St Andrew's Healthcare Pension Scheme

Engagement Policy Implementation Statement

31 March 2025

1. Introduction

Under the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019, the Trustee is required to produce an annual Engagement Policy Implementation Statement ("EPIS"). This statement outlines how, and the extent to which, the policies relating to stewardship, voting and engagement as outlined in the Statement of Investment Principles ("SIP") have been followed.

This statement covers the Scheme's accounting year to 31 March 2025. It is intended to meet the updated regulations and will be included in the Scheme's Report & Accounts. In preparing this statement, the Trustee has taken advice from their professional advisers.

This statement details some of the activities taken by the Trustee, the Manager and the investment managers during the period, including voting statistics, and provides the Trustee's opinion on the stewardship activities over the period.

2. Policies

The Trustee's relevant policies regarding stewardship, voting and engagement are outlined in the SIP. The most recent version of the SIP is publicly available being published online and will be updated from time-to-time. The SIP can be found online https://www.stah.org/assets/Uploads/St-Andrews-Healthcare-Pension-Scheme-Statement-of-Investment-Principles-March-2023.pdf.

The Trustee has appointed BlackRock as the adviser and Fiduciary Manager ("the Manager") for the Scheme. The Trustee delegates the day-to-day investment decisions and asset allocation to the Manager. The Trustee retains responsibility for the strategic investment objective and oversight of the Manager, with support from Isio as the Trustee's strategic oversight advisor ("the Oversight Advisor").

During the year to 31 March 2025, the Trustee did not update the SIP. As such, the policies contained in the March 2023 SIP are those which are relevant to this Statement, which can be found online https://www.stah.org/assets/Uploads/St-Andrews-Healthcare-Pension-Scheme-Statement-of-Investment-Principles-March-2023.pdf.

The Trustee notes the "Guidance issued by the DWP relating to Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement" in July 2022. The Trustee plans to develop its policies and build more elements of this guidance into future iterations of this statement.

3. Scope of this statement

The Trustee acknowledges that the extent to which the policies in relation to stewardship, voting and engagement can be applied varies across the portfolio. For example, in general, voting rights are not attached to fixed income securities, while the applicability to the LDI (liability-driven investment) portfolio is limited. Nonetheless, the Trustee and the Manager expect all investment managers to take an active role in the stewardship of investments where relevant.

This statement demonstrates that the Scheme has adhered to its investment principles and its policies for managing financially material considerations including ESG factors and climate change.

4. Scheme activity

During 2024/25 the Trustee implemented changes consistent with the SIP by amending the Investment Management Agreement to introduce an Illiquid Assets Strategy and authorise an allocation to BlackRock DPD within a 35% illiquid cap (Growth 0–80% / Matching 20–100%), executed portfolio adjustments (including the sales of BlackRock Thematic Equities in Aug-2024 and iShares MSCI EMU ETF in Sep-2024) to manage funding and liquidity, and operated funding-level journey-management (daily hedge monitoring, collateral adequacy and LDI recapitalisation governance) toward the gilts-flat 2034 objective; initial DPD activity is evidenced in the Q1 2025 report and will be monitored alongside existing stewardship and liquidity controls.

The SIP also includes the Trustee's policy on Environmental, Social and Governance ("ESG") factors and stewardship. This policy sets out the Trustee's beliefs on ESG and the processes followed by the Trustee in relation to voting rights and stewardship.

The Trustee recognises that the Manager is engaging with the underlying managers to ensure they work to further improve their ESG policies and actions over time. As part of the Trustee's ESG policy, the Manager is required to request the underlying managers' policies and their adherence to them. The Manager reviews the policies of each underlying manager to ensure that these are appropriate.

The Trustee expects the Manager to continue to work with underlying managers in order to ensure those on the weaker side of voting and engagement take action to make improvements. The Manager has acknowledged that all managers have been

taking steps to improve both their voting and engagement and "best in class" continues to evolve. The Trustee will be closely monitoring developments over the coming years.

The Trustee receives additional support and advice from their Oversight Advisor in matters related to ESG, including monitoring of the Manager's approach to implementing the policies within the SIP and approach to engagement.

5. Risk Management

The Trustee recognises that the principal risk to the Scheme is funding risk that assets may be insufficient to meet 100% of liabilities. Working with the Fiduciary Manager (BlackRock), the Oversight Adviser (Isio) and the Scheme custodian (BNY Mellon), the Trustee monitors risks quarterly using qualitative and quantitative analysis, scenario/stress testing, liquidity and collateral dashboards, manager due diligence and stewardship evidence; implementation of portfolio changes is delegated to the Fiduciary Manager in line with the SIP.

The Trustee considers that the SIP risk policies were followed during the year to 31 March 2025 and that risk was appropriately monitored and managed through the delegated fiduciary arrangements, stewardship oversight and liquidity/collateral controls.

6. Voting and Engagement

The Trustee has delegated to the Manager the responsibility of collecting the stewardship and engagement reports of the underlying managers and assessing the suitability. The Trustee also expects the Manager to monitor the underlying manager's activity to ensure compliance and confirm that it remains a suitable investment for the Scheme. The Trustee is comfortable that under the governance structure the responsibility sits with the Manager to communicate with the underlying managers and on a regular basis collect information as required.

The Manager has noted that there is variability between managers in the extent of their engagement and voting policies, with equity managers generally having made more progress than fixed income. This Implementation Statement focuses on the Scheme's equities managers. It is intended that in future years there will be greater focus on other asset classes, in particular the fixed income managers.

The section below details the investment managers' approach to voting and engagement as well as some examples of most significant engagements these managers have made over the last 12 months with respect to the funds in which the Scheme is invested.

At this stage the Trustee has not identified stewardship priorities or themes and has elected for the investment managers, including the Manager, to exercise votes in line with their stewardship policies. The Trustee is content that these policies are aligned with the Trustee's policy. In line with this decision, the Trustee has not provided an expression of wish on how it would like investment managers to invest on any individual vote.

What constitutes a most significant vote is somewhat subjective and is determined in conjunction with the investment managers. The criteria which are likely to be considered when determining a most significant vote include the size of the allocation, the potential impact of the vote (including the potential to substantially impact financial or stewardship outcomes), the nature of the vote and engagement with the company (a vote where the investment manager has engaged more with a company on an issue is more likely to be considered significant) and whether this aligns to a theme, such as corporate governance or climate change. The Trustee has not communicated to managers what it considers to be the most significant votes in advance of those votes being taken. In addition, summary voting statistics in respect of the Scheme's equities funds over the year to 31 March 2025 have been included. Voting statistics have been reported over the one-year period to 31 March as this likely to result in greater coverage across investment managers and therefore also provide greater comparability and consistency going forwards.

BlackRock:

The Scheme has a portion of its Growth assets invested in funds managed by the Manager. Given the Manager's appointment as both the fiduciary manager as well one of the investment managers, the Trustee recognises the importance of ensuring that the Manager's own policies and actions are appropriate for the Scheme. The Manager publicises its own policies as well as quarterly updates online (which can be accessed here) which the Trustee has visibility of. This includes details of any changes to policies and also reports at an aggregate level the impact of its voting and engagement. The Trustee is comfortable that the transparency of the Manager in publicising reports and developments online ensures alignment with the interests of the Scheme.

Whilst it is important to monitor the activities of the Manager at a high level through this publicly available information, it is also important to monitor the voting and engagement activities undertaken on behalf of the Trustee by the Manager on a more granular level.

With the exception of the BlackRock European Equities fund, BlackRock Factor Equities and BlackRock Thematic Equities (sold August 2024), the Scheme's BlackRock equities funds are passive (i.e. index) strategies. In respect of passive strategies,

there is a wide universe of underlying companies which may number in the hundreds if not thousands. Where strategies are actively managed, investments are typically more concentrated. As such, ownership is more concentrated for actively managed strategies and therefore there will be fewer resolutions in which to vote. In addition, actively managed strategies have the option to sell holdings in companies at its discretion. For these reasons, in the context of passive strategies, it is important that voting and engagement rights are exercised and that this is monitored. Examples of significant votes across the BlackRock strategies are included below. The summary voting statistics below illustrate that the voting rights attached to the underlying investments in these instances have been exercised to a large extent.

The Manager's approach to voting is described in the table below, along with summary voting statistics for the Manager's equities funds.

BlackRock

BlackRock Approach	BlackRock sees its investment stewardship program, including proxy voting, as part of its fiduciary duty and to enhance the value of clients' assets, using their voice as a shareholder on their clients' behalf to ensure that companies are well led and well managed. BlackRock does this through engagement with management teams and/or board members on material business issues including environmental, social, and governance matters and, for those clients who have given BlackRock authority, through voting proxies in the best long-term economic interests of its clients. BlackRock's stewardship policies are developed and implemented separately by two independent, specialist teams, BlackRock Investment Stewardship (BIS) and BlackRock Active Investment Stewardship (BAIS). While the two teams operate independently, their general approach is grounded in widely recognised norms of corporate governance and shareholder rights and responsibilities. BIS is a dedicated function within BlackRock, which is responsible for stewardship activities in relation to clients' assets invested in index equity strategies. Voting decisions are made by members of the BIS team with input from investment colleagues as required, in each case, in accordance with its Global Principles and custom market-specific voting guidelines. BAIS, established in January 2025, manages BlackRock's stewardship engagement and voting on behalf of clients invested in active strategies globally. Their activities are informed by their Global Engagement and Voting Guidelines and insights from active investment analysts and portfolio managers, with whom they work closely in engaging companies and voting at shareholder meetings. Index or active, BlackRock's stewardship teams, and all of BlackRock's stewardship efforts across the firm, are focused on making decisions in the best interests of BlackRock's clients. BlackRock stewardship analysts engage with the boards and management of companies in which clients are invested to listen to their perspectives on material business risks and opportunities they are facing to help make more informed voting decisions. Voting at a company's shareholder meeting is a basic right of share ownership and the formal means by which investors express their views on a company's corporate governance and performance. When authorised by clients to vote on their behalf, BlackRock votes to convey support for or concern about a company's approach to delivering financial returns for investors over time. BlackRock contracts primarily with the vote services provider ISS and leverages its online platform to supply research and support voting, record keeping, and reporting processes. BlackRock also use Glass Lewis' research and analysis as an input into their voting process. Whilst BlackRock subscribes to research from the proxy advisory firms, it is just one among many inputs into its vote analysis process, and it does not blindly follow their recommendations on how to vote. BlackRock does not follow any single proxy research firm's voting recommendations. It subscribes to research providers and uses several other inputs in its voting and engagement analysis, including a company's own disclosures, public information and ESG research. In certain markets, BlackRock works with proxy research firms who apply their proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform their voting decision.
PepsiCo Inc. (US, Consumer Staples)	May 2024 – 0.16% of portfolio value Issue(s): Environmental, Governance At PepsiCo's request, BIS engaged with members of the company's management team in advance of their May 2024 AGM. In that engagement, BlackRock learned about PepsiCo's Positive Agriculture

	agenda. PepsiCo's business relies on a secure source of crops and ingredients to manufacture its products. The company's Positive Agriculture agenda is designed to address risks such as freshwater scarcity and soil degradation. From engagement as well as the company's disclosure, BIS also learned that PepsiCo is striving to mitigate natural capital related risks across its value chain. PepsiCo is committed to expanding bio-diversity related disclosure and are assessing how they might incorporate the Taskforce on Nature related Financial Disclosures (TNFD) into future reporting as they seek to comply with other requirements, such as ISSB and the Corporate Sustainability Reporting Directive (CSRD). BIS did not support the natural capital related shareholder proposal at PepsiCo's May 2024 AGM, which received around 18% shareholder support. In BlackRock's assessment, PepsiCo's existing disclosure on these issues is robust and the company has policies and practices in place to manage material natural capital related risks and opportunities.
Temenos AG (Switzerland, Information Technology)	May 2024- 0.01% of portfolio value Issue(s): Governance Temenos AG (Temenos) is a Swiss company specialising in providing banking software to financial institutions globally. BIS was concerned that the changes to the remuneration policy would further misalign payments to executives and financial returns to shareholders. BIS did not support Temenos' executive remuneration policy, because in their view, the proposed remuneration structure and disclosures lacked sufficient detail as to how it aligns with the long-term financials of interests of minority shareholders, including BlackRock's clients. The proposal did not pass at the May 2024 AGM, receiving approximately 33% shareholder support. In response, Temenos released a statement re-affirming the board's awareness of shareholder concerns while attributing remuneration issues to "exceptional circumstances around the transition to a new CEO." The company also stated that it will continue to reflect on the vote result and provide a more detailed rationale in its remuneration disclosures. BIS recognises the importance of competitive executive pay, including performance incentive awards, in attracting and retaining talented company leaders. However, BIS look to companies to demonstrate that incentive pay for executives is performance-based and consistent with the long-term financial returns received by shareholders. BIS will continue to engage with the company to discuss its approach to future remuneration structures.
Air Products & Chemicals (Industrials, Gas)	23rd January 2025 – 0.1% of portfolio value A proposal was made to elect management nominee Director, Lisa A Davis. BlackRock voted for the proposal understanding this to be in the best interests of shareholders. The vote was passed. BlackRock Investment Stewardship does not disclose vote intentions in advance of shareholder meetings as they do not see it as their role to influence decisions or proposals.
Atmos Energy Corporation (US Utilities)	5th February 2025 – 0.03% of portfolio value A resolution was proposed to elect Director Frank Yoho. BlackRock voted against the proposal as they have been seeking greater climate-related disclosure, including ISSB aligned reporting and relevant metrics and targets, which would enable investors to better assess climate-related investment risks and opportunities. The result was the proposal was passed. BlackRock Investment Stewardship does not disclose vote intentions in advance of shareholder meetings as they do not see it as their role to influence decisions or proposals.
Atmos Energy Corporation (US Utilities)	5th February 2025 – 0.03% of portfolio value A resolution was proposed to elect Director Kelly H Compton. BlackRock voted against the proposal as they have been seeking greater climate-related disclosure, including ISSB aligned reporting and relevant metrics and targets, which would enable investors to better assess climate-related investment risks and opportunities. The result was the proposal was passed. BlackRock Investment Stewardship does not disclose vote intentions in advance of shareholder meetings as they do not see it as their role to influence decisions or proposals.

Tyson Foods Inc. (US Food processing)	6th February 2025 – 0.02% of portfolio value A resolution was proposed to elect Director David J Bronczek. BlackRock voted against the Director's election due to insufficient progress with respect to sustainability-related reporting. BlackRock Investment Stewardship does not disclose vote intentions in advance of shareholder meetings as they do not see it as their role to influence decisions or proposals.

Proxy Voting

BlackRock US Equities (Index)		**Year to 31 March 2025**
	Votable proposals	6,960
	% of resolutions voted	98%
	% of resolutions voted against management	2%
	% of resolutions abstained	0%
BlackRock UK Equities (Index)		**Year to 31 March 2025**
	Votable proposals	9,801
	% of resolutions voted	100%
	% of resolutions voted against management	3%
	% of resolutions abstained	0%
BlackRock Asia Pacific Equities (Index)		**Year to 31 March 2025**
	Votable proposals	3,228
	% of resolutions voted	100%
	% of resolutions voted against management	10%
	% of resolutions abstained	0%
BlackRock Japan Equities (Index)		**Year to 31 March 2025**
	Votable proposals	5,918
	% of resolutions voted	100%
	% of resolutions voted against management	3%
	% of resolutions abstained	0%
iShares S&P 500 ETF (Index)		**Year to 31 March 2025**
	Votable proposals	6,977
	% of resolutions voted	98%
	% of resolutions voted against management	1%
	% of resolutions abstained	0%
iShares Edge MSCI USA Value Factor ETF (Index)		**Year to 31 March 2025**
	Votable proposals	2,039
	% of resolutions voted	100%
	% of resolutions voted against management	1%
	% of resolutions abstained	0%
iShares MSCI EMU ETF (Index) *(Sold in September 2024)*		**Year to 31 March 2025**
	Votable proposals	4,044
	% of resolutions voted	100%
	% of resolutions voted against management	6%
	% of resolutions abstained	0%

		Year to 31 March 2025
BlackRock Europe Equities (Active)	Votable proposals	853
	% of resolutions voted	100%
	% of resolutions voted against management	8%
	% of resolutions abstained	2%

		Year to 31 March 2025
BlackRock Thematic Equities (Active) *(Sold August 2024)*	Votable proposals	4,774
	% of resolutions voted	99%
	% of resolutions voted against management	5%
	% of resolutions abstained	0%

		Year to 31 March 2025
BlackRock Factor Equities (Active)	Votable proposals	2,625
	% of resolutions voted	96%
	% of resolutions voted against management	2%
	% of resolutions abstained	0%

Other investment managers

The approach to voting and engagement of the Scheme's other equities managers, Schroders, Wellington, American Century, are detailed below. These managers are appointed in relation to the Scheme's equity holdings.

Schroders:

Schroders Approach	The overriding principle governing Schroders' approach to voting is to act in the best interests of its clients. Schroders' voting policy and guidelines are outlined in its publicly available Environmental, Social and Governance Policy. Schroders evaluates voting issues arising and, where it has the authority to do so, votes on them in line with its fiduciary responsibilities in what it deems to be the interests of its clients. In applying the policy, Schroders considers a range of factors, including the circumstances of each company, performance, governance, strategy and personnel. It is Schroders' policy to vote all shares at all meetings globally, except where there are onerous restrictions – for example, share blocking. Schroders utilises the services of ISS and the Investment Association's Institutional Voting Information Services ('IVIS') in conjunction with its own research and policies when formulating voting decisions. Glass Lewis (GL) also act as one of Schroders service providers for the processing of all proxy votes in all markets. GL delivers vote processing through its Internet-based platform Viewpoint. Schroders receives recommendations from GL in line with their own bespoke guidelines, in addition, they receive GL's Benchmark research. This is complemented with analysis by Schroders in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers. For certain holdings of less than 0.5% of share capital in the USA, Australia, New Zealand, Japan, and Hong Kong, Schroders has implemented a custom policy that reflects the views of its ESG policy and is administered by Schroders' proxy voting provider, ISS. Schroders votes on both shareholder and management resolutions. Aligned with Schroders Engagement Blueprint, they have ongoing engagement programmes with emerging market companies on the importance of corporate governance, amongst other topics. Schroders actively vote against individuals on boards that are not making enough progress on the priorities identified in the Engagement Blueprint. Schroders significant vote criteria is broad, it is all votes against management that are considered significant. Schroders may tell the company of the intention to vote against the recommendations of the board before voting, in particular if the fund is a large shareholder or if there is an active engagement on the issue. Schroders always endeavours to inform companies after voting against any of the board's recommendations. Further details on Schroders' approach to voting can be found here.
Mahindra & Mahindra Ltd (Indian automotive company)	July 2024 ~0.10% of portfolio value Issue(s): Governance Mahindra & Mahindra is an Indian automobile manufacturing company headquartered in Mumbai. In July 2024, there was a vote on the election of Ranjan Pant and Haigreve Khaitan as board members, as well as the re-appointment and approval of remuneration for Anish Shah (Managing Director and CEO) and Rajesh Jejurikar (Whole-time Director). Schroders vote was against management due to concerns about independence, as less than 50% of the Non-executive directors could be considered independent, and concerns of "over boarding" due to one or more of the nominees sitting on multiple external boards, potentially impacting their effectiveness in their role.
China Petroleum & Chemical Corp (Chinese oil refining conglomerate)	June 2024 ~0.20% of portfolio value Issue(s): Governance

	China Petroleum & Chemical Corp is a Chinese oil and gas enterprise based in Beijing. It is one of the world's largest oil refining conglomerates and has the second highest revenue in the world. In June 2024, there was a vote to elect Chairman Ma Yongsheng. Schroders voted against management as they had concerns over multiple topics. Notably, Schroders believed there was insufficient independence on the nomination committee, a lack of gender diversity on the board, and concerns over independent oversight. Less than half of the committee can be considered independent. The June 28, 2024 AGM of China Petroleum & Chemical Corp (Sinopec) approved the election of Ma Yongsheng and other directors to the board; the resolution passed with shareholder approval, despite some investors (including Schroders) voting against management
Lojas Renner SA (Brazil fashion)	27th November 2024 – 0.3% of portfolio value At a Special meeting, a proposal was made to increase the authorized capital in the company. Schroders voted against this as they believed it to provide the potential for excessive dilution in shareholder power and influence. This vote against was in line with Glass Lewis. The result was 73% for and only 27% against.
Lojas Renner SA (Brazil fashion)	27th November 2024 – 0.3% of portfolio value At a Special meeting, a proposal was made to make change to the Company's Articles of Association, constitution and Bylaws. Schroders voted against this understanding it to not be in the best interests of shareholders. This vote against was in line with Glass Lewis. The result was 71% for and only 29% against.
PDD holdings (commerce (Temu))	20th December 2024 – 0.6% of portfolio value At the annual meeting a proposal was made to elect Anthony Kam Ping Leung to the Board of Directors, Schroders voted against the election as the nominee is the Chair of the audit committee, which has failed to put the selection of auditor up for shareholder ratification. The result was a vote in favor with 97% and only 3% against.
PDD holdings (commerce (Temu))	20th December 2024 – 0.6% of portfolio value At the annual meeting a proposal was made to elect George Yeo Yong-Boon to the Board of Directors. Schroders voted against, which was in line with Glass Lewis' recommendation, as there is a combined Chair and CEO and no lead Director appointed. The result was a vote in favor with 94% and only 5% against.
Samsung (South Korean electronics)	14th March 2025 – 3.1% of portfolio value The proposed resolution was for the Directors' fees. Schroders voted against due to the lack of explanation for the proposed increase. Schroders voted against the proposal, but the result was that the proposal was passed. The intention to vote against was in line with Glass Lewis' recommendation and against management recommendations.
Abu Dhabi Commercial Bank (Abu Dhabi financials)	27th February 2025 – 0.3% of portfolio value A proposal was made to appoint an auditor and give the authority to set the fees. Schroders voted against this proposal due to a lack of disclosure. This was against the Glass Lewis recommendation. The result was 94% for and only 4% against with 2% abstained.

Bank Rakyat (Indonesian bank)	24th March 2025 – 0.5% of portfolio value A proposal was made for the Directors' fees, bonuses and long-term incentive plans. Schroders voted against as the company has not disclosed how the bonus is determined nor the achievement of performance metrics. Schroders voted against which was in line with Glass Lewis' recommendation and against the management proposals, but the result was that the proposal was passed.
NARI Technology (Chinese electrical)	23rd January 2025 – 0.6% of portfolio value Proposal was made to elect Guangsheng Zeng to the Board. Schroders voted against due to insufficient independence on the Board of supervisors. This was with the Glass Lewis recommendation. The vote was passed with negligible resistance.
NARI Technology (Chinese electrical)	23rd January 2025 – 0.6% of portfolio value Proposal was made to elect Yang Zeng to the Board. Schroders voted against due to insufficient diversity on the board and no separation of Chair and CEO to help independence. Schroders voted against both Glass Lewis' recommendation and against management by voting against them, but the result was the vote was passed.
First Abu Dhabi Bank (Abu Dhabi financials)	11th March 2025 – 0.4% of portfolio value Proposal was made to appoint the auditor and give the authority to set fees. Schroders voted against the proposal due to lack of disclosure. Schroders voted against the proposal which was against the Glass Lewis recommendation to abstain and against management.

Wellington:

Wellington Approach	Wellington votes according to its Global Proxy Voting Guidelines and employs a third-party vendor, Glass Lewis, to perform administrative tasks related to proxy voting. Wellington does not automatically vote proxies either with management or in accordance with the recommendations of third-party proxy providers, ISS and Glass Lewis. Wellington has its own ESG Research Team, which provides voting recommendations. Based on these resources and in conjunction with Wellington's Global Proxy Voting Guidelines, individual portfolio managers have authority to make final decisions on voting. There is no "house vote". Wellington's proxy voting system allows different votes to be submitted for the same security. Various portfolio managers holding the same securities may arrive at different voting conclusions for their clients' proxies. Wellington's policies can be found here.
Ryder System, Inc. (American transport company)	May 2024 ~0.02% of portfolio value Issue(s): Environmental, Governance Ryder System, Inc. is an American transportation and logistics company. It is a third-party logistics provider and provides supply chain, transportation and fleet management solutions to companies. At the May 2024 AGM there was a shareholder proposal for additional climate transition reporting. The additional reporting would include disclosure on the impact of the company's climate change strategy on relevant stakeholders, including employees, workers in the supply chain and the communities in which they operate. The Board recommended shareholders to vote AGAINST this item. This was because they believed they already provide shareholders with sufficient information on their progress of their environmental initiatives and impacts of the business on various stakeholders. Wellington voted FOR the proposal. This was because they believe that the additional reporting would help mitigate risks, would demonstrate accountability for the company to perform against their targets. Therefore, enhanced disclosure was in the best interests of shareholders.
H&R Block Inc.	November 2024 ~0.02% of portfolio value

(American Tax Company)	Issue(s): Governance H&R Block Inc. is a tax preparation company headquartered in Kansas City, Missouri, United States. It provides tax return preparation services and related financial products to individuals and small businesses in the United States, Canada, and Australia. On November 6th, 2024, a significant vote took place regarding the election of Victoria J. Reich to the board of directors. The vote was cast against the proposal due to concerns about "over boarding", as the nominee sits on multiple external boards, which could impact her effectiveness in the role. This vote was assessed by Wellington as significant due to the vote against management, the fund's holdings, and the type of resolution. There are potential implications for enhancing company engagement in the future.
Kemira Oyj	March 2025 ~0.02% of portfolio value Issue(s): Governance At the Annual meeting on 20th March 2025, there was an item: 'Accounts and Reports' (Financial Statements). Management recommended For, Glass Lewis recommended For, policy stance was For; Wellington voted For (With Management, With Policy, With Glass Lewis).
Tokyo Ohka Kogyo Co. Ltd	March 2025 ~0.02% of portfolio value Issue(s): Governance At the Annual meeting on 28th March 2025, there was an item: 'Elect Katsumi Omori' (Election of Directors). Management recommended For, Glass Lewis recommended For, policy stance was For; Wellington voted For (With Management, With Policy, With Glass Lewis).
Ashok Leyland Ltd.	March 2025 ~0.03% of portfolio value Issue(s): Governance At the Other meeting on 22nd March 2025, there was an item: 'Related Party Transactions (AML Motors Private Limited - FY 2023-2024)' (Related Party Transactions). Management recommended For, Glass Lewis recommended For, policy stance was For; Wellington voted For (With Management, With Policy, With Glass Lewis).
Acuity Brands, Inc.	January 2025 ~0.03% of portfolio value Issue(s): Governance At the Annual meeting on 22nd January 2025, there was an item: 'Shareholder Proposal Regarding Mandatory Director Resignation Policy' (SHP Regarding Majority Vote for Election of Directors). Management recommended Against, Glass Lewis recommended For, policy stance was Manual; Wellington voted Against (With Management, Manual, Against Glass Lewis). Rationale: Shareholder proposal does not afford management sufficient discretion to set strategy; Not in shareholders' interests; status: Voted.
Cabot Corp.	March 2025 ~0.02% of portfolio value Issue(s): Governance At the Annual meeting on 13th March 2025 there was an item: 'Approval of the 2025 Long-Term Incentive Plan' (Adoption of Equity Compensation Plan). Management recommended For, Glass Lewis recommended For, policy stance was For; Wellington voted For (With Management, With Policy, With Glass Lewis).

Wellington Small Cap Equities	**Year to 31 March 2025**
Votable proposals	1,474
% of resolutions voted	99%
% of resolutions voted against management	5%
% of resolutions abstained	0%

American Century:

American Century: Approach	American Century's (ACI) Guiding ESG Principle are outlined in its ESG Policy and are as follows: ACI's primary mission is to deliver superior, long-term, risk-adjusted returns for clients. ACI focuses on material ESG issues, which are financially material. ACI seeks to integrate the analysis of potential risks and opportunities associated with ESG issues into its fundamental research process. ACI's goal is to mitigate downside risks and capture upside potential without compromising its fiduciary duty to act in the best interest of clients. ACI states that "*in addition to conducting business with the highest ethical standards and complying with all applicable laws and regulations, our ESG approach is regularly reviewed against industry investment stewardship and governance standards and other ESG methodologies to ensure alignment with our processes.*" American Century subscribes to the proxy voting services of Institutional Shareholder Services ("ISS"), including their proxy voting platform, voting advisory services, and vote disclosure services. While American Century reviews and considers ISS's research, analysis, and recommendations, it votes proxy using the ISS voting platform in accordance with the ACI's proxy voting policies, which can differ from those of ISS. Further information on American Century's voting policies can be found here.
D'leteren Group (Auto distribution and vehicle glass)	6th December 2024 – 0.2% of portfolio value A proposal was made to approve the change of control clause for potential transfer of pledged assets. ACI voted against it because the proposed resolution is to approve change of control provisions that include pledging company assets under financing agreement that aim to finance an extraordinary dividend of €74 per share. The transaction appears to finance intra-family shares, creating a riskier leverage profile and reduced investment capacity. ACI voted against the proposal to update the change of control clause for a potential transfer of pledged assets, but the result was that it was passed. The intention to vote against was not communicated to the company ahead of the vote.
D'leteren Group (Auto distribution and vehicle glass)	6th December 2024 – 0.2% of portfolio value A proposal was made to approve dividends. ACI voted against it because the proposed exceptional dividend is not supported by a compelling strategic rationale given the increase in debt and risk to the company. ACI voted against the proposal, but the result was that the proposal was passed. The intention to vote against was not communicated to the company ahead of the vote.
BellRing Brands Inc (Consumer products)	28th January 2025 – 0.7% of portfolio value A proposal was made to adopt declassify the Board of Directors. ACI voted for the proposal, supporting a declassified board structure. The result was the resolution was passed.
BellRing Brands Inc (Consumer products)	28th January 2025 – 0.7% of portfolio value A proposal was made to adopt a Director Election Resignation Guideline. ACI voted against the proposal as the company has adopted a director resignation policy as there are no factors that suggest a more stringent Director resignation policy is necessary at this time. ACI voted against the proposal and the result was that it Failed to be passed.
Toll Brothers Inc (American homebuilding)	11th March 2025 – 0.5% of portfolio value A proposal was put forward to eliminate a supermajority vote requirement to remove directors. ACI voted for this proposal to remove the supermajority requirements. ACI voted for this proposal and the result was that it was passed.
Construction Partners Inc (US civil Infra)	20th March 2025 – 0.7% of portfolio value A proposal was made for an Advisory vote to ratify named executive officers' compensation. ACI voted against the proposal due to the concerns around the following risk mitigating issues: clawback; stock ownership guidelines; stock holding requirements.

	ACI voted against the proposal, but the result was that it was passed. The intention to vote against was not communicated to the company ahead of the vote.
Kiwoom Securities Co Ltd (South Korean financial services)	26th March 2025 – 0.0% of portfolio value A proposal to elect Lee Hyeon as an inside Director was made but ACI voted against as the nominee is non-independent, and the Board is not sufficiently independent. ACI voted against the proposal, but the result is unknown at this time. The intention to vote against was not communicated to the company ahead of the vote.
ASICS Corp (sportswear)	28th March 2025 – 1.4% of portfolio value A proposal was made to approve the donation of treasury share to the ASICS foundation. ACI voted against this but the result is unknown at this time. The intention to vote against was not communicated to the company ahead of the vote.

Fixed Income:

While fixed income assets do not carry voting rights, the Trustee expects managers to engage issuers and integrate ESG considerations into credit analysis. The Scheme's holdings include global corporate bonds, high yield debt, convertibles, and emerging market sovereigns—representing a significant portion of the portfolio.

PGIM Global Corporate Bond Fund	PGIM applies a proprietary ESG rating framework across all securities. Their credit analysts assess environmental and social risks, such as carbon intensity and labour practices, and engage issuers where material concerns arise. PGIM is a signatory to the UN PRI and participates in collaborative initiatives like the Climate Action 100+.
T. Rowe Price Global High Income Bond Fund	T. Rowe Price integrates ESG into its credit research and has engaged issuers on governance and transparency. In 2024, the firm joined a bondholder group advocating for improved disclosure from a Latin American energy issuer.
Lazard Convertible Global Fund	Lazard's stewardship includes ESG screening and issuer engagement. The manager reports regular dialogue with companies on sustainability-linked bond structures and governance practices.

Engagement with issuers/government bodies

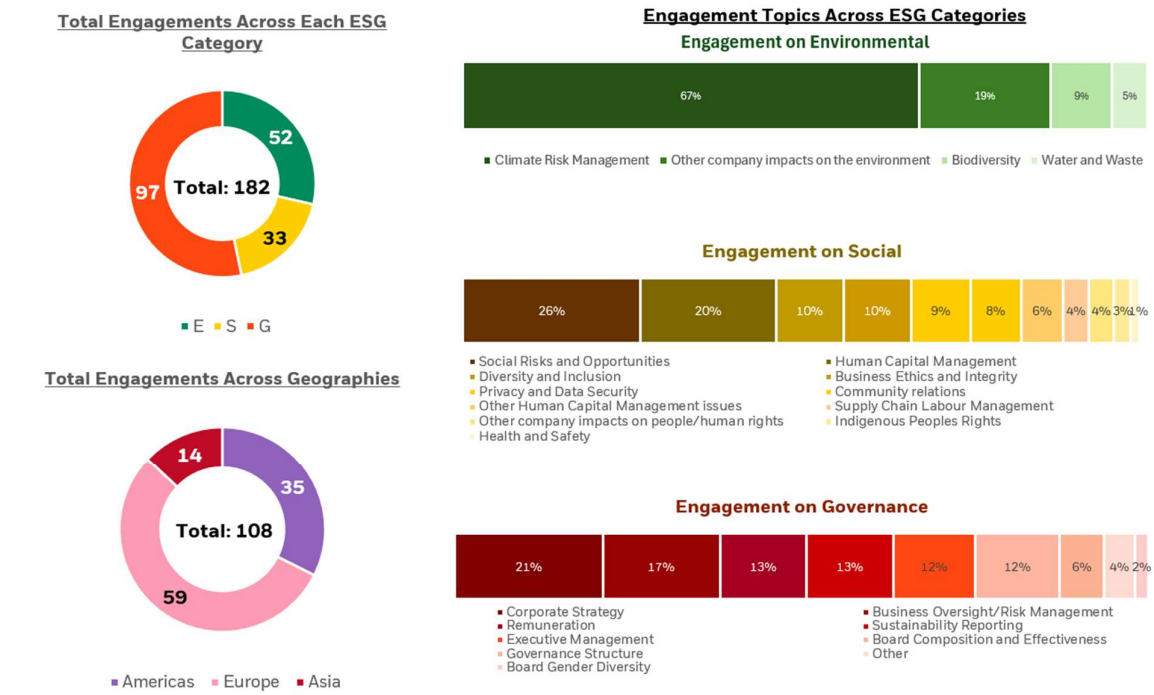
The Scheme holds assets in gilts as part of the funding level hedging strategy. BlackRock are the asset manager for these assets and so the Trustee requires their engagement on emissions attributable to the Gilts holding. BlackRock engages regularly with regulators, governments and debt management offices on a range of topics. As an important part of their fiduciary duty, the Trustee supports their advocating for public policies that they believe are in investors' long term best interests.

Engagement examples from BlackRock over the last year include:

- At the end of February 2025, BlackRock responded to the consultation report on leverage in non-bank financial intermediation issued by the Financial Stability Board (fsb-leverage-in-non-bank-financial-intermediation-consultation-report-022825.pdf)

- BlackRock partnered with ICMA and others in the industry to work on a response to the HMT consultation on the potential need for a specific UK green taxonomy.

The illustration below shows the engagement their stewardship team have had with LDI's trading counterparties in the calendar year to 31 December 2024:



Source: BlackRock. This represents the period of 1 January 2024 – 31 December 2024. *BLK had 108 engagement sessions with its counterparties but several engagement topics were discussed during each session. As of 31/12/2024.

BlackRock continues to be an active participant and leader in the evolution of the green bond market. An example of Blackrock's involvement on defining the evolving green bond market is its role on the issuance of the inaugural green gilt.

BlackRock favourably views the mitigation heavy focused project allocations thus far in UK's green gilt program. BlackRock provided guidance and direction in terms of best practices for impact reporting. In a call with the UK DMO, the UK green gilt impact reporting methodology was discussed, they delved into programs and reporting details for categories like clean transport, energy efficiency, and eligible UK expenditures in Official Development Assistance (ODA)-eligible countries, among others.

ESG integration in cash investing
In addition to the BlackRock Sustainable Investing baseline screens which are applied broadly across the ICS platform, the BlackRock ICS LEAF fund (in which the Scheme invests) also applies an additional Environmentally tilted screen. Issuers of Money Market Fund instruments will be excluded from direct investment if (at the time of investment) they have below average Environmental practices as viewed by MSCI or other external ESG research provider used by the Manager from time to time. This leads to an investment universe reduction of around 300 parent issuers, or a 54% reduction. Tangibly this means LEAF reports a higher E score at a fund level. For instance, the Sterling Liquidity fund reported an MSCI Environmental score of 7.7 as at month end in April 2024 vs Sterling LEAF which recorded an Environmental score of 7.9.

7. Concluding remarks

The Trustee is comfortable that the policies in the SIP have been followed over the year to 31 March 2025.

The Trustee recognises the responsibility that institutional investors have or promote high standards of investment stewardship and will continue to use the influence associated with the Scheme's assets in order to positively influence the Scheme's investment managers.