

Implementation Statement

United Kingdom Accreditation Service Pension Scheme

Purpose of this statement

This implementation statement has been produced by the Trustee of the United Kingdom Accreditation Service Pension Scheme ("the Scheme") to set out the following information over the year to 31 March 2024.

- how the Trustee's policies on exercising rights (including voting rights) and engagement activities have been followed over the year.
- the voting activity undertaken by the Scheme's investment managers on behalf of the Trustee over the year, including information regarding the most significant votes.

Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at 31 March 2024 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in February 2024 and has been made available online here: [Statement of Investment Principles \(ukas.com\)](https://www.ukas.com)

The following changes were made to the stewardship policy over the year:

- The Trustee introduced an allocation to the BlackRock ACS World ESG Tracker Fund (hedged and unhedged versions of the Fund).
- The Trustee introduced stewardship priorities for the Scheme. The Trustee believes the stewardship policies of their investment manager who exercises the majority of the voting rights on behalf of the Scheme, BlackRock, are aligned with the Scheme's policies on voting and engagement which forms part of this Statement of Investment Principles. As such, the Trustee has adopted the same stewardship priorities as BlackRock as the Scheme's stewardship priorities. The Stewardship priorities are:
 - Board quality & effectiveness;
 - Strategy purpose & financial resilience;
 - Incentives aligned with financial value creation;
 - Climate & nature capital;
 - Company impacts on people.

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:

- 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 Trustee undertook an initial review of the stewardship and engagement activities of the current managers at their 6 March 2019 meeting, and were satisfied that their policies were reasonable and no remedial action was required at that time.
- The Trustee obtained training on ESG considerations in order to understand fully how ESG factors including climate change could impact the Scheme and its investments.
- Annually the Trustee receives and reviews voting information and engagement policies from the asset managers, which they review to ensure alignment with the Trustee’s stewardship policies/priorities. The Trustee believes that the voting and engagement activities undertaken by the asset managers on their behalf have been in the members’ best interests. This exercise was undertaken in September 2023.
- Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the fund manager is in alignment with the Scheme’s stewardship policies.

**Prepared by the Trustee of the United Kingdom Accreditation Service Pension Scheme
July 2024**

Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Scheme's Growth Portfolio on behalf of the Trustee over the year to 31 March 2024. The Index-Linked Gilt Fund, Property Fund and cash funds with BlackRock as well as they Buy and Maintain Corporate Bond Fund with Insight have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate. The BlackRock regional equity funds (excluding the BlackRock iShares Emerging Markets Index Fund) were fully disinvested from over the year to 31 March 2024, as such, data for these funds is shown over the year to the quarter end of disinvestment, Q4 2023.

Manager	BlackRock Funds (includes currency hedged and unhedged versions where appropriate)						
Fund name	Aquila Life European Equity Index	Aquila Life Japanese Equity Index	Aquila Life Pacific Rim Equity Index	Aquila Life US Equity Index	Aquila Life UK Equity Index	iShares Emerging Markets Index Fund (IE)	ACS World ESG Tracker Fund
Structure	Pooled						
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.						
No. of eligible meetings	471	509	455	601	1,027	2,783	467
No. of eligible votes	8,824	6,062	3,107	8,038	14,905	23,079	7,296
% of resolutions voted	77%	100%	100%	99%	96%	98%	98%
% of resolutions abstained¹	1%	0%	0%	0%	1%	2%	0%
% of resolutions voted with management¹	88%	96%	89%	97%	96%	87%	97%
% of resolutions voted against management¹	11%	3%	10%	2%	3%	12%	2%
Proxy voting advisor employed¹	Institutional Shareholder Services (ISS)						
% of resolutions voted against proxy voter recommendation	0%	1%	0%	0%	0%	0%	0%

¹ As a percentage of the total number of resolutions voted on

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 Trustee over the year to be set out. The guidance does not currently define what constitutes a "significant" vote. However, more 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. Over the year to 31 March 2024, the Trustee introduced stewardship priorities for the Scheme. The Trustee believes the stewardship policies of their investment manager who exercises the majority of the voting rights on behalf of the Scheme, BlackRock, are aligned with the Scheme's policies on voting and engagement which forms part of this Statement of Investment Principles.

BlackRock have provided a selection of votes for each fund which they believe to be significant. The Trustee selected 3 of the most significant votes for each fund which relate to the stewardship priorities of the Scheme. The BlackRock regional equity funds (excluding the BlackRock iShares Emerging Markets Index Fund) were fully disinvested over the year to 31 March 2024, as such, data for these funds is shown over the year to the quarter end of disinvestment, Q4 2023.

A summary of the significant votes provided is set out below.

BlackRock, Aquila Life European Equity Index

	Vote 1	Vote 2	Vote 3
Company name	Siemens AG	Koninklijke Ahold Delhaize NV	Holcim Ltd.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	The manager hasn't provided this information.		
Summary of the resolution	Amend Articles Re: Participation of Supervisory Board Members in the Annual General Meeting by Means of Audio and Video Transmission	Approve Remuneration Report	Approve Climate Report
How the manager voted	For	For	For
Rationale for the voting decision	The manager hasn't provided this information.		
Outcome of the vote	Pass	Pass	Pass
Implications of the outcome	The manager hasn't provided this information.		
Criteria on which the vote is considered "significant"	The manager hasn't provided this information.		

BlackRock, Aquila Life Japanese Equity Index

	Vote 1	Vote 2	Vote 3
Company name	Toyota Motor Corp.	Chubu Electric Power Co., Inc.	Tokyo Electric Power Co. Holdings, Inc.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	The manager hasn't provided this information.		
Summary of the resolution	Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement	Amend Articles to Ban Reprocessing of Spent Nuclear Fuels	Amend Articles to Not to Position Nuclear Power Generation as Global Warming Mitigation Measures
How the manager voted	Against	Against	Against
Rationale for the voting decision	The proposal did not serve shareholder's interest.		
Outcome of the vote	Fail	Fail	Fail
Implications of the outcome	The manager hasn't provided this information.		
Criteria on which the vote is considered "significant"	The manager hasn't provided this information.		

BlackRock, Aquila Life Pacific Rim Equity Index

	Vote 1	Vote 2	Vote 3
Company name	Woodside Energy Group Ltd.	Techtronic Industries Co., Ltd.	Whitehaven Coal Limited
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	The manager hasn't provided this information.		
Summary of the resolution	Approve the Amendments to the Company's Constitution	Elect Horst Julius Pudwill as Director	Approve the Amendments to the Company's Constitution
How the manager voted	Against	Against	Against
Rationale for the voting decision	Shareholder proposals best facilitated through regulatory changes	Chair of Nomination Committee not independent and Remuneration Committee without majority independence	Shareholder proposals best facilitated through regulatory changes
Outcome of the vote	Fail	Pass	Fail
Implications of the outcome	The manager hasn't provided this information.		
Criteria on which the vote is considered "significant"	The manager hasn't provided this information.		

BlackRock, Aquila Life US Equity Index

	Vote 1	Vote 2	Vote 3
Company name	Westlake Corporation	Broadcom Inc.	Alphabet Inc.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	The manager hasn't provided this information.		
Summary of the resolution	Report on Reducing Plastic Pollution of the Oceans	Elect Director Diane M. Bryant	Approve Recapitalization Plan for all Stock to Have One-vote per Share
How the manager voted	For	Against	For
Rationale for the voting decision	Additional information would help shareholders assess investment risks and opportunities related to natural capital, which BlackRock deem material to long-term financial results.	Vote against compensation committee member because pay is not properly aligned with performance and/or peers.	BlackRock believe that one vote per share is in the best interest of long term shareholders
Outcome of the vote	Fail	Pass	Fail
Implications of the outcome	The manager hasn't provided this information.		
Criteria on which the vote is considered "significant"	The manager hasn't provided this information.		

BlackRock, Aquila Life UK Equity Index

	Vote 1	Vote 2	Vote 3
Company name	BE Semiconductor Industries NV	Glencore Plc	Dollar Tree, Inc.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	The manager hasn't provided this information.		
Summary of the resolution	Approve Discharge of Supervisory Board	Resolution in Respect of the Next Climate Action Transition Plan	Advisory Vote to Ratify Named Executive Officers' Compensation
How the manager voted	For	Against	For
Rationale for the voting decision	The manager hasn't provided this information.	Proposal is not in shareholders' best interests	The manager hasn't provided this information.
Outcome of the vote	Pass	Fail	Pass
Implications of the outcome	The manager hasn't provided this information.		
Criteria on which the vote is considered "significant"	The manager hasn't provided this information.		

BlackRock, iShares Emerging Markets Index Fund (IE)

	Vote 1	Vote 2	Vote 3
Company name	Shin Kong Financial Holding Co. Ltd.	Shin Kong Financial Holding Co. Ltd.	Zhejiang Expressway Co., Ltd.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	The manager hasn't provided this information.		
Summary of the resolution	Elect CHIEN, MIN-CHIU, with SHAREHOLDER NO.A221993XXX as Independent Director	Elect FANG, MATTHEW, a Representative of YING YING INVESTMENT CO., LTD., with SHAREHOLDER NO.00358547, as Non-independent Director	Approve Class and Nominal Value of Rights Shares
How the manager voted	For	Against	For
Rationale for the voting decision	Proposal considered to be in the best interests of shareholders	BlackRock believe that it is not in the best interests of shareholders to have this particular director on this board.	The manager hasn't provided this information.
Outcome of the vote	Pass	Fail	Pass
Implications of the outcome	The manager hasn't provided this information.		
Criteria on which the vote is considered "significant"	The manager hasn't provided this information.		

BlackRock, ACS World ESG Tracker Fund (currency hedged and unhedged versions)

	Vote 1	Vote 2	Vote 3
Company name	Broadcom Inc.	The Goldman Sachs Group, Inc.	Shell Plc
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	The manager hasn't provided this information.		
Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation	Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets	Approve the Shell Energy Transition Progress
How the manager voted	Against	Against	For
Rationale for the voting decision	Pay is not aligned with performance and peers	The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its	The manager hasn't provided this information.

	Vote 1	Vote 2	Vote 3
			relevant disclosures
Outcome of the vote	Fail	Fail	Pass
Implications of the outcome	The manager hasn't provided this information.		
Criteria on which the vote is considered "significant"	The manager hasn't provided this information.		

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustee. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme's cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

As with the voting section, the BlackRock regional equity funds (excluding the BlackRock iShares Emerging Markets Index Fund) were fully disinvested over the year to 31 March 2024, as such, data for these funds is shown over the year to the quarter end of disinvestment, Q4 2023.

Manager	BlackRock Aquila Life Funds (includes currency hedged and unhedged versions where appropriate)				
Fund name	European Equity Index	Japanese Equity Index	Pacific Rim Equity Index	US Equity Index	UK Equity Index
Number of engagements undertaken on behalf of the holdings in this fund in the year	424	346	198	674	3,118
Number of entities engaged on behalf of the holdings in this fund in the year	237	221	133	401	2,023
Number of engagements undertaken at a firm level in the year			3,768*		

Manager	BlackRock	BlackRock	BlackRock	BlackRock	Insight
Fund name	iShares Emerging Markets Index Fund	Aquila Life Over 5 Year UK Index-Linked Fund	Property Fund	ACS World ESG Tracker Fund (currency hedged and unhedged versions)	Buy & Maintain Bond Fund

Manager	BlackRock	BlackRock	BlackRock	BlackRock	Insight
Number of engagements undertaken on behalf of the holdings in this fund in the year	345	n/a	n/a	564	120
Number of entities engaged on behalf of the holdings in this fund in the year	237	n/a	n/a	305	63
Number of engagements undertaken at a firm level in the year			3,768*		2,521

*Data for the number of engagements undertaken at a firm level in the year is provided as at 31 December 2023, due to lack of data at the time of reporting.

Examples of engagement activity undertaken over the year to 31 March 2024

BlackRock

Shell plc

Shell plc (Shell) is a globally integrated energy company headquartered in the United Kingdom. BlackRock Investment Stewardship (BIS) engages with companies to better understand how company leadership identifies and manages the material risks and opportunities in their business model that, in BlackRock's assessment, can impact their ability to deliver durable financial performance for long-term investors like BlackRock's clients. BIS also engage to provide an investor perspective on corporate governance practices. BIS has had an extensive, multiyear engagement history with Shell, during which they have discussed a range of corporate governance topics that, in BIS' assessment, are important for long-term financial value creation. This has included board composition, corporate strategy, and the board's oversight of and management's approach to climate-related risks and opportunities.

Insight

Barclays plc

This engagement was identified as part of Insight's counterparty engagement programme. With growing operations in the US, the political environment related to ESG is directly impacting the bank. The latest engagement sought to discuss the bank's sustainable finance framework and the feedback Insight have provided, given some elements of their environmental programme lags behind their peers. This engagement is aligned to climate Action.

Barclays' sustainable finance framework was updated in 2022 when the target was revised from \$150bn to \$1tr. However, they have yet to set accredited science-based targets, continue to engage with SBTi but are prioritising NZBA and the majority of their portfolios to have financed emissions targets. Impact bonds were discussed in the context of stricter policy criteria covering refinancing of old projects, maximum lookback periods, EU taxonomy alignment, use-of-proceeds investor reporting, energy efficiency, target populations, definitions (e.g., what constitutes 'sustainable protein') and overarching governance. Their revenue-based threshold around arctic drilling is high (50%) given they recognise the different dependencies on fracking

between the UK and US and will remain flexible in their approach, noting that a significant proportion of their financing relates to cash flows rather than project financing.

Following on from Insight's recommendations, BACR has enhanced its oil sands policy and introduced a Client Transition Framework demonstrating how the bank is evaluating its corporate clients' transition progress towards low-carbon business models. They also acknowledged their risk policy guidelines are due for an update. Insight recommended that BACR continues to align its sector policies (to address exclusions relating to arctic, general oil and gas; and fracking) to IEA guidance; provide additional details on the assessment, support of and escalation (without terminating relationships) procedures relating to clients on climate-related issues under their Client Transition Framework in their next annual report; set science-based targets to improve transparency and comparability with competitors; increase scope of assurance on scope 1, 2, 3 emissions; transparency around its lobbying practices.