

Engagement Policy Implementation Statement (“EPIS”)

Ambuline Limited Retirement Benefits Scheme

Scheme Year End – 5 April 2024

The purpose of the EPIS is for us, the Trustee of the Ambuline Limited Retirement Benefits Scheme (the “Scheme”), to explain what we have done during the year ending 5 April 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 underlying investment managers were able to disclose adequate evidence of voting and engagement activity, and the activities completed by our underlying investment managers align with our stewardship expectations. We believe our voting rights have been implemented effectively on our behalf.

How voting and engagement policies have been followed

The Scheme is invested entirely in pooled funds, which are accessed via the Scheme's platform provider, Scottish Widows. The responsibility for voting and engagement is delegated to the Scheme's underlying investment managers, which is in line with our policy. 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 adequate evidence of voting and 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 and received updates on important issues from our investment adviser, Aon Investments Limited ("Aon").

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:

www.arrivapensions.com

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 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 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. Managers collate voting information on a quarterly basis. The voting information provided is for the year to 31 March 2024 which broadly matches the Scheme year. The underlying funds shown below are part of the overall Stock Exchange Equity Fund accessed via the Scottish Widows platform.

	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
BlackRock - ACS Climate Transition World Equity Fund*	8,240	97.0%	3.0%	0.0%
Schroders - European Growth Fund*	2,357	95.8%	12.0%	0.0%
Schroders - Pacific Growth Fund*	1,321	100.0%	6.9%	0.0%
Schroders - American Growth Fund*	2,437	100.0%	20.7%	0.0%
Schroders - UK Growth Fund*	2,749	100.0%	2.8%	0.1%
Schroders - Emerging Markets Fund*	3,962	97.7%	11.0%	2.4%
Schroders - Japan Growth Fund*	1,321	100.0%	6.9%	0.0%

Source: Managers.

*The voting statistics provided by BlackRock and Schroders suggests that abstained votes are being counted as votes against management resulting in double counting within the voting statistics.

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.

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.

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

Description of use of proxy voting advisers <i>(in the managers' own words)</i>	
BlackRock	<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 with 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>While we subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis (GL), it is just one among many inputs into our vote analysis process, and we do not blindly follow their recommendations on how to vote. We primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial. Other sources of information we use include the company's own reporting (such as the proxy statement and the website), our engagement and voting history with the company, and the views of our active investors, public information and ESG research.</p>
Schroders Investment Management Limited ("Schroders")	<p>Glass Lewis ("GL") act as our one service provider for the processing of all proxy votes in all markets. GL delivers vote processing through its Internet-based platform Proxy Exchange. Schroders receives recommendations from GL in line with our own bespoke guidelines, in addition, we receive GL's Benchmark research. This is complemented with analysis by our in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.</p>

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 underlying investment managers. The underlying investment managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e. is not necessarily specific to the funds invested in by the Scheme.

Funds	Number of engagements		Themes engaged on at a fund-level
	Fund specific	Firm level	
BlackRock - ACS Climate Transition World Equity Fund	609	3,768	Environment - Climate Risk Management Social - Human Capital Management, Social Risks and Opportunities Governance - Corporate Strategy, Board Composition and Effectiveness, Remuneration, Business Oversight/Risk Management
Schroders - European Growth Fund	Not provided	6,724	Environment - Climate alignment – decarbonising and minimising emissions, Deforestation Social - Corporate culture and oversight of human capital Governance - Boards and Management, Executive remuneration Other - Purpose, strategy and capital allocation
Schroders - Pacific Growth Fund			
Schroders - American Growth Fund			
Schroders - UK Growth Fund			
Schroders - Emerging Markets Fund			
Schroders - Japan Growth Fund			

Source: Managers. *Schroders did not provide fund-level themes; themes provided are at a firm-level.

Data limitations

At the time of writing, the following underlying investment managers did not provide all the information we requested:

- BlackRock did provide fund-level engagement information but not in the industry standard ICSWG template.
- Schroders did not provide fund-level engagement data.

This report does not include commentary on the Scheme's index-linked gilts investments or cash because of the limited materiality of stewardship to these asset classes.

Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Scheme's managers, and in the managers' own words. 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

BlackRock - ACS Climate Transition World Equity Fund	Company name	Broadcom Inc.
	Date of vote	03-Apr-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	<i>Not provided</i>
	Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation
	How you voted	Against
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	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 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.
	Rationale for the voting decision	Pay is not aligned with performance and peers.
	Outcome of the vote	Fail
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	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.
	On which criteria have you assessed this vote to be "most significant"?	BIS periodically publishes Vote Bulletins on key votes at shareholder meetings to provide insight into details on certain vote decisions we expect will be of particular interest to clients.
Schroders - European Growth Fund	Company name	TotalEnergies SE
	Date of vote	26-May-2023
	Approximate size of fund's/mandate's holding as at	<i>Not provided</i>

Schroders - Pacific Growth Fund; Schroders - Japan Growth Fund	the date of the vote (as % of portfolio)	
	Summary of the resolution	Align Targets for Indirect Scope 3 Emissions with the Paris Climate Agreement (Advisory)
	How you voted	For
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We may tell the company of our intention to vote against the recommendations of the board before voting, in particular if we are large shareholders or if we have an active engagement on the issue. We always inform companies after voting against any of the board's recommendations.
	Rationale for the voting decision	We will generally support shareholder proposals that ask companies to introduce say on climate and/or to disclose and/or strengthen climate transition action plans, including incorporating social factors in the transition plans, aligned with our expectations. Companies in carbon-intensive sectors like those in Energy should include Scope 3 GHG emissions in disclosures and targets and ensure carbon transition plans are in line with the Paris Agreement.
	Outcome of the vote	<i>Not provided</i>
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	We monitor voting outcomes particularly if we are large shareholders or if we have an active engagement on the issue. If we think that the company is not sufficiently responsive to a vote or our other engagement work, we may escalate our concerns by starting, continuing or intensifying an engagement. As part of this activity we may also vote against other resolutions at future shareholder meetings, such as voting against the election of targeted directors.
	On which criteria have you assessed this vote to be "most significant"?	<i>Not provided</i>
	Company name	Toyota Motor Corp.
	Date of vote	14-Jun-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	<i>Not provided</i>
	Summary of the resolution	Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement
	How you voted	For
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We may tell the company of our intention to vote against the recommendations of the board before voting, in particular if we are large shareholders or if we have an active engagement on the issue. We always inform companies after voting against any of the board's recommendations.
	Rationale for the voting decision	The company is asked to disclose information demonstrating how its lobbying activity both aligns and misaligns with the goals of the Paris Agreement. We welcome additional disclosure for shareholders to further understand how the company's lobbying is helping to advance its decarbonisation ambitions. We believe that how we have voted is in the best financial interest of our clients' investments.
	Outcome of the vote	<i>Not provided</i>
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	We monitor voting outcomes particularly if we are large shareholders or if we have an active engagement on the issue. If we think that the company is not sufficiently responsive to a vote or our other engagement work, we may escalate our concerns by starting, continuing or intensifying an engagement. As part of this activity we may also vote

Schroders - American Growth Fund		against other resolutions at future shareholder meetings, such as voting against the election of targeted directors.
	On which criteria have you assessed this vote to be "most significant"?	<i>Not provided</i>
	Company name	Linde Plc
	Date of vote	24-Jul-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	<i>Not provided</i>
	Summary of the resolution	Authorise Board to Fix Remuneration of Auditors
	How you voted	Against
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We may tell the company of our intention to vote against the recommendations of the board before voting, in particular if we are large shareholders or if we have an active engagement on the issue. We always inform companies after voting against any of the board's recommendations.
	Rationale for the voting decision	Audit Tenure: Excessive auditor tenure.
	Outcome of the vote	<i>Not provided</i>
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	We monitor voting outcomes particularly if we are large shareholders or if we have an active engagement on the issue. If we think that the company is not sufficiently responsive to a vote or our other engagement work, we may escalate our concerns by starting, continuing or intensifying an engagement. As part of this activity we may also vote against other resolutions at future shareholder meetings, such as voting against the election of targeted directors.
	On which criteria have you assessed this vote to be "most significant"?	<i>Not provided</i>

Source: Managers