

# Batleys Limited Retirement Benefits Scheme

## ENGAGEMENT POLICY IMPLEMENTATION

## STATEMENT

Financial Year Ending 30 April 2025

### Introduction

This statement sets out how, and the extent to which, the stewardship policy and related policies on environmental, social and governance (ESG) factors and climate change set out in the Statement of Investment Principles ('SIP') have been followed during the year to 30 April 2025 (the 'Scheme Year'). This Statement has been produced in accordance with The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 and subsequent amendments; and the statutory and non-statutory guidance from the Department of Work and Pensions.

This Statement should be read in conjunction with the latest SIP dated June 2025, which can be accessed online:

[https://www.bestwaygroup.co.uk/files/batleys-limited-retirement-benefits-scheme-sip\\_cw1sb.pdf](https://www.bestwaygroup.co.uk/files/batleys-limited-retirement-benefits-scheme-sip_cw1sb.pdf)

### Investment Objectives of the Scheme

The Trustees believe it is important to consider the policies in place in the context of the investment objectives they have set.

As set out in the SIP, the Trustees' primary investment objective is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due.

In doing so, the Trustees also aim to maximise returns at an acceptable level of risk, taking into consideration the circumstances of the Scheme.

The Trustees also ensure that their investment objectives and the resultant investment strategy are consistent with the actuarial valuation methodology and assumptions used in the Statutory Funding Objective.

The objectives set out above provide a framework for the Trustees when making investment decisions.

### Policy on ESG, Stewardship and Climate Change

The Trustees understand that they must consider all financially relevant factors in making investment decisions on behalf of the Scheme. However, they may also consider any non-financial factors, to the extent that they have the ability to impact the financial results of the Scheme's investments over the duration of the Scheme, if they believe that such factors reflect the views of members. This includes, but is not limited to, environmental, social and governance (ESG) factors.

The Scheme's SIP includes the Trustees policies on ESG factors. These policies are also set out in Appendix A to this Statement. The Trustees keep their policies under regular review, with the SIP subject to review at least triennially.

The latest SIP, dated June 2025, is available online at the following link: [https://www.bestwaygroup.co.uk/files/batleys-limited-retirement-benefits-scheme-sip\\_cw1sb.pdf](https://www.bestwaygroup.co.uk/files/batleys-limited-retirement-benefits-scheme-sip_cw1sb.pdf)

### Scheme's Investment Structure

The Scheme's only investment is a Trustee Investment Policy (TIP) with Mobius Life Limited (Mobius). Mobius provides an investment platform and enables the Scheme to invest in pooled funds managed by third party investment managers.

As such, the Trustees have no direct relationship with the Scheme's underlying investment managers, but have the responsibility of monitoring the pooled funds, in conjunction with advice received from their investment advisor, Mercer.

### Trustees' Engagement

Mercer's semi-annual performance reporting includes Mercer's ESG scores for the funds in which the Scheme is invested. These scores reflect Mercer's view on how the managers incorporate ESG factors into the management of their funds and help the Trustees to determine whether further action should be taken in respect of specific funds.

The Trustees monitor the development of these scores over time and also consider Mercer’s ESG scores when undertaking an investment strategy review and considering new investment funds.

The Trustees are satisfied that Mercer’s ESG scores for the funds invested in are satisfactory in the context of the mandates of the funds.

As the Trustees have no direct relationship with the Scheme’s underlying investment managers, the engagement initiatives are driven by investment managers, mainly through regular engagement meetings with the companies in which they invest or by voting on key resolutions at companies’ Annual General Meetings.

The information in Appendix B shows that the Scheme’s managers engaged with a number of investee companies on a range of issues.

Further information on the investment managers’ approach to responsible investment and engagement with the investee companies is available at the following websites:

Ninety One

<https://ninetyone.com/en/united-kingdom/sustainability/invest-advocate-inhabit/invest>

Payden & Rygel:

<https://www.payden.com/ESG.aspx>

Legal & General:

<https://www.lgim.com/uk/en/capabilities/investment-stewardship/>

All the Scheme’s investment managers are signatories of the UK Stewardship Code as follows:

<b>Manager</b>	<b>Signatory Since</b>
Payden & Rygel	2021
Ninety One	2021
Legal & General	2021

Source: FRC website

Taking all the above into consideration, the Trustees are satisfied that Responsible Investment is central to the investment managers’ approaches to investing.

### **Voting Activity**

Over the year, the Scheme disinvested from pooled funds with exposure to equities and therefore no longer holds assets with voting rights. As such, the Trustees do not assess any form of voting information as it is not applicable to the Scheme’s investments.

### **Assessment of how the Engagement and Voting policies in the SIP have been followed for the year to 30 April 2025**

The Trustees are satisfied that the engagement and voting policies set out in the SIP, which was in place over the year, have been followed.

## **Appendix A – Trustees’ Policies on ESG factors, stewardship and Climate Change**

The policies below are included within the September 2023 SIP.

### **Financially Material Considerations**

The Trustees understand that they must consider all factors that have the ability to impact the financial performance of the Scheme’s investments over the appropriate time horizon. This includes, but is not limited to, environmental, social and governance (ESG) factors.

The Trustees recognise that ESG factors, such as climate change, can influence the investment performance of the Scheme’s portfolio and it is therefore in members’ and the Scheme’s best interests that these factors are taken into account within the investment process.

The Trustees further recognise that investing with a manager which approaches investments in a responsible way and takes account of ESG related risks may lead to better risk adjusted performance results as omitting these risks in investment analysis could skew the results and underestimate the level of overall risk being taken. The Trustees receive ESG scores provided by the investment adviser in relation to the funds in which the Scheme is invested and monitor how these develop over time. The Trustees will also review ESG considerations at future reviews of this Statement to make sure that future developments are included as appropriate within the Scheme’s investment approach.

The Trustees are therefore satisfied that ESG factors are appropriately reflected in the overall investment approach.

The Scheme’s assets are invested in pooled funds, and therefore the Trustees accept the fact that they have very limited ability to influence the ESG policies and practices of the companies in which its managers invest.

However, the ESG policies of the pooled fund managers will be taken into account in the selection of future funds and managers and will be a factor in the selection process.

### **Non-Financial Considerations**

The Trustees only consider factors that are expected to have a financial impact on the Scheme’s investments. Non-financial considerations, such as ethical views, are not implemented in the current investment strategy.

### **Corporate Governance and Voting Policy**

The Scheme is invested solely in pooled investment funds. The Trustees policy is to delegate responsibility for engaging with, monitoring investee companies and exercising voting rights to the pooled fund investment managers. The Trustees also expect managers to use their discretion to act in the long term financial interests of investors.

The Trustees note that the investment managers’ corporate governance policies are available on request and on their respective websites.

Where the Trustees are specifically invited to vote on a matter relating to corporate policy, the Trustees will exercise their right in accordance with what they believe to be in the best interests of the majority of the Scheme’s membership.

### **Stewardship**

The Scheme is invested solely in pooled investment funds through the Mobius TIP and the Trustees therefore have no direct voting rights.

The Trustees’ policy is therefore to invest with investment managers where responsible investment is embedded appropriately in their approach to investment; including monitoring and engaging with investee companies, and exercising voting rights appropriately.

Information on the investment managers’ approach to responsible investment, voting and engagement with the investee companies is available at the following websites:

Payden

<https://www.payden.com/ESG.aspx>

Ninety One

<https://ninetyone.com/en/united-kingdom/sustainability>

L&G Investment Management:

<https://www.lgim.com/uk/en/responsible-investing/>

Mercer's semi-annual reporting to the Trustees includes Mercer's ESG score for the funds in which the Scheme is invested. The ESG score incorporates an assessment of engagement and voting as part of the process.

Receipt of this score on a semi-annual basis enables the Trustees to monitor that these scores remain appropriate in the context of the fund mandates.

Taking all the above into consideration, the Trustees are satisfied that stewardship and responsible investment is embedded appropriately in the investment managers' approaches to investing. If the Trustees are specifically invited to vote on a matter relating to corporate policy, they would exercise their right in accordance with what they believe to be the best interests of the majority of the Scheme's membership.

### **Appendix B - Engagement Activity**

This Appendix sets out a summary of the engagement activity of the pooled funds in which the Scheme's assets are ultimately invested

#### **Engagement:**

<b>Fund</b>	<b>Total Engagements</b>
<b>Payden Absolute Return</b>	95
<b>Ninety One Global Total Return Credit</b>	30
<b>L&amp;G Investment Grade Corporate Bond All Stocks Index</b>	364

Sourced by Mobius from the investment managers, as at 12 months to 31 March 2025.