

Implementation Statement

UCAS Pension and Life Assurance Scheme (1993)

Scheme year end 31 July 2024

Purpose of the Implementation Statement

This implementation statement has been produced by the Trustees of the UCAS Pension and Life Assurance Scheme ("the Scheme") to set out:

- How the Trustees' policies on exercising rights (including voting rights) and engagement activities have been followed over the year.
- The voting behaviour of the Trustees, or that undertaken on their behalf, over the year to 30 June 2024. The voting behaviour is not given over the Scheme year end to 31 July because investment managers only report on this data quarterly. We have therefore given the information over the year to 30 June 2024.

Stewardship policy

The Trustees' Statement of Investment Principles (SIP) in force at 31 July 2024 describes the Trustees' stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in April 2024 and has been made available online here:

<https://www.ucas.com/file/823546/download?token=VkZSe24m>

At this time, the Trustees have not set stewardship priorities or themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks.

The Trustees invest through pooled investment vehicles, and stewardship responsibilities are delegated to the investment managers. Given this, and the fact that the Scheme's assets represent a relatively small proportion of the total assets invested in those vehicles, the Trustees believe that setting stewardship priorities and engaging with managers on them is unlikely to have a material impact on financial outcomes for the Scheme. The Trustees believe that the fund selection and the general approach to stewardship used within those funds is likely to be more material to financial outcomes than engagement with the investment managers on the Trustees' own stewardship priorities.

The Trustees understand that they are therefore constrained by the policies of the managers. However, the Trustees take stewardship and ESG factors into account as part of manager/fund selection and monitor these characteristics with the assistance of their investment consultant.

One such example of this is the Trustees undertook a manager selection exercise in August 2023, as part of which they analysed the Troy Trojan Ethical Fund's and M&G Sustainable Multi Asset Fund's ESG credentials against their own views, including their objective to minimise exposure to particular industries, before selecting these funds to invest in.

The Trustees review the stewardship and engagement activities of the investment managers annually.

The Trustees also have an objective to exclude or otherwise minimize exposure to the following industries: armaments, tobacco, gambling and pornography. The level of exposure to these industries is regularly assessed and recorded in the Scheme's Statement of Investment Principles.

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme's investment managers, the Trustee believes that its policies on voting and engagement have been met in the following ways:

- At the Scheme year-end, the Scheme's investment managers were Columbia Threadneedle, M&G Investments, Troy Asset Management and State Street Global Advisors. The Trustees regularly consider the performance of the funds and any significant developments that arise.
- The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers.
- The Trustees review the stewardship and engagement activities of the current managers on an annual basis, as well as considering these when selecting managers and updating the Statement of Investment Principles. The Trustees are satisfied that the managers' policies are reasonable and in alignment with the Trustees' own policies.
- Having reviewed the managers' actions in accordance with their policies, the Trustees are comfortable the actions of the Scheme's investment managers are in alignment with the Scheme's ESG and Stewardship policies.
- Periodically, the Trustees receive and review fund exposure to their chosen exclusions in line with the Scheme's stewardship policy. When updating the SIP in April 2023 and subsequently in April 2024, the Trustees were satisfied with their approach to exclude armaments, tobacco, gambling, and pornography. They are also satisfied that the exposure the managers have to these areas industries is sufficiently low and does not require further intervention.

Voting Data

The voting data collated for Scheme is given over the year to 30 June 2024 as data is provided by managers on the basis of calendar quarters.

The voting data provided by State Street, Troy and M&G is specific for the pooled versions of the World ESG Equity Index Fund, Trojan Ethical Fund and the Sustainable Multi Asset Fund, which the Scheme invests in.

Manager	State Street	Troy Asset Management	M&G Investments
Fund name	World ESG Equity Index Fund	Trojan Ethical Fund	Sustainable Multi Asset Fund
Structure	Pooled	Pooled	Pooled
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.		
Number of resolutions the manager was eligible to vote over the year	21,299	242	1,083
Percentage of resolutions the manager voted on, for which they were eligible	99.2%	100.0%	98.5%
Percentage of resolutions the manager abstained from, as a percentage of the total number of resolutions voted on	0.2%	1.2%	0.0%
Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	92.2%	88.9%	92.9%
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	7.8%	9.9%	7.1%
Percentage of resolutions voted <i>contrary to the recommendation of the proxy advisor</i>	6.4%	8.7%	0.0%

Source: State Street, Troy Asset Management and M&G Investments

There are no voting rights attached to the Scheme's investments with Columbia Threadneedle, and therefore no voting data is shown for these assets.

Proxy Voting

A proxy advisor is a company that advises how owners of shares could vote on resolutions at shareholder meetings, and where applicable the proxy advisor can also vote on behalf of the owners of the shares. The below details how each of the Scheme's applicable investment managers utilise a proxy advisor.

State Street

State Street use proxy advisors, ISS, to facilitate their proxy voting process. As State Street's proxy voting agent, ISS provides them with vote execution and administration services. They also apply State Street's Proxy Voting Guidelines where appropriate. ISS also provides State Street with the research and analysis related to general corporate governance issues. In addition, State Street has access to Glass Lewis and region-specific meeting analysis provided by the Institutional Voting Information Service, that complement their in-house analysis.

Troy Asset Management

Troy makes use of proxy adviser ISS who provides them with research in relation to resolutions and a platform, Proxy Exchange through which they cast their votes. Whilst ISS recommendations are reviewed and considered, they do not determine Troy's voting decisions. Troy, through ISS, publishes full voting records on their website and distributes notification letters.

At the end of 2022, Troy created a custom voting policy with ISS to ensure consistent voting on corporate governance issues. These are informed by best-practice standards and the corporate governance codes of the jurisdictions in which Troy invest. Troy's Investment Analysts and Fund Managers review and apply the policy recommendations, though they may on occasion vote differently to the recommendations of Troy's custom voting policy when it is in the best interests of their underlying investors. In such an event the rationale is recorded. Voting recommendations on shareholder proposals are not currently included within this policy as these often require an analysis of the wider context and implications for long-term shareholders. Voting on such proposals is therefore done on a case-by-case basis.

M&G Investment

M&G use the research services of ISS and IVIS, to highlight any contentious issues that they were not aware of from previous meetings with companies. Their voting is instructed through the ISS voting platform, Proxy Exchange. M&G use the ISS custom service to flag resolutions that may not meet their policy guidelines. Voting decisions are taken by the Sustainability and Stewardship team at M&G often in consultation with fund managers. Some routine resolutions are voted by ISS on M&G's behalf when clear criteria have not been met.

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustees over the year to be set out. The guidance does not currently define what constitutes a "significant" vote. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme's stewardship priorities / themes. At this time, the Trustee has not set stewardship priorities or themes for the Scheme but will be considering the extent that they wish to do this in due course.

For this Implementation Statement, the Trustee has asked the investment managers to determine what they believe to be a “significant vote”. The Trustee has not communicated voting preferences to their investment managers over the period, as the Trustee is yet to develop a specific voting policy. In future, the Trustee will consider the most significant votes in conjunction with any agreed stewardship priorities or themes.

State Street, M&G and Troy have provided a selection of votes which they believe to be significant. In the absence of agreed stewardship priorities, the Trustee has selected 3 votes from each manager, that cover a range of themes to represent what it considers the most significant votes cast on behalf of the Scheme.

State Street, MPF World ESG Equity Index Sub-Fund

In determining significant votes, State Street identifies “significant votes” for the purposes of Shareholder Rights Directive II as follows:

- › All votes on environmental related shareholder proposals.
- › All votes on compensation proposals where State Street voted against the company management’s recommendation.
- › All against votes on the re-election of board members due to poor ESG performance of their companies.
- › All against votes on the re-election of board members due to poor compliance with the local corporate governance score of their companies.
- › All against votes on the re-election of board members due to a lack of gender diversity on board.

We have summarised some detailed examples of significant votes that State Street have provided, in line with the above criteria, for ease of reporting. However, if you would like to review further significant votes this information can be found online.

<https://www.ssga.com/library-content/assets/pdf/global/asset-stewardship/2024/asset-stewardship-report-2023.pdf>

	Vote 1	Vote 2	Vote 3
Company name	Amazon.com, Inc.	JPMorgan Chase & Co	Tesla, Inc.
Date of vote	22 May 2024	21 May 2024	13 June 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.45%	0.61%	0.61%
Summary of the resolution	Establish Environmental/Social Issue Board Committee	Restrict Spending on Climate Change-Related Analysis or Actions	Link Executive Pay to Social Criteria
How the manager voted	Against	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	State Street do not publicly communicate their vote in advance.		
Rationale for the voting decision	This proposal does not merit support due to concerns with the terms of the proposal	This proposal does not merit support as the company's	This item does not merit support due to concerns with the terms of the proposal

	Vote 1	Vote 2	Vote 3
		disclosures pertaining to this item are reasonable	
Outcome of the vote	Failed	Failed	Failed
Implications of the outcome	Where appropriate State Street will contact the company to explain voting rationale and conduct further engagement.		
Criteria on which the vote is considered "significant"	The vote was an environmental and social related proposal, it therefore fits the criteria of a significant vote as outlined above.	The vote was an environmental related shareholder proposal, it therefore fits the criteria of a significant vote as outlined above.	The vote was an environmental and social related proposal, it therefore fits the criteria of a significant vote as outlined above.

Source: State Street

Troy Asset Management Limited, Trojan Ethical Fund

In determining significant votes, Troy Asset Management Limited identifies "significant votes" for the purposes of Shareholder Rights Directive II as follows:

- › All votes that Troy holds a material stake in the business (greater than 5% of the shares in issue);
- › Troy has formally engaged with the company on a specific issue in the 12-month prior to the AGM; or
- › Any other material ESG matters.

We have summarised some detailed examples of significant votes that Troy have provided, in line with the above criteria, for ease of reporting. However, if you would like to review further significant votes this information can be found online.

<https://www.taml.co.uk/blog/responsible-investment-no13/>

	Vote 1	Vote 2	Vote 3
Company name	Nestle	American Express	Microsoft
Date of vote	18 April 2024	24 April 2024	7 December 2023
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	3.3%	1.4%	2.0%
Summary of the resolution	Re-election of Paul Bulcke as Director and Board Chair	Proposal to consent to executive officer's compensation	Shareholder proposal to report on gender-based compensation and benefits inequities
How the manager voted	Against	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Yes	Yes	Voted with Management

	Vote 1	Vote 2	Vote 3
Rationale for the voting decision	Nestle did not have an independent Chair as Paul Bulcke is a former CEO.	Troy voted against because they wish to see a more stringent returns hurdle for the company's long-term incentive award (LTIA), as per recent engagements. The LTIA is partially determined by the three-year average return figure which is compared to a diverse peer group. Given that American Express was structurally more profitable than most of these peers, Troy did not believe the target is sufficiently large to give payouts.	This proposal asked the company to publish a report on the compensation / financial support it provides employees by gender stating that there were inequalities that arose because some female employees received support for abortion (which allegedly disadvantages women who do not abort) and others receive more comprehensive health benefits for transition surgery. The proponent argued that this disadvantages those who choose not to undergo abortion or transition surgery. Microsoft already provides pay equity, median gender and racial pay gap reporting which is extensive. The company's health benefits are inclusive and non-discriminatory, based on the medical needs to employees without making provisions along moral lines.
Outcome of the vote	Passed	Passed	Failed
Implications of the outcome	Troy will continue to vote in the best interests of investors and monitor AGM resolutions		
Criteria on which the vote is considered "significant"	The vote can be categorised under other material ESG matters, in this case it was a governance factor, it therefore fits the criteria of a significant vote as outlined above.	The vote can be categorised under other material ESG matters, in this case it was a governance factor, it therefore fits the criteria of a significant vote as outlined above.	The vote can be categorised under other material ESG matters, in this case it was a social factor, it therefore fits the criteria of a significant vote as outlined above.

Source: Troy Asset Management Limited

M&G Investments, Sustainable Multi Asset Fund

In determining significant votes, M&G Investments identifies "significant votes" for the purposes of Shareholder Rights Directive II under their own definition of significant votes, following internal discussion and consideration of the external guidance. Details of M&G's voting policy can be found through the below link:

https://www.mandg.com/~/_media/Files/M/MandG-Plc/documents/responsible-investing/stewardship/voting-policy-2023.pdf

We have summarised some detailed examples of significant votes that M&G have provided, in line with the above criteria, for ease of reporting. Full details of M&G's voting are disclosed on their website:

<https://www.mandg.com/who-we-are/mandg-investments/responsible-investing-at-mandg-investments/voting-history>

	Vote 1	Vote 2	Vote 3
Company name	Microsoft Corporation	Lam Research Corporation	Quest Diagnostics Incorporated
Date of vote	7 December 2023	7 November 2023	16 May 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.8%	0.6%	0.6%
Summary of the resolution	Report on risks of operating in countries with significant human rights concerns.	Elect director Michael R. Cannon.	Adopt near and long-term science-based GHG emissions reduction targets aligned with the Paris agreement goal.
How the manager voted	For	Against	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	No	No
Rationale for the voting decision	Given the expansion of data centres, M&G believed additional disclosures around human rights would benefit shareholders.	M&G had concerns over low board gender diversity.	In M&G's view, it was in the shareholder's best interest for the company to adopt science-based targets.
Outcome of the vote	Failed	Passed	Failed
Implications of the outcome	N/A	N/A	N/A
Criteria on which the vote is considered "significant"	The vote can be categorised under the environmental and social issues topic, therefore fits the criteria of a significant vote as outlined above.	The vote can be categorised under the diversity topic, therefore fits the criteria of a significant vote as outlined above.	The vote can be categorised under the environmental and social issues topic, therefore fits the criteria of a significant vote as outlined above.

Source: M&G Investments

Fund level engagement

The investment managers may engage with their investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year under review for the relevant funds. Engagement activities are limited for the Scheme's LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager	State Street	Troy Asset Management Limited	M&G Investments	Columbia Threadneedle
Fund name	ESG-focussed index tracking equities: World ESG Equity Index Sub-Fund	Diversified Growth: Trojan Ethical Fund	Diversified Growth: Sustainable Multi Asset fund	Global Bonds and LDI: Global Absolute Return Bond Fund and LDI Funds
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	Yes	Yes
Number of engagements undertaken at a firm level in the year	821 engagements*	40 engagements*	408 engagements*	1,240 engagements with 992 companies*

Source: State Street, Troy Asset Management, M&G Investments and Columbia Threadneedle

*Data provided over the year to 30 June 2024

Manager and Fund	Engagement themes and examples of engagements undertaken with holdings in the Fund
<p>State Street MPF World ESG Equity Index Sub-Fund</p>	<p>Company: Marathon Petroleum Corporation</p> <p>In 2022, State Street initiated a campaign with global companies across the oil and gas value chain, focused on understanding efforts to manage methane emissions and related risks and opportunities. Between 2022 and 2023 State Street conducted several engagements with Marathon Petroleum Corporation, with the aim of discussing climate-related topics focused on understanding:</p> <ul style="list-style-type: none"> • The company's climate-related targets, • Decarbonization strategy, • Approach to managing potential social risks and opportunities. <p>State Street also discussed the company's approach to managing methane emissions and shared feedback on related discussions. State Street arranged a further engagement with Marathon Petroleum Corporation in Q4 2023, to discuss the company's latest climate related disclosure published in 2023.</p> <p>The outcome of these engagements is that Marathon Petroleum Corporation enhanced disclosure on the company's efforts to reduce methane emissions, such as:</p> <ul style="list-style-type: none"> • Controlling emissions within the production line, • Reporting expected methane emissions reductions from all actions through 2030, • Estimating planned capital expenditures to achieve these reductions
<p>Troy Asset Management Trojan Ethical Fund</p>	<p>Company: Unilever</p> <p>Troy participated in a multi-year collaborative engagement with Unilever via Climate Action 100+ since 2021, which is still ongoing, with the following actions being taken:</p>

- The first phase of this engagement set out to encourage Unilever to increase their climate-related initiatives and partnerships in addition to providing more impactful messaging to their customers on their climate strategy. Alongside other shareholders, Troy engaged with Unilever's Global Sustainability Director in April 2021. Following this constructive dialogue, Troy felt this stage of the engagement was successful.
- The engagement progressed to its second phase in 2022. Following the publication of Climate Action 100+'s 2022 benchmark, Troy, alongside a group of Unilever's shareholders, participated in a planning meeting in October 2022 to agree on next steps.
- The objectives of this second phase included Unilever enhancing their disclosure of any efforts to influence decision making regarding climate change, ensuring these align with of Unilever's planned capital expenditure and their climate strategy and finally encouraging Unilever to set a 2025 scope 3 emissions reduction target to supplement their longer-term targets. Troy will be leading the scope 3 target-setting aspect of this engagement.
- The group gathered at the end of November 2023 to discuss progress against the engagement objectives.

The outcome of the 2023 engagement was that Unilever was afterwards in the process of updating their Climate Transition Action Plan (CTAP), which will go to shareholder vote in 2024. The plan had more detailed emissions reduction targets for scope 3 emissions. Troy engaged directly with Unilever in December 2023 to provide early feedback on the CTAP which the company put out to consultation with selected shareholders.

Company: Bank of Georgia Group PLC

Following the Bank of Georgia's announced planned acquisition of Armenian bank "Ameriabank", M&G met both companies to evaluate the risks and opportunities associated with the deal, and to ensure that Ameriabank's activities would not reduce the importance of the societal impact that Bank of Georgia was delivering. M&G also asked for greater transparency on the digital services that are allowing Bank of Georgia to reach the mass market and deliver financial inclusion to the previously underserved or unbanked.

M&G Investments
Sustainable Multi-
Asset Fund

At the meeting M&G established that Ameriabank was currently focused more on the affluent end of Armenian society, but both companies understood M&G's potential concerns regarding a reduction in the companies' total impact, and the intention was for the new entity to widen out its customer base and increase focus on the mass market, helping to drive financial inclusion. Ameriabank was to be launching a sustainability agenda as a priority and has a toolkit of digital offerings which will help it reach a wider customer. Bank of Georgia had been developing its digital services for some time and has had real success there - but M&G did not think this was being effectively communicated to the market. The bank agreed to improve this and will develop the messaging possibly as part of a capital markets day.

Company: Apple Inc

CT have had an ongoing engagement with Apple Inc regarding civil rights audit, with CT previously supporting a shareholder resolution in 2022, requesting the company to release a report which assessed the potential risks to the company associated with their use of concealment clauses on their employees, in the context of harassment, discrimination, and other unlawful acts. This was to help shareholders better assess the effectiveness of Apple's effort to address the issue of inequality in its workforce and its management.

**Columbia
Threadneedle (CT)**
Global Absolute
Return Bond Fund
and LDI funds

In the second half of 2023, Apple Inc conducted its first civil rights audit assessing the company's initiatives to address not only racial equity and opportunity, but also civil rights more broadly with respect to:

- Gender
- Age
- Ethnicity
- Sexual Orientation
- Disability
- Other dimensions of identity

This covered all aspects of the business from products and services, workforce, customer experience and efforts to promote its values.

The conclusion was that Apple had taken significant steps to respect civil rights internally and externally but there are nonetheless opportunities for the company to do more, which they acknowledged. Hence, CT has rated this engagement among having the highest potential impact on investor value.

Summary

Based on the information received, the Trustees believe that the investment managers have acted in accordance with the Scheme's stewardship policies. The Trustees are supportive of the key voting action taken by the applicable investment managers over the period to encourage positive governance changes in the companies in which the managers hold shares.

The Trustees and their investment consultant are working with the investment managers to provide additional information in the future, including where indicated above, in order to enhance their ability to assess the investment managers' actions.

**Prepared by the Trustees of the UCAS Pension and Life Assurance Scheme (1993)
October 2024**