

Implementation Statement

The Trustees of the Watts of Lydney Pension and Assurance Scheme

Period covered: 1 January 2022 to 31 December 2022

This Implementation Statement has been prepared by the Trustees of the Watts of Lydney Pension and Assurance Scheme to satisfy the requirements of the 2019 Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations. This is the second implementation statement produced by the Trustees.

This statement sets out how the Trustees have ensured compliance with the policies and objectives set out in the Statement of Investment Principles over the course of the year under review:

- How the Trustees policies on exercising rights (including voting rights) and engagement policies have been followed over the year.
- The voting behaviour of the Trustees, or that undertaken on their behalf, over the year.

The Trustees' Stewardship and Engagement policies are included in the Scheme's Statement of Investment Principles, a copy of which can be found at:

<https://www.watts-group.co.uk/wp-content/uploads/2022/01/Watts-Statement-of-Investment-Principles-December-2021-Issued.pdf>

Changes to the Statement of Investment Principles during the year

The Statement of Investment Principles was reviewed and updated in December 2021.

How voting and engagement policies have been followed:

There are two investment managers acting on the Trustees' behalf during the year: Legal & General Investment Management and Baillie Gifford.

During the year, Trustees delegated responsibility for carrying out voting and engagement activities to the scheme's fund managers in accordance with the policies recorded in the Statement of Investment Principles.

Voting behaviour

The fund managers report to the Trustees periodically on the voting rights and funds invested in.

Statement of compliance with Regulations

Over the year, the Trustees are pleased to report that they have adhered to the policies set out in the Statement of Investment Principles and has complied with the Regulations.

Signed on behalf of the Trustees

John C Thurston, Chairman of Trustees

Dated January 2023