

# ***Covrad Heat Transfer Limited Pension Scheme*** **Implementation Statement for the year ended** **5 April 2020**

## **Purpose**

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This Implementation Statement provides information on how, and the extent to which, the Trustees of the Covrad Heat Transfer Limited Pension Scheme (“the Scheme”) have followed their policy in relation to the exercising of rights (including voting rights) attached to the Scheme’s investments, and engagement activities during the year ended 5<sup>th</sup> April 2020 (“the reporting year”).

## **The Trustees’ policy**

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The Trustees believe that there can be financially material risks relating to ESG issues. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme’s investment managers. The Trustees require the Scheme’s investment managers to take ESG and climate change risks into consideration within their decision-making, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

The Trustees have delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme’s investments to the investment managers and encourage them to engage with investee companies and vote whenever it is practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments.

## **Manager selection exercises**

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One of the main ways in which this updated policy is expressed is via manager selection exercises: the Trustees seek advice from their advisers on the extent to which their views on ESG and climate change risks may be taken into account in any future investment manager selection exercises.

During the reporting year, there have been no such manager selection exercises.

## **Ongoing governance**

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The Trustees monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustees’ requirements as set out in this statement.

Beyond the governance work currently undertaken, the Trustees believe that their approach to, and policy on, ESG matters will evolve over time based on developments within the industry.

## **Adherence to the Statement of Investment Principles**

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During the reporting year the Trustees are satisfied that they followed their policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree, namely to delegate this activity to the underlying investment managers.

## Voting activity

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The main asset class where the investment managers will have voting rights is equities. The Scheme has specific allocations to equities within the Aberdeen Standard Managed Fund. However, no voting data has been provided by Aberdeen Standard at the time of issuing this statement.

Signed: \_\_\_\_\_, Chair of Trustees

Date: \_\_\_\_\_