



**RETIREMENT BENEFITS PLAN
IMPLEMENTATION STATEMENT FOR YEAR ENDED 31 JULY 2024**

[Introduction](#)

Under the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 (Northern Ireland), the Trustees are required to produce an annual Engagement Policy Implementation Statement (“EPIIS”). 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 Plan’s accounting year to 31 July 2024. In preparing this statement, the Trustees have taken advice from their professional advisers.

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

Policies

The Trustees’ relevant policies regarding stewardship, voting and engagement are outlined in the SIP. The Trustees revised their SIP in September 2023 and as such, the policies contained in both the September 2020 SIP and the September 2023 SIP, are those which are relevant to this Statement. The most recent version of the SIP is publicly available and is published online. The SIP will be updated from time-to-time as required.

The Trustees have appointed BlackRock as the adviser and Fiduciary Manager (“the Manager”) to the Plan. The Trustees delegate the day-to-day investment decisions and asset allocation to the Manager. The Trustees retain responsibility for the strategic investment objective and oversight of the Manager.

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. Going forwards, the Trustees plan to develop their policies and build more elements of this guidance into future iterations of this statement.

Scope of this statement

The Trustees acknowledge 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 Liability Driven Investment (“LDI”) portfolio is limited. Nonetheless, the Trustees and the Manager expect all investment managers to take an active role in the stewardship of investments where relevant.

Plan activity over the year

The SIP includes the Trustees’ policy on Environmental, Social and Governance (“ESG”) factors and stewardship. This policy sets out the Trustees’ beliefs on ESG and the processes followed by the Trustees in relation to voting rights and stewardship.

The Trustees 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 Trustees expect 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 Trustees will be closely monitoring developments over the coming years.

Voting and Engagement

The Trustees have delegated to the Manager the responsibility of collecting the stewardship and engagement reports of the underlying managers and assessing the suitability. The Trustees also expect the Manager to monitor the underlying manager’s activity to ensure compliance and confirm that it remains a suitable investment for the Plan. The Trustees are 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 Plan'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 significant engagements these managers have made over the 12 months in respect to the funds in which the Plan is invested.

In addition, summary voting statistics in respect of the Plan's equities funds over the year to 30 June 2024 have been included. Voting statistics have been reported over the one-year period to 30 June 2024 as this likely to result in greater coverage across investment managers and therefore also provide greater comparability and consistency going forwards.

BlackRock:

The Plan 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 Trustees recognise the importance of ensuring that the Manager's own policies and actions are appropriate for the Plan. The Manager publicises its own policies as well as quarterly updates online (which can be accessed <https://www.blackrock.com/corporate/insights/investment-stewardship>) which the Trustees have 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 Trustees are comfortable that the transparency of the Manager in publicising reports and developments online ensures alignment with the interests of the Plan.

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 Trustees by the Manager on a more granular level.

With the exception of the BlackRock European Equities fund, BlackRock Factor Equities and BlackRock Thematic Equities, the Plan'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 in respect of the BlackRock holdings 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.

<p>Approach to voting</p>	<p>BlackRock sees its investment stewardship program, including proxy voting, as part of its fiduciary duty and as a way to enhance the value of clients' assets, using our voice as a shareholder on their behalf to ensure that companies are well led and well managed.</p> <p>The BlackRock Investment Stewardship team 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.</p> <p>BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team ("BIS"), which consists of three regional teams – Americas ("AMRS"), Asia-Pacific ("APAC"), and Europe, Middle East and Africa ("EMEA") - located in seven offices around the world. The analysts within each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines.</p> <p>Whilst BlackRock subscribes to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, 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 two research providers and uses several other inputs in its voting and engagement analysis, including a company's own disclosures, public information and ESG research.</p>
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	<p>BlackRock uses Institutional Shareholder Services' (ISS) electronic platform to execute vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, BlackRock works with proxy research firms who apply our 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 our voting decision.</p>
<p>Eicher Motors Limited (Indian Automotive manufacturer)</p>	<p>Eicher Motors Limited (Eicher Motors) is an Indian automotive manufacturer which owns and operates the Royal Enfield motorcycle brand.</p> <p>BIS has had multiyear engagements with Eicher Motors to better understand the company's governance and strategy, as well as its approach to board composition and refreshment. In 2023, BIS engaged with Eicher Motors on board and committee independence matters in relation to the director election proposals at the August AGM and November EGM.</p> <p>During AGM in August 2023, BIS voted FOR the re-election of Siddhartha Vikram Lal as Director. This decision was based on the company's responsiveness to shareholder concerns, including a commitment to review the composition of the board. BIS emphasises the importance of board performance for a company's economic success and highlights their role in engaging with and electing directors as a key responsibility. BIS consider factors such as director independence and the overall independence of boards and committees, which are crucial for effective oversight and long-term value creation.</p> <p>BIS had previously raised concerns about the CEO's role on the audit committee. Prior to the AGM, BIS engaged with the company to raise the concern, as well raise concerns on the independence level of the board and audit committee. BIS also raised the length of tenure of the independent non-executive director sitting as chair of the board. Following engagement, BIS noted the steps the company committed to taking to address shareholder concerns. Shortly before the 2023 AGM, Eicher Motors announced that the company's board of directors would "engage in [a] review of the number of independent directors on the board and composition of various board committees".</p> <p>Based upon the company's public comments regarding a board refreshment and the potential to address shareholder concerns, BIS determined that supporting this vote at the August 2023 AGM was warranted.</p>
<p>Dassault Systèmes SE (French Software Company)</p>	<p>Dassault Systèmes SE is a French software company that develops 3D design, simulation, manufacturing, and data management software. Its products are used by companies in a wide range of industries, including aerospace and defense, automotive, consumer goods, and healthcare. BIS engages with companies to better understand how company leadership identifies and manages the material risks and opportunities in their business model that, in their assessment, can impact their ability to deliver durable financial performance for long-term investors. BIS also engages to provide a long-term investor perspective on corporate governance practices.</p> <p>BIS has a multi-year engagement history with Dassault Systèmes, over which they have discussed the company's approach to executive remuneration and other material governance-related issues. In particular, BIS has had concerns with the structure of the long-term incentive plan (LTIP) for the company's executives as, in their assessment, the LTIP is not aligned with the financial interests of long-term shareholders.</p> <p>At the AGM of Dassault Systèmes in 2020, 2021, and 2022, the company received high levels of dissent on their compensation policies from unaffiliated shareholders, including from BIS. BIS note that, even though Dassault Systèmes' has a controlled shareholding structure, following the 2022 AGM the company has been responsive to feedback from unaffiliated shareholders and has demonstrated that the feedback is informing changes they have made to their executive remuneration practices.</p> <p>At the 2023 AGM, BIS did not support the approval of the compensation plan for the Vice Chairman and CEO of Dassault Systèmes that was granted in 2022. This was due to concerns over the lack of a cap on his LTIP. This resulted in an excessive payout of approximately \$60 million, which BIS deemed disproportionate compared to his peers in Europe. BIS advocates against remuneration proposals that lack appropriate rationale or explanation for excessive pay relative to peers.</p> <p>Additionally, BIS criticised the 2022 LTIP for being based on one non-IFRS EPS target where there was little disclosure on performance targets. BIS believes that variable pay should be based on multiple metrics and BIS will vote against relevant remuneration proposals when there is insufficient information on the use of performance criteria for vesting long-term awards.</p> <p>BIS plan to continue monitoring Dassault Systèmes' executive remuneration practices and engage with the company to ensure alignment with long-term financial value creation.</p>

The tables below outline the summary voting statistics in respect of the Manager's equities funds over the year to 30 June 2024. Voting statistics have been reported over the one-year period to 30 June 2024 as this likely to result in greater coverage across investment managers and therefore also provide greater comparability and consistency going forward.

	Year to 30 June 2024	
BlackRock Europe Equities (Active)	Votable proposals	827
	% of resolutions voted	100%
	% of resolutions voted against management	7%
	% of resolutions abstained	2%
BlackRock US Equities (Index)	Votable proposals	7,129
	% of resolutions voted	99%
	% of resolutions voted against management	2%
	% of resolutions abstained	0%
BlackRock UK Equities (Index)	Votable proposals	14,576
	% of resolutions voted	96%
	% of resolutions voted against management	3%
	% of resolutions abstained	1%
BlackRock Asia Pacific Equities (Index)	Votable proposals	3,069
	% of resolutions voted	100%
	% of resolutions voted against management	10%
	% of resolutions abstained	0%
BlackRock Japan Equities (Index)	Votable proposals	6,012
	% of resolutions voted	100%
	% of resolutions voted against management	3%
	% of resolutions abstained	0%
iShares Edge MSCI USA Value Factor ETF (Index)	Votable proposals	2,115
	% of resolutions voted	100%
	% of resolutions voted against management	1%
	% of resolutions abstained	0%
iShares MSCI EMU ETF (Index) <i>(Bought in December 2023)</i>	Votable proposals	3,986
	% of resolutions voted	100%
	% of resolutions voted against management	6%
	% of resolutions abstained	0%
BlackRock Factor Equities (Active)	Votable proposals	2,659
	% of resolutions voted	95%
	% of resolutions voted against management	2%
	% of resolutions abstained	0%
BlackRock Thematic Equities	Votable proposals	25,866

(Active)	% of resolutions voted	98%
	% of resolutions voted against management	9%
	% of resolutions abstained	2%

Other investment managers

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

Schroders (Active):

Approach	<p>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.</p> <p>It is Schroders' policy to vote all shares at all meetings globally, except where there are onerous restrictions – for example, shareblocking. 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. With regards to abstaining from votes, Schroders' preference is to support or oppose management and only use an abstention sparingly. Schroders may abstain where mitigating circumstances apply, for example where a company has taken some steps to address shareholder issues.</p> <p>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.</p>
Terna Energy (Greek renewable energy company)	<p>Terna Energy is a Greek renewable energy company that plays a leading role in clean energy production while carrying out innovative projects for the environment, which contribute to sustainable development.</p> <p>Throughout 2023, the Schroders investment team engaged with Terna Energy on the follow issues:</p> <ul style="list-style-type: none"> • Supply chain management – how much ESG focus is given to their suppliers? • Biodiversity management – how does Terna ensure that environmental risks and depletion are managed across operations? <p>In terms of the supply chain management, Terna adopted a procurement policy in 2022 and suppliers/partners are selected in line with these policy provisions. Terna have been applying the Code of Ethics, GDPR, human rights and purchasing policies to suppliers and as such, suppliers must provide policy statements regarding forced labour and evidence of control and monitoring facilities. Terna has the right to conduct inspections on suppliers and can terminate contracts should a supplier fail to abide by their principles and values.</p> <p>On biodiversity management, Terna is in full compliance with legislation and environmental requirements, whilst climate risks are formulated into the company's strategy. The following impact management initiatives are applied: investigation of project areas and whether they are governed by specific regulatory restrictions (including protected areas); preparation of environmental impact studies and implementation of an environmental management system; and installations of bird protection systems, approved by the environmental terms. For every project that is completed within forest areas, reforestation is performed equal to the project size.</p>

Schroders EM Equities	Year to 30 June 2024
Votable proposals	1,902
% of resolutions voted	97%
% of resolutions voted against management	8%
% of resolutions abstained	2%

Wellington (Active):

<p>Approach</p>	<p>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.</p>
<p>Ryder System, Inc. (American transport company)</p>	<p>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 addition 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.</p>

Wellington Small Cap Equities	Year to 30 June 2024
Votable proposals	1,474
% of resolutions voted	99%
% of resolutions voted against management	5%
% of resolutions abstained	0%

JP Morgan

<p>Approach</p>	<p>JP Morgan has an explicitly stated investment stewardship philosophy, believing that the companies they engage with will produce better long-term financial results, while simultaneously contributing to an improved society. JP Morgan's stewardship activities are based on proprietary environmental, social and governance research, driven by both their broad investment teams in addition to a dedicated Sustainable Investing team.</p> <p>JP Morgan subscribes to research from the proxy advisory firms Institutional Shareholder Services (ISS), GES International (Sustainalytics) and Glass Lewis.</p> <p>JP Morgan's Sustainable Investing Oversight Committee is made up of chief investment officers and leaders from its sustainable investing and control functions, and serves as a single point of strategic oversight, decision-making, review and assurance. The business employs regional heads of stewardship to work with local teams, while the Global Head of Sustainable Investing, Jennifer Wu, oversees the global stewardship effort. With regards to engagement, JP Morgan conducts approximately 500 dedicated ESG engagement meetings per year.</p>
<p>Haier Smart Home (Chinese producer of smart home appliances)</p>	<p>Throughout JP Morgan's individual meetings, they have learnt that the company has implemented multiple initiatives and practices which in JP Morgan's view have not been disclosed clearly in the company's public reports. The company has also set a list of targets for various environmental and social issues, but these targets are very short-term in nature. The disclosure of Scope 3 emissions data were also missing.</p> <p>Haier Smart Home has enriched its ESG disclosure over the past two years. To further improve sustainability disclosure, JP Morgan highlighted the need for reporting the time series of material ESG data. The company recognised the issue and stated that there were no problems with supply chain and employment data. The challenges are in emission and other environmental information due to the geographical fragmentation in collecting and managing these data points. The company is trying to overcome these challenges through different means such as upgrading the Enterprise Risk Management system.</p> <p>The company's environmental and social targets are generally short-term with one-to-three-year targets. With respect to climate, the company mentioned that it has been working on estimating the environmental impact of its industrial park and will set 2024 as their target. It is also trying to be a pioneer in China to report their Scope 3 emissions based on ISSB standard, but the timing is to be confirmed.</p> <p>Most of the company's emissions are coming from its supply chain and product use, also known as Scope 3 emissions. The same applies for the company's environmental impact. The company has observed rising customer demand for green products and is working to mitigate the impact on climate and other environmental aspects. The company is conducting research and development on the life cycle of its products, to identify the changes they can make (e.g. reduction of molding, materials to avoid consumption etc.) and the monetary impact associated with these changes.</p> <p>JP Morgan has seen a significant uplift of the company's third party ESG rating, which could be attributed to higher transparency on ESG matters. To further advance its disclosure, the company will disclose all the policies and codes of conduct under separate sections on its website. JP Morgan's focus of engagement will be to set longer-term targets for material ESG issues.</p>

JPM China Equities	Year to 31 December 2023
Votable proposals	109
% of resolutions voted	100%
% of resolutions voted against management	19%
% of resolutions abstained	0%

Concluding Remarks

The Trustees are comfortable that the policies in the SIP have been followed over the year to 31 July 2024. The Trustees expect that the format and content will continue to evolve over time, in line with guidance and to reflect any future changes in the SIP.

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