

Steamship Insurance Management Services Limited Pension Scheme – Implementation Statement

1. Background

From 1 October 2020 Trustees of pension schemes with 100 or more members are required to include an implementation statement in their annual report and accounts. The objective of this requirement is to demonstrate that scheme assets have been invested in accordance with the Statement of Investment Principles (“SIP”) over the scheme year. For Defined Benefit schemes, such as the Steamship Insurance Management Services Limited Pension Scheme (the “Scheme”), the focus for the implementation statement is on the voting and engagement policy.

2. Voting and Engagement Policy

The SIP includes the following section outlining policies regarding the exercise of rights and the undertaking of engagement activities and monitoring/engagement of investment managers during the year:

The Scheme’s investments are generally made via pooled investment funds, in which the Scheme investments are pooled with those of other investors. As such, direct control of the process of engaging with the companies that issue these securities, whether for corporate governance purposes or other financially material considerations, is delegated to the Investment Managers.

The Investment Managers where appropriate adopt an active approach to corporate governance. The Trustees would prefer to engage with companies rather than boycott particular shares or companies. The Trustees are aware of the policy of the Investment Managers concerned regarding corporate governance and have delegated the responsibility for activity in this area to the Investment Managers.

The Trustees have retained the use of voting (and other) rights attached to their mandates; however, the respective managers of the mandates retain responsibility for voting on their underlying holdings.

The Trustees request Investment Managers consider to be active owners and to exercise the rights attaching to investments and engage with debt and equity issuers and other relevant persons, on relevant matters, including performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, social and environmental impact and corporate governance.

The Investment Managers are reviewed annually by the Trustees and the Strategic Investment Advisor on their stewardship and engagement activities. If an Investment Manager is found to be falling short of the standards that the Trustees expect, the Trustees undertake to engage with the Investment Manager and seek a more sustainable position.

3. Compliance with Policy

Scheme assets were invested in accordance with the policy over the year to 31 December 2023. The policy applies to all asset classes, but it is almost exclusively the Scheme’s Public Equity investments that have attached voting rights. The Scheme’s Public Equity holdings are invested in pooled funds with a single manager, BlackRock. Because the Scheme invests in pooled funds the legal right to vote belongs to the manager, BlackRock, and not the Trustee.

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The Trustee have reviewed the Scheme's investment managers on their engagement activities for the year and confirms that:

- 100% of in-scope managers have proxy voting procedures in place;
- 100% of in-scope managers participate in industry collaborations including the UN principles for Responsible Investing and the UK Stewardship Code

Over the Scheme year (1 January 2023 to 31 December 2023) Scheme assets were, therefore, invested in accordance with the Policy.

4. Manager Responses

As part of the process, the Scheme's Investment Advisor reached out to the Scheme's in-scope investment managers and requested that they complete the Pensions and Lifetime Savings Association ("PLSA") Voting Questionnaire, a standard template published by the PLSA to assist schemes in disclosing how they enact their shareholder voting rights.

Blackrock policy is to outsource proxy voting research to a third party, Institutional Shareholder Services, Inc. ("ISS"), as their proxy voting execution platform. Blackrock also uses Glass Lewis to synthesize corporate governance information and analysis into a concise, easily reviewable format. Blackrock's voting guidelines are available and reviewed on an annual basis to ensure adherence. Blackrock was, therefore, in adherence to its policy on proxy voting and in adherence to the SIP policy over the past year.

Nomura does not actively invest in public equities but will occasionally hold a small allocation to equities as a result of corporate actions or restructuring (typically <1.5% in public equities). Nomura's policy on proxy voting for equity positions is to retain ISS to provide proxy management services. All proxy voting activity over the period in question was performed by ISS. Nomura was, therefore, in adherence to its policy on proxy voting and in adherence to the SIP policy over the past year. Due to the nature of the strategy, equity exposure is limited in nature and proxy voting activity is, therefore, not deemed significant.

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5. Description of Proxy Voting Policies and Proxy Voting Behaviour

The table below summarises the proxy voting policies and proxy voting behaviour of the Scheme’s Public Equity funds. Details of each funds “10 most significant votes” over the year were collected and can be shared upon request.

Manager	BlackRock	BlackRock	BlackRock
Fund	Aquila Life Currency Hedged World ex UK Equity Fund	BlackRock Aquila Emerging Markets Fund	Aquila Life UK Equity Index Fund
Strategy	Global Equity	Emerging Markets Equity	UK Equity
Voting Policy	Manager's Own Policy	Manager's Own Policy	Manager's Own Policy
Proxy Advisory Service Provider(s)	Glass Lewis Institutional Shareholder Services Inc. (ISS)	Glass Lewis Institutional Shareholder Services Inc. (ISS)	Glass Lewis Institutional Shareholder Services Inc. (ISS)
# Meetings Eligible to Vote	2,169	3,216	1,027
# Resolutions Eligible to Vote	27,422	27,925	14,905
% Eligible Resolutions Voted on	92%	98%	96%
% Resolutions Voted With Management	93%	87%	96%
% Resolutions Voted Against Management	6.0%	12%	3%
% Resolutions Abstained	0%	1%	1%
% of Meetings with at least one vote against management	29%	45%	21%
% of Resolutions Voted Contrary to Proxy Advisor Recommendation	0.5%	0.3%	0.1%
Details Provided on Significant Votes?	Yes	Yes	Yes