Fund level engagement

Manager	Fundsmith	BlackRock	Schroder	Insight
<b>Fund name</b>	Equity Fund	BIJF Dynamic Diversified Growth Fund	Private Equity Fund of Funds II*	UK Corporate Long Maturities Bond Fund
<b>Does the manager perform engagement on behalf of the holdings of the fund</b>	Yes	Yes	Not provided	Yes
<b>Has the manager engaged with companies to influence them in relation to ESG factors in the year?</b>	Yes	Yes	Not provided	Yes
<b>Number of engagements undertaken on behalf of the holdings in this fund in the year</b>	25	938	Not provided	89
<b>Number of engagements undertaken at a firm level in the year</b>	99	Not provided	1,564	1,218
<b>Examples of engagements undertaken with holdings in the fund</b>	Metrics affecting remuneration, performance against environmental targets, monitoring claims of poor conduct.	Board Composition & Effectiveness, Climate Risk Management, Operational Sustainability	Not provided	ESG strategy discussions, AML governance and oversight, governance concerns.

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