

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 2023.

- 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 2023 describes the Trustee’s stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in September 2020 and has been made available online here: [Statement of Investment Principles \(ukas.com\)](https://www.ukas.com)

At this time, the Trustee has not set stewardship priorities / 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.

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme’s investment managers, the Trustee believes that their 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.
- Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the fund managers are in alignment with the Scheme’s stewardship policies.

**Prepared by the Trustee of the United Kingdom Accreditation Service Pension Scheme
September 2023**

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 2023. The Index Linked Gilt Fund, Property Fund and Cash Funds with BlackRock as well as the 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.

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	iShares Emerging Markets Index Fund (IE)
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	504	497	473	617	1,072	2,782
No. of eligible votes	8,994	6,176	3,317	7,672	14,903	25,350
% of resolutions voted	76%	100%	100%	99%	96%	98%
% of resolutions abstained¹	1%	0%	0%	0%	1%	3%
% of resolutions voted with management¹	87%	97%	88%	96%	94%	88%
% of resolutions voted against management¹	12%	2%	11%	3%	5%	11%
Proxy voting advisor employed¹	Institutional Shareholder Services (ISS)					
% of resolutions voted against proxy voter recommendation	0%	1%	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, 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 / 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. So, 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 / themes.

Blackrock have provided a selection of votes which they believe to be significant. In the absence of agreed stewardship priorities / themes, 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. A summary of the significant votes provided is set out below.

BlackRock, European Equity Index

	Vote 1	Vote 2	Vote 3
Company name	Equinor ASA	Fortum Oyj	Siemens AG
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	Instruct Company to Stop all Exploration Activity and Test Drilling for Fossil Energy Resources	Approve Issuance of Shares for a Private Placement to Solidium Oy	Approve Virtual-Only Shareholder Meetings Until 2025
How the manager voted	Did Not Vote	For	For
Rationale for the voting decision	Proposal is not in shareholders’ best interests.	The manager hasn’t provided this information	
Outcome of the vote	Fail	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, Japanese Equity Index

	Vote 1	Vote 2	Vote 3
Company name	Electric Power Development Co., Ltd.	Electric Power Development Co., Ltd.	Sumitomo Mitsui Financial Group, 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 disclose business plan through 2050 aligned with goals of Paris agreement	Amend articles to disclose how executive compensation policy contributes to achievement of greenhouse gas emission reduction target	Amend Articles to disclose measures to be taken to make sure that the company's lending and underwriting are not used for expansion of fossil fuel supply or associated infrastructure
How the manager voted	Against	Against	Against
Rationale for the voting decision	Shareholder proposal will not serve shareholder's interest.	Shareholder proposal will not serve shareholder's interest.	Shareholder proposal will 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, Pacific Rim Equity Index

	Vote 1	Vote 2	Vote 3
Company name	Santos Limited	Woodside Petroleum Ltd.	New World Development Company 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	Approve Contingent Resolution – Capital Protection	Elect Lee Luen-Wai, John as Director
How the manager voted	Against	Against	For
Rationale for the voting decision	Shareholder proposals best facilitated through regulatory changes.	The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company	The Director was responsible for failing to ensure sufficient board independence. Voted against director due to insufficient independence after reclassification. Remuneration Committee, Nomination

Committee, Chair of Audit Committee and Chair of Remuneration Committee all lack independence.

Outcome of the vote	Fail	Withdrawn	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, US Equity Index

	Vote 1	Vote 2	Vote 3
Company name	HCA Healthcare, Inc.	Anthem, Inc.	Amazon.com, 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 Lobbying Payments and Policy	Adopt a Policy Prohibiting Direct and Indirect Political Contributions to Candidates	Report on Worker Health and Safety Disparities
How the manager voted	Against	Against	Against
Rationale for the voting decision	The company already has policies in place to address the request being made by the proposal or is already enhancing its relevant policies.	The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company	The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures.
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, UK Equity Index

	Vote 1	Vote 2	Vote 3
Company name	Marathon Petroleum Corporation	Santos Limited	Woodside Petroleum 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 Compensation Clawback Policy	Approve Climate-related Lobbying	Approve the Amendments to the Company's Constitution

How the manager voted	Against	Against	Against
Rationale for the voting decision	The company already has policies in place to address the request being made by the proposal, or is already enhancing its relevant policies.	The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company	Shareholder proposals are best facilitated through regulatory changes
Outcome of the vote	Fail	Withdrawn	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, iShares Emerging Markets Index Fund (IE)

	Vote 1	Vote 2	Vote 3
Company name	Petroleo Brasileiro SA	Grupo Financiero Banorte SAB de CV	Grupo Mexico S.A.B. de C.V.
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	Percentage of Votes to Be Assigned – Elect Marcio Andrade Weber as Independent Director	Elect Adrian Sada Cueva as Director	Elect or Ratify Directors; Verify Independence of Board Members; Elect or Ratify Chairmen and Members of Board Committees
How the manager voted	For	For	Against
Rationale for the voting decision	The manager hasn't provided this information		The Company does not meet BlackRock's expectations of having adequate climate risk disclosures against all 4 pillars of TCFD. The company does not meet BlackRock's expectations of having adequate climate-related metrics and targets. Vote against due to lack of disclosure.
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		

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.

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	452	341	207	702	3,210
Number of entities engaged on behalf of the holdings in this fund in the year	245	214	141	408	2,014
Number of engagements undertaken at a firm level in the year	3,963	3,963	3,963	3,963	3,963

Manager	BlackRock	BlackRock	BlackRock	Insight
Fund name	iShares Emerging Markets Index Fund	Aquila Life Over 5 Year UK Index-Linked Fund	Property Fund	Buy & Maintain Bond Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	436	n/a	n/a	165
Number of entities engaged on behalf of the holdings in this fund in the year	280	n/a	n/a	73
Number of engagements undertaken at a firm level in the year	3,963	3,963	3,963	1,178

Examples of engagement activity undertaken over the year to 31 March 2023

BlackRock

Netflix, Inc. (Netflix)

BlackRock Investment Stewardship (BIS) has engaged with Netflix on corporate governance and sustainable business matters that they believe contribute to the company's ability to deliver the durable, long-term shareholder returns on which BlackRock's clients depend to meet their financial goals, including board effectiveness, shareholder rights, human capital management, executive compensation and corporate political activities disclosures.

Insight

Equinor – Environment

Insight engaged with Equinor on its carbon emissions and on its product footprint and guidance for its 2023 energy production mix. Insight previously engaged with Equinor after they exceeded a 5% threshold measuring the proportion of revenues generated from unconventional methods such as Arctic Oil. Breaching this threshold meant that Equinor failed Insight's Buy and Maintain purchase agreement. Equinor stated that some of the oilfields labelled as 'unconventional' should not qualify for that description given the area in which three of the oilfields are located are ice-free most of the year.

At their most recent engagement, Equinor confirmed it views itself as aligned with a 1.5 degree global warming scenario and confirmed they only have one target that is Paris-aligned. Insight also asked about its group-wide emissions reduction targets. Equinor confirmed it has a 50% group-wide emission reduction target by 2030 for Scope 1 and 2 targets but do not have targets for Scope 3 because these emissions are out of their control. Insight explained that they expect oil and gas companies to set Scope 3 targets, in line with many of Equinor's peers.

Insight have met with the capital markets team and internal relations. Engagements with Equinor have been led by Insight's energy analyst with the support of the RI Stewardship analysts. Insight will continue their separate, more specific engagement with Equinor on its plans for those oilfields deemed 'unconventional' to assess the environment/bio-diversity impact of these projects. Restrictions remain in place as a result of Equinor exceeding the 5% threshold - Excluding the three oilfields suggested to be 'conventional' by Equinor would push their controversial revenues score below the threshold, however, given the heightened biodiversity risk in the Arctic, Insight decided to keep the definition of these oilfields as 'unconventional'.