

Engagement Policy Implementation Statement (“EPIS”)

Institution of Engineering and Technology Superannuation & Assurance Scheme (the “Scheme”)

Scheme Year End – 31 March 2024

The purpose of the EPIS is for us, the Trustees of the Institution of Engineering and Technology Superannuation & Assurance Scheme, to explain what we have done during the year ending 31 March 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.

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 expectations. However, there are areas where we would like to see additional details, as set out in our engagement action plan.

How voting and engagement policies have been followed

The Scheme is partially invested in pooled funds, and so the responsibility for voting and engagement is delegated to the Scheme's investment managers. The pooled fund arrangements are held in common with other investors, which means that we do not have the ability to decide which securities are invested in, or to direct how the investment managers vote in any specific instance. We have 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/or 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.

Over the reporting year, we monitored the performance of the Scheme's investments on a quarterly basis and received updates on important issues from our investment adviser, Aon Investments Limited ("Aon"). In particular, we received quarterly ESG ratings from Aon for the funds the Scheme is invested in.

Each year, we review the voting and engagement policies of the Scheme's investment managers to ensure they align with our own policies for the Scheme and help us to achieve them.

The Scheme's stewardship policy can be found in the SIP:

[IET Superannuation & Assurance Scheme \("the Scheme"\) \(theiet.org\)](https://www.theiet.org/Investment/Investment%20Policy%20Documents/IET%20Superannuation%20&%20Assurance%20Scheme%20(the%20Scheme).pdf)

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. While BlackRock and M&G provided a comprehensive list of fund-level engagements, which we find encouraging, these examples did not give as much detail as required by the Investment Consultants Sustainability Working Group ("ICSWG") industry standard. Our investment adviser, Aon, will engage with these managers to better understand their engagement practices and discuss the areas which are behind those of their peers.
2. We will invite each of our investment managers to a meeting to get a better understanding of their voting and engagement practices, and how these help us fulfil our Responsible Investment policies.

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

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.

Voting statistics

The table below shows the voting statistics for each of the Scheme's material funds with voting rights for the year to 31 March 2024.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
BlackRock Aquila Life MSCI World Fund	39,737	95.3%	4.7%	0.7%
BlackRock Aquila Life World (Ex UK) Equity Fund (currency hedged)	27,144	94.3%	5.8%	0.5%

Source: Manager. 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 manager uses proxy voting adviser.

Manager	Description of use of proxy voting adviser (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.

Source: Manager

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.

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked BlackRock to provide a selection of what they consider to be the most significant votes. A sample of these significant votes can be found in the Appendix.

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 investment managers. The managers have provided information for the most recent calendar year available.

Funds	Number of engagements		Themes engaged on at a fund level
	Fund level	Firm level	
BlackRock Aquila Life MSCI World Fund	3,152	3,768	Environment - Climate Risk Management Social - Human Capital Management Governance - Corporate Strategy; Board Composition and Effectiveness; Governance Structure
BlackRock Aquila Life World (Ex UK) Equity Fund (currency hedged)	1,684	3,768	Environment - Climate Risk Management Social - Human Capital Management Governance - Corporate Strategy; Board Composition and Effectiveness; Governance Structure
M&G Investments - Sustainable Total Return Credit Investment Fund	13	297	Environment - Net Zero/Decarbonisation; Nature and Biodiversity Social - Diversity and Inclusion; Inequality Governance - Board Composition

Source: Managers.

This report does not include commentary on the Scheme's investment in the BlackRock Aquila Life UK Equity Index Fund, Liability Driven Investment, or cash holdings 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 BlackRock. 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:

BlackRock Aquila Life MSCI World Fund	Company name	Westlake Corporation
	Date of vote	11 May 2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	Not provided
	Summary of the resolution	Report on reducing plastic pollution in the ocean
	How you voted?	For
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We endeavour 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	Additional information would help shareholders assess investment risks and opportunities related to natural capital, which we deem material to long-term financial results.
	Outcome of the vote	Fail
	Implications of the outcome e.g. 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?	Not provided

**Blackrock - Aquila Life World
(Ex UK) Equity Fund (currency
hedged)**

Company name	Holcim Ltd.
Date of vote	04 May 2023
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	Not provided
Summary of the resolution	Approve climate report.
How you voted?	For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	We endeavour 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	No rationale provided
Outcome of the vote	Pass
Implications of the outcome e.g. 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?	Not provided

Source: Manager