

## **H L HUTCHINSON LIMITED PENSION SCHEME**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31 MARCH 2021**

#### **REVIEW OF INVESTMENT PERFORMANCE**

At 31 March 2021 the scheme assets primarily consist of an insurance policy purchased from Royal London. The underlying investments are held in unit linked pension investment funds. During the year ended 31 March 2021 the value of this insurance policy increased by £2,328,962 to £16,006,032 (2020 – decreased by £1,435,903 to £13,677,070).

The total increase in the value of the Royal London insurance policy for the three years ended 31 March 2021 was £1,606,711 inclusive of a £797,088 increase in the market value of investments.

The total increase in the value of the Royal London insurance policy for the five years ended 31 March 2021 was £4,095,241 inclusive of a £3,300,049 increase in the market value of investments.

The investments are considered by the Trustees to be prudent, having due regard for the security and the cash requirements. Long term growth is considered to be in accordance with the scheme's funding and growth requirements.

#### **IMPLEMENTATION STATEMENT**

**Period covered: 1 April 2020 – 31 March 2021**

The 2019 Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations (“the Regulations”) require that the Trustees outline how they have ensured compliance with the policies and objectives set out in their Statement of Investment Principles (SIP) over the course of the year under review.

The Trustees' Stewardship and Engagement policies are included in the Scheme's SIP, which is available on request.

The Trustees are aware that as all investments are held in pooled funds, the Trustees can only view, rather than influence, their managers' ESG and stewardship behaviour including the exercise of voting rights. The Trustees' policy is to delegate the exercise of voting rights to their managers.

#### **Changes to the SIP regarding stewardship and engagement during the Period**

The SIP was reviewed on 28 September 2020 to update the Trustees' policies in relation to the following:

- How financially material considerations (including Environmental, Social, and Governance (ESG) considerations) are taken into account in the selection, retention and realisation of investments
- Stewardship - voting and engagement
- The extent to which the Trustees take members' views into account when making investment decisions
- The extent to which the Trustees take non-financial factors into account when making investment decisions
- How managers are incentivised and remunerated
- How performance is monitored
- Cost monitoring
- Frequency of manager reviews

#### **Reviews of fund managers' ESG policies, stewardship and voting behaviour**

The Trustees have reviewed their investment managers' policies on corporate governance and their voting behaviour as reported in the stewardship reports below:

Royal London

[http://www.rlam.co.uk/Documents-RLAM/Responsible%20Investing/Stewardship%20and%20Responsible%20Investment%20 Report%202020.pdf](http://www.rlam.co.uk/Documents-RLAM/Responsible%20Investing/Stewardship%20and%20Responsible%20Investment%20Report%202020.pdf)

BlackRock

<https://www.blackrock.com/corporate/literature/publication/blk-annual-stewardship-report-2020.pdf>

The Trustees are satisfied that these are consistent with the Trustees' expectations, responsibilities and SIP.

The Trustees reviewed the manager's performance at each Trustees' meeting during the period did not carry out a re-tendering of any investment management appointment during the period.