

Implementation Statement (“IS”)

GKN Group Pension Scheme (No.4) (the “Scheme”)

Scheme Year End – 05 April 2024

The purpose of the document is for us, the Trustee of the GKN Group Pension Scheme (No.4), to explain what we have done during the year ending Scheme Year End Date to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. A summary of any review and changes made to the SIP over the year
2. How our policies in the SIP have been followed during the year; and
3. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

In February 2023, the Trustee secured an annuity policy with the Just Group Plc (“Just”). The annuity policy remains an asset of the Scheme (referred to as a “buy-in”) and Just will make payments to the Trustee reflecting the benefits due to the members (and beneficiaries) of the Scheme as they fall due. The residual, small proportion of Scheme’s assets outside of the annuity policy consist of cash and cash-like instruments.

This IS does not disclose stewardship information on investments in Cash due to the limited materiality of stewardship of this asset class.

Additionally, a separate Implementation Statement (IS) has been prepared for the Scheme's Defined Contribution (DC) assets.

Summary of changes to the SIP over the year

The Trustee has a policy to review the SIP formally at least every three years, or after any significant change in investment strategy or member demographics.

In October 2023 the SIP was updated to reflect the 100% transfer of the Scheme Assets, via an annuity policy, to Just Group Plc (“Insurer”).

How voting and engagement policies have been followed

In endeavouring to invest in the best financial interests of the beneficiaries, in February 2023 the Trustee elected to invest the majority of the Scheme’s assets in an annuity policy with Just and therefore have limited ability to influence the environmental, social, and governance (“ESG”) policies of the assets notionally backing the annuity policy.

The Trustee does not attempt to influence the ESG integration or stewardship policies and practices of Just in managing these assets, but the Trustee did consider the ESG credentials which was one of several factors in the Trustee’s due diligence process and decision to select Just. Just are signatories to the UN Principles of Responsible Investment and the NetZero Asset Owner Alliance, amongst other initiatives which can be found here:

<https://www.justgroupplc.co.uk/sustainability/esg-investors>.

The Scheme’s stewardship policy can be found in the SIP:

<https://uat.gknpensions.co.uk/index.html>

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which ESG issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI