

# Engagement Policy Implementation Statement (“EPIS”)

## Aon Minet Pension Scheme (the “Scheme”)

### Scheme Year End – 31 March 2024

The purpose of the EPIS is for us, the Trustee of the Aon Minet Pension Scheme, to explain what we have done during the year ending 31 March 2024 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Scheme’s investments have been followed during the year; and
2. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services, and the ‘most significant’ votes cast over the reporting year.

### Our conclusion

**Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.**

In our view, most of the Scheme’s material investment managers were able to disclose good evidence of voting and/or engagement activity, and the activities completed by our managers align with our stewardship expectations, and that our voting policy has been implemented effectively in practice.

We delegate the management of some of the Scheme’s assets to our fiduciary manager, Aon Investments Limited (“Aon”). We believe the activities completed by our fiduciary manager to review the underlying managers’ voting and engagement policies, and activities align with our stewardship expectations. We believe our voting rights have been implemented effectively on our behalf.

In Summary, we will continue to monitor our investment managers via the information that we receive from our investment adviser, Aon Investments Limited (“Aon”).

## How voting and engagement policies have been followed

Aside from the Liability Driven Investment mandate, which is invested in a segregated mandate managed by LGIM, the Scheme is invested entirely in pooled funds, and so the responsibility for voting and engagement is delegated to the Scheme's investment managers, which is in line with the policies set out in our SIP. We reviewed the stewardship activity of the material investment managers carried out over the Scheme year and in our view, most of the investment managers were able to disclose good evidence of voting and/or engagement activity. More information on the stewardship activity carried out by the Scheme's investment managers can be found in the following sections of this report.

Over the reporting year, we monitored the performance of the Scheme's investments on a quarterly basis and received updates on important issues from our investment adviser, Aon Investments Limited ("Aon"). In particular, we received quarterly ESG ratings from Aon for the funds the Scheme is invested in.

Each year, we review the voting and engagement policies of the Scheme's investment managers to ensure they align with our own policies for the Scheme and help us to achieve them.

The Scheme's stewardship policy can be found in the SIP:  
<https://www.myaonminetpension.co.uk/pdf/amn-aon-minet-statement-of-investment-principles-20230901.pdf>

## Our Engagement Action Plan

Based on the work we have done for the EPIS, we have decided to take the following steps over the next 12 months:

1. While LGIM and BlackRock did provide a comprehensive list on fund level engagements, which we find encouraging, they did not provide detailed engagement examples specific to the fund in which we are invested, as per the Investment Consultants Sustainability Working Group ("ICSWG") best practice industry standard.

Our investment adviser will continue to engage with these managers to encourage improvements in their reporting.

### What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental Social Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

*Source: UN PRI*

## Our fiduciary manager's engagement activity

We invest some of the Scheme's assets in Aon's Managed Growth Strategy. This is a fund of funds arrangement, where Aon selects the underlying investment managers on our behalf. This report covers the following underlying funds:

- Abrdn Climate Transition Bond Fund
- Aegon European ABS Fund
- LGIM Multi-Factor Equity Fund
- Robeco SDG Credit Income Fund
- UBS EM Equity Climate Transition Strategy
- UBS Global Equity Climate Transition Strategy

We delegate monitoring of ESG integration and stewardship of the underlying managers to Aon. We have reviewed Aon's latest annual Stewardship Report and we believe it shows that Aon is using its resources to effectively influence positive outcomes in the funds in which it invests.

Over the year, Aon held several engagement meetings with many of the underlying managers in its strategies. Aon discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the investment managers. Aon provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

Over the year, Aon engaged with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations.

In 2021, Aon committed to achieve net zero emissions by 2050, with a 50% reduction by 2030 for its fully delegated clients' portfolios and defined contribution default strategies (relative to baseline year of 2019).

Aon also successfully renewed its signatory status to the 2020 UK Stewardship Code, which is a voluntary code established by the Financial Reporting Council that sets high standards on stewardship for asset owners, investment managers and service providers.

### What is fiduciary management?

Fiduciary management is the delegation of some, or all, of the day-to-day investment decisions and implementation to a fiduciary manager. But the trustees still retain responsibility for setting the high-level investment strategy.

In fiduciary management arrangements, the trustees will often delegate monitoring ESG integration and asset stewardship to its fiduciary manager.

## Our managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. We believe that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Scheme's investments is an important factor in deciding whether a manager remains the right choice for the Scheme.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Scheme's equity-owning investment managers to responsibly exercise their voting rights.

### Voting statistics

The table below shows the voting statistics for each of the Scheme's material funds with voting rights for the year to 31 March 2024.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
BlackRock – Dynamic Diversified Growth Fund	7,308	94.0%	3.7%	1.5%
LGIM – Multi-Factor Equity Fund	12,190	99.8%	21.1%	0.2%
UBS Emerging Market Equity Climate Transition Strategy	1,653	85.6%	20.7%	0.1%
UBS Global Equity Climate Transition Strategy	12,343	95.0%	12.4%	0.1%

Source: Managers. Please note that the 'abstain' votes noted above are a specific category of vote that has been cast, and are distinct from a non-vote.

### Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Scheme's managers use proxy voting advisers.

Managers	Description of use of proxy voting advisers (in the managers' own words)
BlackRock	We use Institutional Shareholder Services' (ISS) electronic platform to execute our vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, we work 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.
Legal & General Investment Management (LGIM)	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any

### Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues.

Source: UN PRI

### Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

	part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.
UBS Global Asset Management	UBS AM retains the services of Institutional Shareholder Services (ISS) for the physical exercise of voting rights and for supporting voting research. UBS retain full discretion when determining how to vote at shareholder meetings.

*Source: Managers*

## Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Scheme's investment managers to provide a selection of what they consider to be the most significant votes in relation to the Scheme's funds. A sample of these significant votes can be found in the appendix.

## Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Scheme's material managers. The managers have provided information for the most recent calendar year available.

Funds	Number of engagements		Themes engaged on at a fund level
	Fund level	Firm level	
BlackRock – Dynamic Diversified Growth Fund	414	3,768	Environment - Climate Risk Management Social - Human Capital Management Governance - Remuneration; Board Composition & effectiveness; Corporate Strategy
Abrdn – Climate Transition Bond Fund	101	2,008	Other - Climate; Environment; Corporate Governance; Labour Management; Corporate Behaviour
Aegon Asset Management – European Asset Backed Securities ("ABS") Fund	127	528	Environment - Climate Change Governance - Board effectiveness - Diversity; Leadership - Chair/CEO; Remuneration Other - General Disclosure
LGIM – Multi-Factor Equity Fund	296	2,500	Environment - Climate Impact Pledge; Climate Change Social - Gender Diversity Governance - Remuneration; Board Composition
Robeco – Sustainable Development Goals ("SDG") Credit Income Fund	17	319	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights Governance - Board effectiveness - Other Other - SDG Engagement
UBS Emerging Market Equity Climate Transition Strategy	28	471	Environment - Climate Change Social - Human and Labour Rights; Human Capital Management Governance - Remuneration Strategy, Financial & Reporting - Capital Allocation
UBS Global Equity Climate Transition Strategy	183		Environment - Climate Change Social - Human Capital Management Governance - Remuneration; Board effectiveness - Independence/Oversight Strategy, Financial & Reporting - Capital Allocation
Insight Investment Management ("Insight") – Bonds Plus Fund	114	2,521	Environment - Climate Change Strategy, Financial & Reporting - Financial Performance; Strategy/Purpose; Capital Allocation; Reporting
JP Morgan - Multi sector credit Fund	204	2,062	Environment - Climate Change; Natural Resource Use/Impact; Pollution, Waste Social - Conduct, Culture and Ethics; Human and Labour Rights

Source: Managers.

## Data limitations

At the time of writing:

- LGIM and BlackRock did provide fund-level engagement information but not in line with the best practice industry standard ICSWG engagement reporting guide.
- BlackRock also did not provide the 'Approximate size of fund's/mandate's holding as at the date of the vote' in relation to its significant votes.
- In addition, the significant voting examples that UBS provided for the Emerging Markets Climate Transition Fund were quite weak.

This report does not include commentary on certain asset classes such as liability driven investments, gilts or cash because of the limited materiality of stewardship to these asset classes. Further, this report does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Scheme's assets that are held as AVCs.

## Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Scheme's managers. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below:

<b>BlackRock – Dynamic Diversified Growth Fund</b>	<b>Company name</b>	Shell Plc
	<b>Date of vote</b>	23 May 2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	Not provided
	<b>Summary of the resolution</b>	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 you voted?</b>	Votes against resolution
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	We endeavour to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. We publish our voting guidelines to help clients and companies understand our thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which we assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. We apply our guidelines pragmatically, taking into account a company's unique circumstances where relevant. Our voting decisions reflect our analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and our active investment colleagues.
	<b>Rationale for the voting decision</b>	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>	Fail
	<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	BlackRock's approach to corporate governance and stewardship is explained in our Global Principles. Our Global Principles describe our philosophy on stewardship, including how we monitor and engage with companies. These high-level principles are the framework for our more detailed, market-specific voting guidelines. We do not see engagement as one conversation. We have ongoing direct dialogue with companies to explain our views and how we evaluate their actions on relevant ESG issues over time. Where we have concerns that are not addressed by these conversations, we may vote against management for their action or inaction. Where concerns are raised either through voting or during engagement, we monitor developments and assess whether the company has addressed our concerns.
	<b>On which criteria have you assessed this vote to be most significant?</b>	Not provided



**LGIM – Multi-Factor Equity Fund**

<b>Company name</b>	The Toronto-Dominion Bank
<b>Date of vote</b>	20 April 2023
<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	0.04
<b>Summary of the resolution</b>	Resolution 9 - Disclose Transition Plan Towards 2030 Emission Reduction Goals
<b>How you voted?</b>	Votes supporting resolution
<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was sent to the company ahead of the meeting.
<b>Rationale for the voting decision</b>	We generally support resolutions that seek additional disclosures on how they aim to manage their financing activities in line with their published targets. We believe detailed information on how a company intends to achieve the 2030 targets they have set and published to the market (the 'how' rather than the 'what', including activities and timelines) can further focus the board's attention on the steps and timeframe involved and provides assurance to stakeholders. The onus remains on the board to determine the activities and policies required to fulfil their own ambitions, rather than investors imposing restrictions on the company.
<b>Outcome of the vote</b>	Fail
<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	LGIM will continue to engage with the company and monitor progress.
<b>On which criteria have you assessed this vote to be most significant?</b>	Pre-declaration and Thematic – Climate: LGIM considers this vote to be significant as we pre-declared our intention to support. We continue to consider that decarbonisation of the banking sector and its clients is key to ensuring that the goals of the Paris Agreement are met.

**UBS Emerging Market Equity  
Climate Transition Strategy**

<b>Company name</b>	Ganfeng Lithium Group Co. Ltd.
<b>Date of vote</b>	30 November 2023
<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	Not provided
<b>Summary of the resolution</b>	Approve Adoption of the 2023 Employee Stock Ownership Plan
<b>How you voted?</b>	Votes against resolution
<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	No
<b>Rationale for the voting decision</b>	Full details for the plan and associated proposals have not been disclosed.
<b>Outcome of the vote</b>	Pass
<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	We are not planning future steps in regard to the outcome, as the scheme was approved by a majority of shareholders.
<b>On which criteria have you assessed this vote to be most significant?</b>	36% of shareholders voted against the plan and associated proposals.

**UBS Global Equity Climate  
Transition Strategy**

<b>Company name</b>	The Boeing Company
<b>Date of vote</b>	18 April 2023
<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	Not provided
<b>Summary of the resolution</b>	Report on Climate Lobbying
<b>How you voted?</b>	Votes supporting resolution
<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	Company not advised prior to meeting
<b>Rationale for the voting decision</b>	The proposal would further enable shareholders to determine the strength of company policy, strategy and actions in regards to climate change.
<b>Outcome of the vote</b>	Fail
<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	Following the significant support for this proposal we shall be monitoring the next steps from the company.
<b>On which criteria have you assessed this vote to be most significant?</b>	40% of votes cast were in support of this shareholder proposal.

Source: Managers