

BABCOCK WANSON UK PENSION SCHEME

IMPLEMENTATION STATEMENT

This statement is intended to promote greater transparency and to show how the Scheme's investment actions have lived up to their agreed principles, in particular with regards to voting and engagement behaviours, as set out in the Scheme's Statement of Investment Principles.

There was one Statement of Investment Principles in force over the Scheme year which was unchanged from the last Scheme year.

The Trustees have elected to invest primarily in pooled investment vehicles as this provides the Scheme with appropriate diversification, both by asset type and by individual security, which it is not believed could be obtained by holding assets directly. The Trustees have delegated discretion over the day-to-day management of the funds, including short-term asset allocation and stock selection to the Scheme's investment manager (subject to the details outlined in the Statement of Investment Principles). The Trustees have also concluded that the decision on how to exercise voting rights should be left with their investment manager, who will exercise these rights in accordance with their published corporate governance policies.

The Trustees are satisfied that the investment manager's policies with regards to financially material risks and social, environmental and ethical factors with respect to their selection of investments, as well as their voting actions, are consistent with Trustees' beliefs and the long-term financial interests of the Scheme and its members. The Trustees will be undertaking an in-depth review of this alongside their other stewardship policies in the next Scheme year and will then review in detail at least annually.

*Prepared in March 2023,
based on the Scheme accounts for the year-ending 30 June 2022*