

## Harris & Sheldon Group Limited Pension Scheme

This document contains the following scheme documentation for the Harris & Sheldon Group Limited Pension Scheme:

- Statement of Investment Principles; and
- Implementation Statement.

# Harris & Sheldon Group Limited Pension Scheme

## Statement of Investment Principles

**Barnett Waddingham LLP**

29 April 2025

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## 1. Introduction

1.1. This is the Statement of Investment Principles prepared by the Trustee of the Harris & Sheldon Group Limited Pension Scheme ("the Scheme"). This statement sets down the principles which govern the decisions about investments that enable the Scheme to meet the requirements of:

- the Pensions Act 1995, as amended by the Pensions Act 2004; and
- the Occupational Pension Schemes (Investment) Regulations 2005 as amended by the Occupational Pension Schemes (Investment) (Amendment) Regulations 2010.
- the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018.
- the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

1.2. In preparing this statement the Trustee has consulted Harris & Sheldon Group Limited, the Principal Employer, and obtained advice from Barnett Waddingham LLP, the Trustee's investment consultant. Barnett Waddingham is authorised and regulated by the Financial Conduct Authority.

1.3. This statement has been prepared with regard to the 2001 Myners review of institutional investment (including subsequent updates), and Scheme Funding legislation.

1.4. The Trustee will review this statement at least every three years or if there is a significant change in any of the areas covered by the statement.

1.5. The investment powers of the Trustee are set out in Clause 9 of the Supplemental Deed, dated 27 March 1986. This statement is consistent with those powers.

## 2. Choosing investments

2.1. The Trustee's policy is to set the overall investment target and then monitor the performance of their manager against that target. In doing so, the Trustee considers the advice of their professional advisers, who they consider to be suitably qualified and experienced for this role.

2.2. The day-to-day management of the Scheme's assets is delegated to one investment manager. The Scheme's investment manager is detailed in the Appendix to this Statement. The investment manager is authorised and regulated by the Financial Conduct Authority, and is responsible for stock selection and the exercise of voting rights.

2.3. The Trustee reviews the appropriateness of the Scheme's investment strategy on an ongoing basis. This review includes consideration of the continued competence of the investment manager with respect to performance within any guidelines set. The Trustee will also consult the Principal Employer before amending the investment strategy.

## 3. Investment objectives

3.1. The Trustee has discussed key investment objectives in light of an analysis of the Scheme's liability profile as well as the constraints the Trustee faces in achieving these objectives. As a result, the Trustee's main investment objectives are:

- to ensure that the Scheme can meet the members' entitlements under the Trust Deed and Rules as they fall due;
- to achieve a long-term positive real return;
- to manage the expected volatility of the returns achieved in order to control the level of volatility in the Scheme's required contribution levels;
- to invest in assets of appropriate liquidity which will generate income and capital growth to meet, together with new contributions from members and the participating Employer, the cost of current and future benefits which the Scheme provides;
- to reduce the risk of the assets failing to meet the liabilities over the long term;
- to minimise the long-term costs of the Scheme by maximising the return on the assets whilst having regard to the above objectives;
- to take account of the long-term risks, including those relating to non-financial factors, when making investment decisions.

These objectives have been set with consideration to the Scheme's liabilities, the strength of the employer covenant, and the risk capacity and appetite of the sponsor and Trustee.

- 3.2. The Trustee is aware of the relationship that exists between the particular investment portfolio that is held and the level of funding of the Scheme's liabilities. The Trustee has obtained exposure to investments that they expect will meet the Scheme's objectives as best as possible.

## 4. Kinds of investments to be held

- 4.1. The Scheme is permitted to invest in a wide range of assets including equities, bonds, cash, property and alternatives.
- 4.2. No investment in Employer-related investments is permitted, except where this is by virtue of inclusion in an index which the manager is benchmarked against.

## 5. The balance between different kinds of investments

- 5.1. The Scheme invests in assets that are expected to achieve the Scheme's objectives. The allocation between different asset classes is contained within the Appendix to this Statement.
- 5.2. The Trustee considers the merits of both active and passive management for the various elements of the portfolio and may select different approaches for different asset classes. The current arrangements are set out in the Appendix to this Statement.
- 5.3. From time to time the Scheme may hold cash and therefore deviate from its strategic or tactical asset allocation in order to accommodate any short-term cashflow requirements or any other unexpected items.
- 5.4. The Trustee is aware that the appropriate balance between different kinds of investments will vary over time and therefore the Scheme's asset allocation will be expected to change as the Scheme's liability profile matures.

## 6. Risks

- 6.1. The Trustee has considered the following risks for the Scheme with regard to its investment policy and the Scheme's liabilities, and considered ways of monitoring and managing these risks. These are summarised in the table on the following pages:

<b>Risk versus the liabilities</b>	The Trustee will monitor and review the investment strategy with respect to the liabilities in conjunction with each actuarial valuation. The investment strategy will be set with consideration to the appropriate level of risk required for the funding strategy as set out in the Scheme's Statement of Funding Principles.
<b>Covenant risk</b>	The creditworthiness of the Principal Employer and the size of the pension liability relative to the Principal Employer's earnings and balance sheet are monitored on a regular basis. The appropriate level of investment risk is considered with reference to the strength of the employer covenant.
<b>Solvency and mismatching</b>	This risk is addressed through the asset allocation strategy and ongoing triennial actuarial valuations. The Trustee is aware that the asset allocation required to minimise the volatility of the solvency position may be different from that which would minimise the volatility on the Scheme's funding basis.
<b>Asset allocation risk</b>	The asset allocation is detailed in the Appendix to this Statement and is monitored on a regular basis by the Trustee.
<b>Investment manager risk</b>	The Trustee monitors the performance of the Scheme's investment managers on a regular basis in addition to having meetings with the manager from time to time as necessary. The Trustee has a written agreement with the investment manager, which contains a number of restrictions on how the investment manager may operate.
<b>Governance risk</b>	The asset manager is expected to undertake good stewardship and positive engagement in relation to the assets held. The Trustee monitors these and where appropriate will report on the manager's practices in their annual Implementation Statement.
<b>Environmental, Social and Governance ("ESG")/Climate risk</b>	The Trustee has considered long-term financial risks to the Scheme and views ESG factors as well as climate risk as being potentially financially material. The Trustee will continue to develop the policy to consider these, alongside other factors, when selecting or reviewing the Scheme's investments.
<b>Concentration risk</b>	The investment manager is expected to manage broadly diversified portfolios and to spread assets across a number of individual shares, securities and asset classes.
<b>Liquidity risk</b>	The Scheme invests in assets such that there is a sufficient allocation to liquid investments that can be converted into cash at short notice given the Scheme's cashflow requirements. The Scheme's administrators assess the level of cash held in order to limit the impact of the cashflow requirements on the investment policy.
<b>Currency risk</b>	The Scheme's liabilities are denominated in sterling. The Scheme may gain exposure to overseas currencies by investing in assets that are denominated in a foreign currency or via currency management. Currency hedging may be employed to manage the impact of exchange rate fluctuations.

## Loss of investment

The risk of loss of investment by each investment manager and custodian is assessed by the Trustee. This includes losses beyond those caused by market movements (e.g. default risk, operational errors or fraud).

## 7. Expected return on investments

- 7.1. The Trustee has regard to the relative investment return and risk that each asset class is expected to provide. The Trustee is advised by their professional advisors on these matters, who they deem to be appropriately qualified experts. However, the day-to-day selection of investments is delegated to the investment manager.
- 7.2. The Trustee recognises the need to distinguish between nominal and real returns and to make appropriate allowance for inflation when making decisions and comparisons.
- 7.3. In considering the expected return from investments, the Trustee recognises that different asset classes have different long-term expected returns and expected volatilities relative to the liabilities.
- 7.4. Having established the investment strategy, the Trustee monitors the performance of the investment manager against an agreed benchmark as frequently as appropriate according to market conditions and the Scheme's funding position.

## 8. Realisation of investments

- 8.1. The Trustee has delegated the responsibility for buying and selling investments to the investment manager. The Trustee has considered the risk of liquidity as referred to above.
- 8.2. Ultimately, the investments will all have to be sold when the Scheme's life comes to an end. In this situation, the Trustee is aware of the fact that the realisable value of some investments, were there to be a forced sale, might be lower than the market value shown in the Scheme accounts.

## 9. Financially material considerations, non-financial matters, the exercise of voting rights and engagement activities

- 9.1. The Trustee has set policies in relation to these matters. These policies are set out in the Appendix.

## 10. Policy on arrangements with asset managers

### Incentivising alignment with the Trustee's investment policies

- 10.1. Prior to appointing an investment manager, the Trustee discusses the investment manager's approach to the management of ESG and climate related risks with the Scheme's investment consultant, and how their policies are aligned with the Trustees' own investment beliefs.



- 10.2. When appointing an investment manager, in addition to considering the investment manager's investment philosophy, process and policies to establish how the manager intends to make the required investment returns, the Trustee also considers how ESG and climate risk are integrated into these. If the Trustee deems any aspect of these policies to be out of line with their own investment objectives for the part of the portfolio being considered, they will consider using another manager for the mandate.
- 10.3. The Trustee considers the Scheme's investment strategy at least every three years where they assess the continuing relevance of the strategy in the context of the Scheme's membership and their aims, beliefs and constraints. The Trustee monitors the investment manager's approach to ESG and climate related risks on an annual basis.
- 10.4. In the event that the investment manager ceases to meet the Trustee's desired aims, including the management of ESG and climate related risks, using the approach expected of them, their appointment will be reviewed. The investment manager has been informed of this by the Trustee.
- 10.5. Investment manager ESG policies are reviewed in the context of best industry practice and feedback will be provided to the investment manager.

### Incentivising assessments based on medium to long term, financial and non-financial considerations

- 10.6. The Trustee is mindful that the impact of ESG and climate change has a long-term nature. However, the Trustee recognises that the potential for change in value as a result of ESG and climate risk may occur over a much shorter term than climate change itself. The Trustee acknowledges this in their investment management arrangements.
- 10.7. When considering the management of objectives for an investment manager (including ESG and climate risk objectives), and then assessing their effectiveness and performance, the Trustee assesses these over a rolling timeframe. The Trustee believes the use of rolling timeframes, typically 3 to 5 years, is consistent with ensuring the investment manager makes decisions based on an appropriate time horizon. Where a fund may have an absolute return or shorter term target, this is generally supplementary to a longer term performance target. In the case of assets that are actively managed, the Trustee expects this longer term performance target to be sufficient to ensure an appropriate alignment of interests.
- 10.8. The Trustee expects the investment manager to be voting and engaging on behalf of the Scheme's holdings and the Scheme monitors this activity within the Implementation Statement in the Scheme's Annual Report and Accounts. The Trustee does not expect ESG considerations to be disregarded by the investment manager in an effort to achieve any short term targets.

### Method and time horizon for assessing performance

- 10.9. The Trustee monitors the performance of the investment manager over medium to long term periods that are consistent with the Trustee's investment aims, beliefs and constraints.
- 10.10. The Scheme invests exclusively in pooled funds. The investment manager is remunerated by the Trustee based on the assets they manage on behalf of the Trustee. As the funds grow, due to successful investment by the investment manager, they receive more and as values fall they receive less.
- 10.11. The Trustee believes that this fee structure, including the balance between any fixed and performance related element, enables the investment manager to focus on long-term performance without worrying about short term dips in performance significantly affecting their revenue.

- 10.12. The Trustee asks the Scheme's investment consultant to assess if the asset management fee is in line with the market when the manager is selected, and the appropriateness of the annual management charges are considered from time to time.

### Portfolio turnover costs

- 10.13. The Trustee acknowledges that portfolio turnover costs can impact on the performance of their investments. Overall performance is assessed as part of the regular investment monitoring process.
- 10.14. During the investment manager appointment process, the Trustee may consider both past and anticipated portfolio turnover levels. When underperformance is identified, deviations from the expected level of turnover may be investigated with the investment manager concerned if it is felt they may have been a significant contributor to the underperformance. Assessments reflect the market conditions and peer group practices.

### Duration of arrangement with asset manager

- 10.15. For the open-ended pooled funds in which the Scheme invests, there are no predetermined terms of agreement with the investment manager.
- 10.16. The suitability of the Scheme's asset allocation and its ongoing alignment with the Trustee's investment beliefs is considered every three years, or when changes deem it appropriate to do so more frequently. As part of this review the ongoing appropriateness of the investment manager, and the specific funds used, is considered.

## 11. Agreement

- 11.1. This statement was agreed by the Trustee, and replaces any previous statements. Copies of this statement and any subsequent amendments will be made available to the Principal Employer, the investment manager, the Scheme Actuary and the Scheme auditor upon request.

**Signed:**.....

**Date:**.....

**On behalf of the Harris & Sheldon Group Limited Pension Scheme**

# Appendix 1: Note on investment policy of the Scheme in relation to the current Statement of Investment Principles

## 1. The balance between different kinds of investment

The Trustee has considered all asset classes and has gained exposure to global equities, fixed interest bonds, and index-linked bonds. The performance of the investment manager will be monitored as frequently as the Trustee considers appropriate in light of the prevailing circumstances. The monitoring takes into account both short term and long-term performance.

The Scheme has a strategic asset allocation as set out in the table below.

Asset Class	Fund	Benchmark Allocation
<b>Equities</b>		<b>62%</b>
Global equity	BlackRock Aquila Life MSCI World Index Fund	62%
<b>Fixed Income</b>		<b>38%</b>
Corporate bonds	BlackRock Buy and Maintain UK Credit Fund	15%
Index-linked gilts	BlackRock Aquila Life All Stocks UK Index-Linked Gilts Fund	13%
Gilts	BlackRock Aquila Life Over 15 Years UK Gilt Index Fund	10%
<b>Total</b>		<b>100%</b>

### Rebalancing

As part of its risk management strategy, the Trustee aims to hedge approximately 100% of the Scheme's interest rate and inflation risks. The actual hedging level will be monitored against this target periodically, and any rebalancing required to bring the hedging level in line with the target will be undertaken at least once every 3 years. The Trustee seeks to maintain a balance between maintaining the asset allocation in line with its benchmark and limiting the costs of rebalances. While the benchmark outlined in the table provides a useful guide, the actual asset allocation may differ at any given time depending on market movements, economic conditions, and cost considerations. In particular, maintaining the hedging level in line with the target will naturally result in some deviation between the actual asset allocation at any given point and the reference allocation set out above.

## 2. Choosing investments

The Trustee has appointed BlackRock Investment Management (UK) Limited to carry out the day-to-day investment of the Scheme's assets.

The Trustee also has an AVC arrangement with BlackRock Advisers (UK) Limited for the receipt of members' Additional Voluntary Contributions (AVCs), the assets of which are invested with the other assets of the Scheme. Interest is calculated in relation to these funds and added to each member's account.

The investment managers and AVC providers are authorised and regulated by the Financial Conduct Authority.

The investment benchmarks and objectives for the investment manager and AVC provider are given below:

Fund Name	Benchmark	Objective
<b>Equities</b>		
BlackRock Aquila Life MSCI World Index Fund	MSCI World Net Total Return in GBP	Achieve index returns in line with the benchmark
<b>Fixed Income</b>		
BlackRock Buy and Maintain UK Credit Fund	N/A	Produce an income for investors by primarily investing in a diversified portfolio of high-quality non-government bonds.
BlackRock Aquila Life All Stocks UK Index- Linked Gilts Fund	FTSE Actuaries UK Index-Linked Gilts All Stocks Index	Achieve a return consistent with the benchmark
BlackRock Aquila Life Over 15 Years UK Gilt Index Fund	FTSE Actuaries UK Conventional Gilts over 15 Years Index	Achieve a return consistent with the benchmark

The performance of the investment manager will be monitored as frequently as the Trustee considers appropriate in light of the prevailing circumstances. The monitoring takes into account both short-term and long-term performance.

The AVC arrangement is reviewed from time to time.

### 3. Investments and disinvestments

Given that investments or disinvestments from the Fixed Income assets will affect the hedging level, the Trustee will usually make any investments or disinvestments for cashflow management purposes from the Equities.

## Appendix 2: Financially material considerations, non-financially material considerations, the exercise of voting rights and engagement activities

### 1. Financially material considerations

The Trustee considers that factors such as environmental, social and governance (ESG) issues (including but not limited to climate change) will be financially material for the Scheme over the length of time during which the benefits provided by the Scheme for members require to be funded to a level which would allow the benefits to be bought out with an insurer. Given the Scheme remains open to accrual and the objective to fund future member benefits from the Scheme's assets as they fall due, the Trustee has a long-term time horizon over which it takes into account the financial materiality of ESG factors.

The Trustee has previously received training from its investment advisor on ESG factors. The Trustee considered the research findings presented as part of this training to form their views on the financial materiality of ESG factors as they apply to the Scheme's current investments.

The Trustee has elected to invest the Scheme's assets through pooled funds. The choice of underlying funds is made by the Trustee after taking advice from their investment consultant. The Trustee, and the manager of the underlying funds, take into account ESG factors (including climate change risks) in their decisions in relation to the selection, retention and realisation of investments.

The Trustee takes those factors into account in the selection, retention and realisation of investments as follows:

**Selection of investments:** The Trustee assesses the investment manager's ESG integration credentials and capabilities, including stewardship, as a routine part of requests for information/proposals as well as through other regular reporting channels.

**Retention of investments:** The Trustee will monitor ESG considerations on an ongoing basis by seeking information on the responsible investing policies and practices of the investment managers as and when necessary.

**Realisation of investments:** The Trustee will request information from the investment manager about how ESG considerations are taken into account in decisions to realise investments.

The Trustee will also take those factors into account as part of its investment process to determine a strategic asset allocation, and consider them as part of ongoing reviews of the Scheme's investments.

The Trustee will continue to monitor and assess ESG factors, and risks and opportunities arising from them, as follows:

- The Trustee will obtain regular training on ESG considerations in order to understand fully how ESG factors including climate change could impact the Scheme and its investments;
- As part of ongoing monitoring of the Scheme's investment manager, the Trustee will use any ESG ratings information available within the pensions industry or provided by its investment consultant, to assess how the Scheme's investment manager takes account of ESG issues; and

- Through their investment consultant the Trustee will request that the Scheme's investment manager provide information about their ESG policies, and details of how they integrate ESG into their investment processes on an annual basis.

## 2. Non-financially material considerations

The Trustee does not take into account the views of Scheme members and beneficiaries in relation to ethical considerations, social and environmental impact, or present and future quality of life of the members and beneficiaries of the Scheme (referred to as "non-financial matters" in the relevant Regulations) in the selection, retention and realisation of investments.

## 3. The exercise of voting rights

The Trustee's policy on the exercise of rights attaching to investments, including voting rights, and in undertaking engagement activities in respect of the investments is that these rights should be exercised by the investment manager on the Trustee's behalf. In doing so, the Trustee expects that the investment manager will use their influence as major institutional investors to exercise the Trustee's rights and duties as shareholders, including where appropriate engaging with underlying investee companies to promote good corporate governance, accountability and to understand how those companies take account of ESG issues in their businesses.

The Trustee will monitor and engage with the investment manager about relevant matters (including matters concerning an issuer of debt or equity, including their performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, social and environmental impact and corporate governance), through the Scheme's investment consultant.

The investment manager will be asked to provide details of their stewardship policy and engagement activities on at least an annual basis. The Trustee will, with input from their investment consultant, monitor and review the information provided by the investment manager. Where possible and appropriate, the Trustee will engage with their investment manager for more information and ask them to confirm that their policies comply with the principles set out in the Financial Reporting Council's UK Stewardship Code.

## 4. Engagement activities

The Trustee acknowledges the importance of ESG and climate risk within their investment framework. When delegating investment decision making to the investment manager, the investment manager is provided with a benchmark the Trustee expects the investment manager to either follow or outperform. The investment manager has discretion over where in an investee company's capital structure it invests (subject to the restrictions of the mandate), whether directly or as an asset within a pooled fund.

The Trustee is of the belief that ESG and climate risk considerations extend over the entirety of a company's corporate structure and activities, i.e. that they apply to equity, credit and property instruments or holdings. The Trustee also recognises that ESG and climate related issues are constantly evolving and along with them so too are the products available within the investment management industry to help manage these risks.

The Trustee considers it to be a part of their investment manager's role to assess and monitor developments in the capital structure for each of the companies in which the manager invests on behalf of the Scheme or as part of the pooled fund in which the Scheme holds units.

The Trustee also considers it to be part of their investment manager's role to assess and monitor how the companies in which they are investing are managing developments in ESG related issues, and in particular climate risk, across the relevant parts of the capital structure for each of the companies in which the manager invests on behalf of the Scheme.

Should the investment manager be failing in these respects, this should be captured in the Scheme's regular performance monitoring.

The Scheme's investment consultant is independent and no arm of their business provides asset management services. This, and their FCA Regulated status, makes the Trustee confident that the investment manager recommendations they make are free from conflict of interest.

The Trustee expects all investment managers to have a conflict of interest policy in relation to their engagement and ongoing operations. In doing so the Trustee believes they have managed the potential for conflicts of interest in the appointment of the investment manager and conflicts of interest between the Trustee, investment manager and the investee companies.

In selecting and reviewing their investment managers, where appropriate, the Trustee will consider investment managers' policies on engagement and how these policies have been implemented.

## 5. Stewardship priorities

Stewardship includes the exercise of rights (including voting rights) attaching to the Scheme's investments, and the engagement by and with investment managers.

Given that the Trustee has delegated all voting and engagement activities to the Scheme's underlying investment manager, the Trustee has agreed to set the Scheme's stewardship priorities to be based on BlackRock's stewardship priority themes.

The Trustee will review any changes BlackRock makes to its stewardship priorities from time to time and will consider whether they remain appropriate for the Scheme and whether to maintain the alignment to BlackRock's priorities.

# Implementation Statement

## Harris & Sheldon Group Limited Pension Scheme

Scheme year ending 31 December 2023

### Purpose of the Implementation Statement

The Implementation Statement has been prepared by the Trustee of the Harris & Sheldon Group Limited Pension Scheme ("the Scheme") and sets out:

- How the Trustee's policies on exercising rights (including voting rights) and engagement policies have been followed over the year.
- The voting activity undertaken by the Scheme's investment managers on behalf of the Trustee over the year, including information regarding the most significant votes.

### How voting and engagement policies have been followed

The Scheme invests entirely in pooled funds, and as such the Trustee delegates' responsibility for carrying out voting and engagement activities to the Scheme's fund managers.

In 2020 the Trustee initiated a strategic review of the Scheme's investment arrangements, as part of this review it was considered, at a high level, how ESG considerations could be factored into the Scheme's equity portfolio. The voting and stewardship policies of the managers were reviewed in the production of this statement.

Annually the Trustee receives and reviews voting information and engagement activities from the asset managers, which are reviewed to ensure alignment with the Scheme's policies. This exercise was undertaken in the production of this statement. The Trustee believes that the voting and engagement activities undertaken by the asset managers on their behalf have been in the members' best interests.

Having reviewed the above in accordance with the Scheme's policies, the Trustee is comfortable the actions of the fund managers is in alignment with the Scheme's stewardship policies.

As part of ongoing monitoring of the Scheme's investment managers, the Trustee uses ESG ratings information available within the pensions industry or provided by its investment consultant, to assess how the Scheme's investment managers take account of ESG issues.



## Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force since August 2022 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It has been made available online here:

<https://schemedocs.com/harris-and-sheldon-group-statement-investment-principles.html>

No changes were made to the stewardship policy over the year.

At this time, the Trustee has not set stewardship priorities / themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks.

The Trustee has delegated the exercise of rights attaching to investments, including voting rights, and in undertaking engagement activities to the Scheme's investment managers.

**Prepared by the Trustee of the Harris & Sheldon Group Limited Pension Scheme  
July 2024**

## Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Scheme's Growth Portfolio on behalf of the Trustee over the year to 31 December 2023. The Protection Portfolio with BlackRock Investment Management has no voting rights and limited ability to engage with key stakeholders given the nature of the mandates.

The voting data provided is specific for the pooled version of the funds in which the Scheme invests.

Manager		BlackRock Investment Management				
Fund name	Aquila Life US Equity Fund	BGF Japan Flexible Equity Fund	Continental European Fund	UK Equity Fund	iShares Pacific ex Japan Equity Index Fund	Emerging Markets Fund
Structure	Pooled					
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.					
Number of company meetings the manager was eligible to vote at over the year	601	3	32	146	122	105
Number of resolutions the manager was eligible to vote on over the year	8,038	30	582	2,416	943	938
Percentage of resolutions the manager voted on	99%	100%	100%	100%	100%	83%
Percentage of resolutions the manager abstained from	0%	0%	3%	0%	0%	3%
Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	97%	100%	90%	97%	91%	89%
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	2%	0%	9%	2%	8%	10%

**Percentage of  
resolutions voted  
contrary to the  
recommendation  
of the proxy  
advisor**

0%                      6%                      0%                      0%                      0%                      0%

BlackRock uses Institutional Shareholder Services (ISS) for proxy advisory and voting services as well as Glass Lewis for proxy advisory services. Recommendations from such firms make one of the number of inputs used in their vote analysis process.

The BlackRock Investment Management ICS Sterling Liquid Environmentally Aware Fund, Aquila Life All Stocks UK Gilt Index, Index Linked Fund, Aquila Life Overseas Bonds and All Stocks Corporate Bond Fund would not normally be expected to hold assets with voting rights attached and no voting data has been provided by BlackRock for these funds.

## Significant Votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustee over the year to be set out. At this time, the Trustee has not set stewardship priorities / themes for the Scheme, so for this Implementation Statement the Trustee has asked the investment managers to determine what they believe to be a "significant vote". The Trustee has not communicated voting preferences to their investment managers over the period, as the Trustee is yet to develop a specific voting policy.

Data on significant votes was requested from the Scheme's investment manager. In some instances, the manager has not been able to provide the data requested at the time of producing this statement. The Trustee's investment consultant is liaising with the manager to improve delivery of the data in the future, and the Trustee understands that the manager is working to improve its disclosures.

A summary of the data provided is set out below. Data on significant votes was provided for the Aquila Life US Equity Fund, UK Equity Fund, iShares Pacific Ex Japan Equity Index Fund, European Continental Fund. BlackRock reported that there were no significant votes over the year for the BGF Japan Flexible Equity Fund and the Emerging Markets Fund.

For each of the funds where significant votes were provided a subset of 3 per fund are displayed below, selected to reflect the variety of votes apart from the European Continental Fund and the UK Equity Fund where only data for one company was provided by BlackRock. Where votes for more than three companies were provided, votes in relation to the largest three shareholdings at year end have been shown.

### BlackRock Investment Management, Aquila Life US Equity Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Amazon.com, Inc.	Alphabet Inc.	Chevron Corporation
<b>Date of vote</b>	24/05/2023	02/06/2023	31/05/2023
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	n/a	n/a	n/a

	Vote 1	Vote 2	Vote 3
<b>Summary of the resolution</b>	Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining	Approve Recapitalization Plan for all Stock to Have One-vote per Share	Oversee and Report a Racial Equity Audit
<b>How the manager voted</b>	Against	For	Against
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	n/a	n/a	n/a
<b>Rationale for the voting decision</b>	The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures.	BlackRock believe that one vote per share is in the best interest of long term shareholders	The company already has policies in place to address the request being made by the proposal.
<b>Outcome of the vote</b>	Fail	Fail	Fail
<b>Implications of the outcome</b>	BlackRock avoids supporting overly prescriptive resolutions that are unlikely to promote long term shareholder value.	Showed BlackRock's belief in appropriate voting rights for shareholders	BlackRock avoids supporting overly prescriptive resolutions and does not believe it is shareholders' position to tell companies what their strategies should entail.

## BlackRock Investment Management, European Continental Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	BE Semiconductor Industries NV	BE Semiconductor Industries NV	BE Semiconductor Industries NV
<b>Date of vote</b>	26/04/2023	26/04/2023	26/04/2023
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	n/a	n/a	n/a
<b>Summary of the resolution</b>	Approve Remuneration Report	Approve Discharge of Supervisory Board	Approve Remuneration Policy
<b>How the manager voted</b>	Against	For	For
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	n/a	n/a	n/a

	Vote 1	Vote 2	Vote 3
<b>Rationale for the voting decision</b>	Poor use of remuneration committee discretion regarding the grant of a one-off award.	No rationale given.	No rationale given.
<b>Outcome of the vote</b>	Fail	Pass	Pass
<b>Implications of the outcome</b>	Where concerns are raised either through voting or during engagement, BlackRock monitor developments and assess whether the company has addressed their concerns.	Where concerns are raised either through voting or during engagement, BlackRock monitor developments and assess whether the company has addressed their concerns.	Where concerns are raised either through voting or during engagement, BlackRock monitor developments and assess whether the company has addressed their concerns.

## BlackRock Investment Management, UK Equity Fund

	Vote 1	Vote 2
<b>Company name</b>	Shell Plc	Shell Plc
<b>Date of vote</b>	23/05/2023	23/05/2023
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	n/a	n/a
<b>Summary of the resolution</b>	Approve the Shell Energy Transition Progress	Request Shell to Align its Existing 2030 Reduction Target Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement
<b>How the manager voted</b>	For	Against
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	n/a	n/a
<b>Rationale for the voting decision</b>	No rationale given.	The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company.
<b>Outcome of the vote</b>	Pass	Fail

	Vote 1	Vote 2
<b>Implications of the outcome</b>	Shown support for actions taken to date and improving transparency in this regard.	BlackRock avoids supporting overly prescriptive resolutions and does not believe it is shareholders' position to tell companies what their strategies should entail.

## BlackRock Investment Management, iShares Pacific ex Japan Equity Index Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	The Hong Kong and China Gas Company Limited (HKCG)	Santos Limited	Techtronic Industries Co., Ltd.
<b>Date of vote</b>	07/06/2023	06/04/2023	12/05/2023
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	n/a	n/a	n/a
<b>Summary of the resolution</b>	Elect David Li Kwok-po as Director	Approve the Amendments to the Company's Constitution	Approve the Amendments to the Share Option Scheme
<b>How the manager voted</b>	Against	Against	Against
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	n/a	n/a	n/a
<b>Rationale for the voting decision</b>	BlackRock voted against the director due to there being insufficient independence after reclassification: Audit Committee, Nomination Committee and Remuneration Committee without majority independence; Chair of Audit Committee and Chair of Remuneration Committee are not independent.	BlackRock believes that shareholder proposals are best facilitated through regulatory changes.	Incentive arrangements do not support the long-term economic interests of shareholders due to short vesting periods.
<b>Outcome of the vote</b>	Pass	Fail	Pass

<b>Implications of the outcome</b>	BlackRock encourages companies in the market to maintain sufficient levels of independence for directors and for the leadership and membership of any board committees that they have established. BlackRock also encourages HKCG's board – which has no female members –	Highlighted the need for well-formulated resolutions.	Demonstrates importance of resolutions being beneficial to shareholders.
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### Vote 1

### Vote 2

### Vote 3

to consider strengthening its  
diversity of perspectives.

## Fund level engagement

The investment managers may engage with their investee companies on behalf of the Trustee. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Manager <b>BlackRock Investment Management</b>								
Fund name	BIBF All Stocks Corporate Bond Fund	Aquila Life US Equity Fund	BGF Japan Flexible Equity Fund	Continental European Fund	UK Equity Fund	iShares Pacific ex Japan Equity Index Fund	Emerging Markets Fund	ICS Sterling Liquid Environmental Aware Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	108	674	45	57	149	110	55	10
Number of individual companies engaged	40	401	28	24	70	70	32	5

Fund level engagement data was only available for the equity funds, the ICS Sterling Liquid Environmental Aware Fund and the All Stocks Corporate Bond Fund.

## Examples of engagement activity undertaken over the year to 31 December 2023

Below details for each fund are provided of how BlackRock have engaged with a given company for each fund over the year to 31 December 2023 where data was provided.

Manager <b>BlackRock Investment Management</b>								
Fund name	BIBF All Stocks Corporate Bond Fund	Aquila Life US Equity Fund	BGF Japan Flexible Equity Fund	Continental European Fund	UK Equity Fund	iShares Pacific ex Japan Equity Index Fund	Emerging Markets Fund	ICS Sterling Liquid Environmental Aware Fund
Company engagement example	Barclays Plc	Starbucks Corporation	Toyota Motor Corporation	ASM International NV	Shell Plc	BHP Group Ltd.	Sendas Distribuidora	Westpac Banking Corp
Number of engagement	8	9	6	10	8	5	5	3

<b>over the year to 31 Dec 2022</b>								
<b>Engagements in person</b>	2	2	5	0	6	2	0	3
<b>Engagements by video</b>	4	7	0	1	2	2	5	0
<b>Engagements over a conference call</b>	2	0	1	4	0	0	0	0
<b>Engagements by email</b>	0	0	0	5	0	0	0	0
<b>Engagements on Environmental issues</b>	5	1	2	2	7	4	1	2
<b>Engagements on Social issues</b>	1	3	0	2	3	3	1	1
<b>Engagements on Governmental issues</b>	6	9	6	10	8	3	5	3