**Steamship Insurance Management Services Limited Pension Scheme – Implementation Statement**

# **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.

# **Voting and Engagement Policy**

The SIP includes the following section outlining polices 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.*

# **Compliance with Policy**

Scheme assets were invested in accordance with the policy. 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.

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

# **Description of Proxy Voting Policies and Proxy Voting Behavior**

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 World (Ex\_UK) Equity Index 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 LewisInstitutional Shareholder Services Inc. (ISS) | Glass LewisInstitutional Shareholder Services Inc. (ISS) | Glass LewisInstitutional Shareholder Services Inc. (ISS) |
| **# Meetings Eligible to Vote** | 2,111 | 3,985 | 1,167 |
| **# Resolutions Eligible to Vote** | 24,629 | 33,478 | 15,146 |
| **% Eligible Resolutions Voted on** | 99.0% | 100.0% | 99.0% |
| **% Resolutions Voted With Management** | 91.0% | 89.0% | 93.0% |
| **% Resolutions Voted Against Management** | 8.0% | 10.0% | 6.0% |
| **% Resolutions Abstained** | 0.0% | 2.0% | 1.0% |
| **% of Meetings with at least one vote against management** | 36% | 39% | 30% |
| **% of Resolutions Voted Contrary to Proxy Advisor Recommendation** | 0% | 1% | 0% |
| **Details Provided on Significant Votes?** | Yes | Yes | Yes |