

Trustee's Report (continued)

Annual Implementation Statement

United Kingdom Accreditation Service Pension Scheme

Implementation Statement for the Scheme year ended 31 March 2022

This is the Implementation Statement prepared by the Trustee of the Pension Scheme of the United Kingdom Accreditation Service Pension ("the Scheme") and sets out:

- How the Trustee's policies on exercising rights (including voting rights) and engagement have been followed over the year.
- The voting behaviour of the Trustee, or that undertaken on their behalf, over the year to 31 March 2022.

How voting and engagement policies have been followed

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.

Annually the Trustee receives and reviews voting information and engagement policies from the asset managers, which we review to ensure alignment with their own policies. The Trustee met their investment managers at the 9 December 2021 Trustee Meeting to discuss these topics and are comfortable the actions of the fund managers are in alignment with the Scheme's stewardship policies.

Voting undertaken on behalf of the Trustees

Voting only applies to equities held in the portfolio. The Scheme's equity investments are held in pooled index-tracking equity funds managed by BlackRock, and as such BlackRock votes on behalf of the Trustee.

The tables below provide a summary of the voting activity undertaken by BlackRock during the year to 31 March 2022.

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Voting Data

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 Trustees to influence the manager's voting behaviour.					
Number of company meetings the manager was eligible to vote at over the year	414	505	479	594	1,112	2,526
Number of resolutions the manager was eligible to vote on over the year	6,728	6,051	3,369	7,321	14,860	21,938
Percentage of resolutions the manager voted on	99%	100%	100%	99%	99%	100%
Percentage of resolutions the manager abstained from as a percentage of the total number of resolutions voted on	1%	0%	0%	1%	1%	0%
Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	84%	97%	88%	95%	93%	89%
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	15%	2%	11%	4%	6%	10%
Percentage of meetings voted <i>at least once against</i> management, as a percentage of the total number of meetings voted on	66%	18%	34%	31%	31%	37%

Percentage of resolutions voted contrary to the recommendation of the proxy advisor	0%	0%	0%	0%	0%	1%
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Significant votes

We have delegated to the investment managers to define what a "significant vote" is. Some of the examples they have provided are set out below.

BlackRock Aquila Life European Equity Index Funds

	Vote 1	Vote 2	Vote 3
Company name	VINCI SA	VINCI SA	VINCI SA
Date of vote	08 Apr 2021	08 Apr 2021	08 Apr 2021
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 Allocation of Income and Dividends of EUR 2.04 per Share	Approve Company's Environmental Transition Plan	Re-elect Yannick Assouad as Director
How the manager voted	For	For	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	The manager hasn't provided this information		
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		

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BlackRock Aquila Life Japanese Equity Index Funds

The manager did not provide details of any votes for these funds.

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BlackRock Aquila Life Pacific Rim Equity Index Funds

	Vote 1	Vote 2	Vote 3
Company name	Jardine Strategic Holdings Ltd.	Woodside Petroleum Ltd	Rio Tinto Limited
Date of vote	12 April 2021	15 April 2021	06 May 2021
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 Amalgamation Agreement	Approve the Amendments to the Company's Constitution Proposed by Market Forces	Accept Financial Statements and Statutory Reports
How the manager voted	Against	Against	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	The manager hasn't provided this information		
Rationale for the voting decision	BlackRock believe this operation was not in the interest of shareholders.	BlackRock believe Shareholder proposals are best facilitated through regulatory changes.	Not Provided
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		

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BlackRock Aquila Life US Equity Index Funds

	Vote 1	Vote 2	Vote 3
Company name	Dow Inc.	Moody's Corporation	Pfizer Inc.
Date of vote	15 April 2021	20 April 2021	22 April 2021
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	Approve 2020 Decarbonisation Plan	Elect Director Albert Bourla
How the manager voted	For	For	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	The manager hasn't provided this information		
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		

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BlackRock Aquila Life UK Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Berkshire Hathaway Inc.	General Electric Company	BP Plc
Date of vote	01 May 2021	4 May 2021	12 May 2021
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 Climate-Related Risks and Opportunities	Approve Reverse Stock Split	Approve Remuneration Report
How the manager voted	For	For	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	The manager hasn't provided this information		
Rationale for the voting decision	BlackRock believe the company does not meet their expectations for disclosing a plan for how their business model will be compatible with a low-carbon economy. The company does not meet their expectations for disclosure of natural capital policies and/or risk	The manager hasn't provided this information	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		

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BlackRock iShares Emerging Markets Index Fund

	Vote 1	Vote 2	Vote 3
Company name	JBS S.A.	Vale S.A.	China Shenhua Energy Company Limited
Date of vote	28 April 2021	30 April 2021	25 June 2021
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	Accept Financial Statements and Statutory Reports for Fiscal Year Ended Dec. 31, 2020	Approve Allocation of Income and Dividends	Approve Audited Financial Statements
How the manager voted	Abstain	For	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	The manager hasn't provided this information		
Rationale for the voting decision	BlackRock abstained as they believe it preserves shareholders' right to take legal action should irregularities be discovered at a future date.	The manager hasn't provided this information	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		

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Fund level engagement

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
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	415	292	206	623	2,908
Number of engagements undertaken at a firm level in the year	The manager hasn't provided this information				
Examples of engagements undertaken with holdings in the fund	Operational Sustainability, Board Composition & Effectiveness, Climate Risk Management	Corporate Strategy, Governance Structure, Climate Risk Management	Corporate Strategy, Governance Structure, Board Composition & Effectiveness	Climate Risk Management, Operational Sustainability, Human Capital Management	Board Composition & Effectiveness, Climate Risk Management, Corporate Strategy
Examples of companies engaged with	Unicredit, Deutsche Bank, SCOR	Mitsubishi, Toshiba, Capcom	Samsung, AGL Energy, Origin Energy	Exxon Mobil, Chevron, Johnson & Johnson	Mitsubishi, Barclays Plc, BP Plc

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Manager	BlackRock		Insight
Fund name	iShares Emerging Markets Index Fund	Aquila Life Over 5 Year UK Index-Linked Fund	Buy & Maintain Bond Fund
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	444	Not supplied	138
Number of engagements undertaken at a firm level in the year	The manager hasn't provided this information		
Examples of engagements undertaken with holdings in the fund	Corporate Strategy, Climate Risk Management, Operational Sustainability	Not supplied	Governance remuneration, Environmental natural resource use and impact
Examples of companies engaged with	Samsung, Vedanta, Alibaba	Not supplied	Anheuser-Busch InBev, Severn Trent

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BlackRock Property Fund

The BlackRock Property Fund does not have any voting rights to report on. As per the Scheme's Statement of Investment Principles, the Trustee believes that ESG issues can be financially material to the risk-adjusted returns achieved by BlackRock over the Trustee's intended time horizon for the investment in question. Environmental issues are particularly important when selecting appropriate properties for the property portfolio, and so the Trustee looks to the manager to incorporate environmental issues into their investment process. BlackRock presented to the Trustee with regard to the Property Fund including ESG issues at the 9 December 2021 Trustee Meeting, and the Trustee was satisfied that BlackRock were taking appropriate action and making suitable progress with regard to ESG issues.

Summary

Based on the information received, the Trustee believes that the investment managers have acted in accordance with the Scheme's stewardship policies. The Trustee is supportive of the key voting action taken by the applicable fund manager over the period to encourage positive governance changes in the companies in which the manager holds shares.

The Trustee monitors the ESG credentials of the managers they use to access their investment strategy on an annual basis. With the assistance of their investment consultant, the Trustee performed an ESG review of Insight and BlackRock in the 9 December 2021 Trustee Meeting.

The Trustee and their investment consultant are working with the investment managers to provide additional information in the future in order to enhance their ability to assess the investment managers' actions.

**Prepared by the Trustee of the Pension Scheme of the United Kingdom Accreditation Service Pension
July 2022**