

CalaChem Pension Fund

March 2021

Investment Implementation Statement

The information in this Implementation Statement refers to the CalaChem Pension Fund (the Fund). This Statement sets out how and to the extent to which, the Statement of Investment Principles (SIP) produced by the Trustee of the Fund has been followed during the year to 30 September 2020. This Statement has been produced in accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, as amended by The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

Investment Policy

In December 2018, the majority of the Fund's assets were used to purchase an annuity policy with Aviva (the Insurer) and all Fund assets were covered as part of this buy-in transaction. The Trustee continues to be responsible for paying benefits as they fall due and have started the process for getting the Fund ready for buy-out. Wind-up of the Fund began on 22 October 2020.

In accordance with the Financial Services and Markets Act 2000 the Trustee sets general investment policy, but has now in effect delegated the day-to-day investment of the majority of the Fund's assets to be undertaken by the Insurer. The Fund continues to hold cash in the bank account, in order to meet the day-to-day settlement of Fund expenses.

SIP

The SIP was approved on 20 August 2019. Following the Trustee's decision to transfer the majority of the Fund's assets to the Insurer as part of the buy-in the Trustee has in effect fully delegated investment decisions to the Insurer.

The majority of the assets are held by the Insurer who invests in a range of asset classes. As such direct control of the process of engaging with the companies that issue securities, whether for corporate governance purposes or other financially material considerations, is delegated to the Insurer. The Trustee has in effect delegated the day-to-day consideration of financially material factors when investing the assets used to meet the Fund's benefit payments to the Insurer. All references to environmental, social and governance factors (ESG) relate to financial factors only.

The SIP is due to be reviewed every three years and as such has not been reviewed since 20 August 2019.

Relevance of the Implementation Statement

The Statement is supposed to: (i) explain how, and the extent to which, in the opinion of the Trustee, the stewardship set out in the SIP has been followed during the year, and (ii) to disclose the voting behaviour by, or on behalf of, the Trustee (including the most significant votes cast by the Trustee or on its behalf) during the year and state any use of the services of a proxy voter during that year.

In practice this is irrelevant for the Fund which only has a buy-in policy and cash held in the Trustee's bank account to meet expenses. All day to day investment has been delegated to the Insurer and there have been no voting decisions in the period.

The Defined Contribution section SIP was approved on 5 August 2019. The investment assets were disinvested on 1 April 2019 and the Defined Contribution members were transferred to the AVIVA GPP, therefore the SIP has not been updated. As the assets were disinvested on the first day of the accounting period no separate Implementation Statement has been prepared for the Defined Contribution section.

Approved by the Trustee of the CalaChem Pension Fund on 24 March 2021