

## **Annual Engagement Policy Implementation Statement**

### **Building Societies Association Pensions and Assurance (No.3) Scheme**

#### **Introduction**

This statement, written for the benefit of the members of the Building Societies Association Pensions and Assurance (No.3) Scheme (the "Scheme"), sets out how, and the extent to which, the Statement of Investment Principles ('SIP') produced by the Trustee has been followed during the year to 31 December 2023.

This statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, and subsequent amendments, and the guidance published by the Pensions Regulator.

#### **Investment Objectives of the Scheme**

The Trustee recognises that its primary duty is to the members of the Scheme and that the investment strategy should be set in their interests. The Trustee believes that investment risk has substantially been mitigating having secured the liabilities of the Scheme through an insurance buy-in contract with Aviva. It is anticipated that the buy-in policy will only be held until such time as it can be converted into a buy-out to enable the Scheme to be wound up. The Scheme has also retained a pool of liquid cash assets to cover any remaining payments that may be required to allow for equalisation top-up payments that may be due, winding up payments, Trustee Indemnity Insurance premiums and other expenses.

In view of the limited kinds of investment held by the Scheme and the short period until the Scheme is expected to be wound up, the Trustee considers that it is reasonable that there should be no formal policy in relation to the balance between different investments, the expected return on investments, financially material considerations, non-financial matters and its arrangements with asset managers.

No changes have been made to the Scheme's SIP during the year.

#### **Policy on ESG, Stewardship and Climate Change**

As stated in the Scheme's SIP, the Trustee considers that it is reasonable that there should be no formal policy in relation to non-financial matters, stewardship and voting, as these are not applicable to the assets currently held by the Scheme.

#### **December 2023**