

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 2025:

- 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 2025 because investment managers only report on this data quarterly, we have therefore given the information over the year to 31 March 2025.

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 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 2025 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/node/3896>

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

June 2025

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 2025. 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.

Manager	Fundsmith
Fund name	Equity Fund
Structure	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	24
No. of eligible votes	414
% of resolutions voted	100.0%
% of resolutions abstained	0.0%
% of resolutions voted with management¹	93.0%
% of resolutions voted against management¹	7.0%
Proxy voting advisor employed	None
% of resolutions voted against proxy voter recommendation¹	N/a

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	Fortinet	Alphabet	Waters
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.5%	4.0%	3.0%
Summary of the resolution	Advisory vote to approve named executive officer compensation, as disclosed in the Proxy Statement.	Stockholder proposal regarding equal shareholder voting.	To approve, by non-binding vote, executive compensation.
How the manager voted	Against	For	Against
Rationale for the voting decision	Fundsmith voted against Fortinet's remuneration policy as it did not contain the components they deem essential in aligning management's incentives with the long-term success of the company.	Fundsmith voted in favour of this proposal as it ensures that the best interests of investors are represented at Alphabet's AGMs.	Fundsmith voted against Waters' remuneration policy as it did not contain the components they deem essential in aligning management's incentives with the long-term success of the company.
Outcome of the vote	Remuneration policy approved	Proposal rejected	Remuneration Policy approved
Implications of the outcome	While the company's remuneration policy does not align with what Fundsmith deem to be the most effective, Fundsmith do not believe that it poses a direct risk to the company's ability to grow and compound in value over the long term at this point in time. Fundsmith may choose to engage with company management to discuss their opinion on the matter.	Fundsmith believe that it is rare that these proposals gain approval. Fundsmith are unlikely to pursue further action on the topic but will continue to support such measures at future AGMs.	While the company's remuneration policy does not align with what Fundsmith deem to be the most effective, Fundsmith do not believe that it poses a direct risk to the company's ability to grow and compound in value over the long term at this point in time. Fundsmith are currently engaging with company management on its approach to executive compensation.
Criteria on which the vote is considered "significant"	Fundsmith view remuneration as a key driver of the long-term sustainability of a business.	Fundsmith believe it supports good governance practices.	Fundsmith view remuneration as a key driver of the long-term sustainability of a business.

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.

Manager	Fundsmith	Schroder	Insight
Fund name	Equity 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	47	Not provided	90
Number of entities engaged on behalf of the holdings in this fund in the year	24	Not provided	56
Number of engagements undertaken at a firm level in the year	Not provided	Not provided	939

*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	108	60*	167	185
Number of entities engaged on behalf of the holdings in this fund in the year	67	55*	111	170
Number of engagements undertaken at a firm level in the year	939		291	400*

*TwentyFour and Insight have stated that this number is approximate.

Examples of engagement activity undertaken over the year to 5 April 2025

Fundsmith Equity Fund

Otis: Sustainability

Otis has set a series of sustainability-related goals for the business, including carbon emission reduction targets covering its scope 1, 2 and 3 emissions. Fundsmith met with Otis to discuss their progress towards their goals and their rationale for the direction they had chosen.

Fundsmith met with Otis' CEO and Lead Independent Director to discuss the company's sustainability strategy. Fundsmith asked about the company's progress towards their emission reduction goals and how the company was approaching emissions reductions. Fundsmith also asked the company why they had opted against setting longer term reduction targets, such as the net zero 2050 targets many corporates are committed to.

The company explained their approach to cutting emissions and the areas they were focusing on as they approached their 2033 target year. Otis are focusing on the areas that contribute the most to their emissions and finding areas of 'low hanging fruit' to remove large sources before moving to areas that are more challenging to manage. The company also explained that they had set the targets in a time-frame current management had influence over. They had chosen not to set aspirational goals that future leaders of the company were bound to and may not feasibly be able to reach.

Following the meeting Fundsmith were satisfied that Otis' focus on material emissions and their approach to longer term target setting was appropriate for the business and that it was managing climate-related risks well.

Barings, Global High Yield Credit Strategies Fund

Sports Marketing and Management Company (specific entity names were not disclosed by Barings): Environmental Pollution

Barings holds an investment in controlling motor racing rights. The company has recently announced a change of ownership and is expected to be acquired by a larger investment group. To date, the company has had a well-regarded set of shorter-term sustainability goals including reducing emissions footprint at racing events and plans to use sustainable fuels in motor racing in coming years.

Barings has approached senior management to request details of how environmental plans are expected to evolve under new ownership and if there will be delays to implementation. Management has acknowledged the request for disclosure but the engagement remains open as management has not been able to provide any detailed information given the uncertainty on sustainability strategy under new ownership.

Barings continues to hold the investment and will follow up with management in due course.