

Engagement Policy Implementation Statement (“EPIS”)

The Unite Pension Scheme (the “Scheme”)

Scheme Year End – 30 September 2024

The purpose of the EPIS is for us, Unite Pension Scheme Trustees Limited (the “Trustee”), to explain what we have done during the year ending 30 September 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 engagement activity, and the activities completed by our managers align with our stewardship priorities.

Some investment managers did not provide us with all the stewardship information requested. These are areas where we would like to see improvements, as set out in our engagement action plan.

1. Legal and General Investment Management (“LGIM”) and BlackRock provided a comprehensive breakdown of fund level engagements, which we find encouraging. We acknowledge that the managers did not provide the requested information as per the Investment Consultants Sustainability Working Group (“ICSWG”) best practice industry standard, however, we are comfortable that the engagement examples provided are specific to the funds in which we are invested in.
2. Last year, Nuveen and Brookfield did not provide the fund-level engagement information requested but both managers have provided the information requested this year. However, Brookfield did not provide the engagement numbers both at fund and firm level.
3. Janus Henderson and Pictet did not provide engagement themes at fund level, however, the managers provided engagement numbers and firm level engagement themes.
4. We will engage with these managers to encourage better reporting in future.

How voting and engagement policies have been followed

The Scheme is invested mostly in pooled funds along with two segregated mandates, and so the responsibility for voting and engagement is delegated to the Scheme's investment managers (subject to our stewardship policy as set out in the 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 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.

We received a training session over the year on responsible investment and the Scheme's net zero journey.

Over the reporting year, we updated and published the Scheme's Year 2 Task Force on Climate Related Disclosures (TCFD) report, and learned about the Scheme's targets, progress and requirements for the second year.

During the year, we received training on the Scheme's current voting policy and the approaches to engaging with asset managers. We reviewed our approach to voting and decided to switch to a different voting policy with Janus Henderson which aligned with our views more closely.

We learned about the Pension Regulator's new General Code of Practice and included additional wording in the SIP related to our considerations of climate change to ensure compliance.

We met with Pictet, Janus Henderson and Mirova who explained their policies in relation to stewardship, voting and engagement and provided examples of these in practice.

The Scheme's stewardship policy can be found in the SIP: <https://www.unitepensions.org/Members/Documents>

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. Legal and General Investment Management ("LGIM") and BlackRock provided a comprehensive list on fund level engagements, which we find encouraging. We acknowledge that the managers did not provide requested information as per the Investment Consultants Sustainability Working Group ("ICSWG") best practice industry standard, however, we are comfortable that the engagement examples provided are specific to the funds in which we are invested in.
2. Last year, Nuveen and Brookfield did not provide the fund-level engagement information requested but both managers have provided the information requested this year. However, Brookfield did not provide the engagement numbers both at fund and firm level.
3. Janus Henderson and Pictet did not provide engagement themes at fund level, however, the managers provided engagement numbers and firm level engagement themes.
4. We will engage with these managers to encourage better reporting in future.

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 managers' voting activity and Voting statistics

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.

The table below shows the voting statistics for each of the Scheme's material funds with voting rights for the year to 30 September 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 | 6,758 | 94.0% | 3.8% | 1.2% |
| Janus Henderson Global Investors - Global Equity | 6,454 | 91.1% | 6.4% | 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. |
| Janus Henderson Global Investors | Janus Henderson uses Institutional Shareholder Services (ISS) as our primary advisor. We feel that ISS best meets the requirements of Janus Henderson on the basis of research quality, coverage and platform functionality. In the UK we also receive Institutional Voting Information Service (IVIS) research. |

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.

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.

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. 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 level | Firm level | |
| BlackRock - Dynamic Diversified Growth | 427 | 3,768 | Environment - Climate Risk Management Governance - Remuneration; Board Composition & Effectiveness.; Corporate Strategy; Business Oversight |
| Janus Henderson Global Investors Equities - Global Equity* | 1,065 | 1,065 | Environment - Climate Change; Natural Resource Use/Impact Social - Human Capital Management Strategy, Financial & Reporting - Capital Allocation; Risk Management |
| Pacific Investment Management Company ("PIMCO") - Diversified Income Fund | 267 | 1,355 | Environment - Climate Change Governance - Board, Management & Ownership Strategy, Financial & Reporting - Capital Allocation; Financial Performance; Strategy/Purpose |
| PIMCO - ESG Global Bonds | 416 | 1,355 | Environment - Climate Change Governance - Board, Management & Ownership Strategy, Financial & Reporting - Capital Allocation; Financial Performance; Strategy/Purpose |
| Nuveen Asset Management - Real Estate Debt Partners Fund II | 4 | 564 | Environment - Climate Change |
| LGIM - UK Core Plus | 97 | 2,500 | Environment - Climate Change; Energy Social - Gender Diversity Governance - Remuneration Other - Corporate Strategy |
| Mirova - Energy Transition Infrastructure | 30 | 122 | Environment - Natural Resource Use/Impact; Pollution, Waste Social - Human Capital Management Governance - Leadership - Chair/CEO Strategy, Financial & Reporting - Reporting |
| Pictet Asset Management - Absolute Return Fixed Income Fund* | 22 | 633 | Environment - Climate Change; Natural Resource Use/Impact Social - Community Impacts / Human Governance - Diversity, Independence or Oversight; Remuneration Strategy, Financial & Reporting* - Reporting |
| Brookfield - Global Transition | | <i>Not provided</i> | Environment - Climate Change Social - Community relations, Diversity & inclusion, Human rights Governance - Ethical business conduct |

Source: Managers.

*Janus Henderson and Pictet did not provide fund level themes; themes provided are at a firm-level.

Data limitations

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

- LGIM and BlackRock provided comprehensive lists of their fund-level engagement examples. But their examples did not include all the information as requested in the industry standard template.
- Janus Henderson and Pictet did not provide fund level themes.
- Brookfield did not provide engagement numbers both at strategy and firm-level.

This report does not include commentary on certain asset classes such as liability driven investments, AVCs 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. 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, in managers’ own words:

| | | |
|--|---|---|
| BlackRock - Dynamic Diversified Growth Fund | Company name | Tesla, Inc. |
| | Date of vote | 13 June 2024 |
| | 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 | Report on Harassment and Discrimination Prevention Efforts |
| | How you voted? | Votes supporting resolution |
| | Where you voted against management, did you communicate your intent to the company ahead of the vote? | We endeavor 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. |
| | Rationale for the voting decision | Enhanced disclosures on this issue, which we deem material, would help investors better assess risks at the company. As a result, BlackRock Investment Stewardship (BIS) determined that support for the proposal was warranted as the request is aligned with the long-term financial interests of our clients. |
| | 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? | <i>Not provided</i> |

**Janus Henderson
Global Investors -
Global Equities**

| | |
|---|--|
| Company name | Woodside Energy Group Ltd. |
| Date of vote | 24 April 2024 |
| 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 | Approve Climate Transition Action Plan and 2023 Progress Report |
| How you voted? | Votes against resolution |
| Where you voted against management, did you communicate your intent to the company ahead of the vote? | <i>Not provided</i> |
| Rationale for the voting decision | <p>A vote AGAINST this item is warranted because the company's climate transition action plan does not appear to be sufficiently complete and rigorous due to the following concerns:</p> <ul style="list-style-type: none"> • The company has not adopted a commitment or plan but only an "aspiration" of net zero (scope 1&2) by 2050 or sooner. This aspiration is conditioned on several technological, abatement-related developments that are uncertain to materialize. • The company does not have any tangible plans to reduce its Scope 3 emissions. On the contrary, its business plan is to continue the production of oil & gas without near-term, meaningful development of lower carbon services. <p>Nevertheless, the company's decisions to take financial investment decision (FID) on new energy products and lower carbon services by 2030, with total abatement capacity of 5 Mtpa CO2e and submit its climate action plan to shareholder vote at three-year intervals are positive developments.</p> |
| 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? | <i>Not provided</i> |
| On which criteria have you assessed this vote to be most significant? | Votes against management with the highest level of dissent, followed by votes that received significant levels of overall dissent. |

Source: Managers