

# Onward Pension Plan – Implementation Statement

**Statement of compliance with the Onward Pension Plan (“the Plan”) Stewardship Policy for the year ending 30/06/2024.**

## Introduction

This is the Trustee’s statement prepared in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. This statement sets out how the Trustee has complied with the Plan’s Stewardship Policy during the period from 1 July 2023 to 30 June 2024 and other policies and practices within the Statement of Investment Principles.

## Statement of Investment Principles

The Statement of Investment Principles (SIP) sets out the investment principles and practices the Trustee follows when governing the Plan’s investments. It describes the rationale for selecting the investment strategy and explains the risks and expected returns of the investments made on behalf of the Plan, as well as the Trustee’s approach to responsible investing (including a separate stewardship policy, discussed in the next section).

The Trustee created the SIP in November 2023. This SIP covers the first reporting period for the Plan following the initial transfer of assets from the Pensions Trust Social Housing Pension Scheme (SHPS) on 1 July 2023. You can review the SIP at <https://www.onwardpensionplan.co.uk/resources/statement-of-investment-principles/>

The Trustee will aim to review the SIP at least every three years and without delay following any significant change in investment policy.

The Trustee has prepared this Implementation Statement on the basis of the SIP that was in force throughout the year to end 30 June 2024. The reporting within this document is in line with the SIP applicable at the relevant time.

## Stewardship policy

The Trustee’s Stewardship Policy sets out how the Trustee will behave as an active owner of the Plan’s assets which includes how the Trustee monitors and engages with the Plan’s investment managers and any other stakeholders. This policy does not cover any AVCs.

The Plan’s Stewardship Policy is reviewed periodically in line with the Plan’s Statement of Investment Principles (SIP), which was last updated in November 2023.

The Trustee has delegated engagement activity in respect of the underlying assets to the Plan’s investment managers. The Trustee believes it is important that their investment managers take an active role in the supervision of the companies in which they invest, and engage with the management on issues which affect a company’s financial performance. The Plan does not hold any mandates which carry voting rights.

## How the Plan’s investments are governed

The primary objective of the Plan is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependants, on a defined benefits basis.

The Trustee has overall responsibility for how the Plan’s investments are governed and managed in accordance with the Plan’s Trust Deed and Rules as well as Trust Law, Pensions Law and Pension Regulations.

The Trustee has delegated day-to-day investment decisions, such as which individual investments to buy and sell, to the Plan's investment managers.

The Trustee has agreed a set of objectives with its investment advisor, designed to align with the Trustee's objectives and investment strategy set out in the SIP. The Trustee carried out an evidence-based review of the advisor's performance against these objectives in May 2024 and was satisfied that they had been achieved for the year.

The investment risks relating to the Plan, and expected return of the investment strategy, are described in the SIP.

The Trustee's views on the expected levels of investment risk and return inform decisions on the strategic asset allocation (i.e. what type of assets the Plan invests in over the longer-term), and the style of management adopted by the Plan's investment managers.

### Policy implementation

The Trustee's own engagement activity is focused on their dialogue with their investment manager which is undertaken in conjunction with their investment advisers. The Trustee aims to meet with its managers on a periodic basis and will consider how managers have exercised their stewardship both during these meetings.

**The Trustee also monitors its compliance with the Plan's Stewardship Policy on a periodic basis and is satisfied that it has complied with the Stewardship Policy over the year to 30 June 2024.**

During the reporting period, the Plan transitioned from the SHPS allocation to a new target allocation. As funds were received from SHPS, they were gradually reallocated to new mandates. These included Schroders Liability Driven Investment (LDI) & Synthetic Equity mandates, as well as the M&G Total Return Credit mandate. The information below is based on the Plan's investments held over the year to 30 June 2024.

### Voting activity

The Plan does not invest in public equities directly but instead does so synthetically, and therefore the Plan does not have exposure to equity assets which carry voting rights.

### Engagement activity

Whilst the Plan's mandates do not carry voting rights, the Trustee takes engagement seriously, and aims to meet periodically with the Plan's investment managers where, if appropriate, stewardship issues are discussed in further detail and engagement is challenged as necessary.

The Trustee has delegated day-to-day ESG integration and stewardship activities (including voting and engagement) to its Investment Managers.

Given the transition period over the year and the short time since initial investment, the Plan is yet to meet with its investment managers, but has requested reporting from both Schroders and M&G on their engagement activity over the period. This focuses on firm wide engagements undertaken by the investment manager:

- Schroders carried out 1,273 engagements over the year end 30 June 2024. The scopes covered ranged from in-depth engagement on sustainability (19%) to investor-led engagements (53%) as well as broader collaborative engagements and communicating expectations at scale (28%). Given the nature of the assets invested, Schroders were unable to provide fund specific engagement.

- M&G attended a total of 1,770 investment company meetings over the year end 31 December 2023 (data to end June 2024 was not available at time of writing). Across the Environmental, Social, and Governance (ESG) spectrum, the focus was primarily on Environmental issues (40.1%), with Governance (34.5%) and Social (25.3%) factors also represented.

The Trustee hold meetings with their investment managers on a periodic basis where stewardship issues are discussed in further detail.

As outlined above, the Plan transitioned from the SHPS allocation to new mandates with both Schroders and M&G partway through the year, neither of which carry any voting rights. Given this transitional period, the Trustee have not met with any of the Plan's managers during the reporting year. The Trustee plan to meet with at least one of the Plan's managers during the next reporting period and will provide an update in next year's statement.

### Use of a proxy adviser

The Plan does not currently invest directly in public equities and therefore does not hold assets with voting rights. Consequently, the Plan's managers do not use a proxy advisor for the funds in which the Plan is invested.

### Review of policies

The Trustee aims to review investment managers' Responsible Investment policies on a periodic basis. This review will consider managers' broader approach to responsible investment issues in addition to considering any material change in approach by the manager since the last review.