

Engagement Policy Implementation Statement (“EPIS”)

The Unite Pension Scheme (the “Scheme”)

Scheme Year End – 30 September 2023

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 2023 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 expectations.

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 & General Investment Management (“LGIM”) and BlackRock provided comprehensive lists of their fund-level engagement examples, which we find encouraging. But their examples did not include all the information as requested in the industry standard data request.

At the time of writing, Janus Henderson, Pictet, Nuveen and Brookfield did not provide all the fund-level engagement information requested.

We will engage with these managers to encourage better reporting in future.

2. We will undertake a review of Janus Henderson’s voting policy.

How voting and engagement policies have been followed

The Scheme is invested mainly in pooled funds, and so the responsibility for voting and engagement is delegated to the Scheme's investment managers, which is in line with the Trustee's policy. 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 met with PIMCO, Copenhagen and Brookfield who explained their policies in relation to stewardship, voting and engagement and provided examples of these in practice.

As part of our equity manager selection exercise in early 2023, we met with multiple managers, including Janus Henderson, and asked them how they incorporate ESG into their investment process and about their voting and engagement activity.

Over the year, the ESG working group met to discuss the Scheme's priorities in relation the Metrics and Targets Pillar of the Scheme's Year 1 Task Force on Climate Related Disclosures (TCFD) report, as well as the Scheme's wording with respect to the Risk Management and Strategy pillars. The report was later finalised by the Trustee Board.

We received two training sessions over the course of the year, the first on the TCFD and the second on the Scheme's responsible investment policy.

We received an update on the Department for Work and Pension's guidance regarding how it expects trustees to approach stewardship and how we report on these matters through the Statement of Investment Principles (SIP) and the EPIS. We agreed to update the SIP to remain in line with best practice. We also remained updated on the Union's ESG initiatives throughout the year.

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 & General Investment Management ("LGIM") and BlackRock provided comprehensive lists of their fund-level engagement examples, which we find encouraging. But their examples did not include all the information as requested in the industry standard data request.

At the time of writing, Janus Henderson, Pictet, Nuveen and Brookfield did not provide all the fund-level engagement information requested.

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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 30 September 2023.

	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
Janus Henderson – Global Equity:				
▪ Exempt North American Index Opportunities Fund	8,709	99.6%	9.3%	0.0%
▪ Japan Index Opportunities Fund	4,051	100.0%	5.0%	0.0%
▪ UK Index Opportunities Fund	7,567	99.8%	1.3%	0.1%
▪ Asia Pacific-ex Japan Index Opportunities Fund	3,396	99.9%	12.1%	0.0%
▪ European Index Opportunities Fund	7,285	92.3%	8.7%	0.1%
Neuberger Berman - Emerging Equity	1,226	100.0%	12.0%	1.2%
Newton - Real Return Fund*	1,112	100.0%	7.6%	0.0%
BlackRock - Dynamic Diversified Growth Fund	7,757	91.0%	4.0%	1.0%

Source: Managers *Newton provided data for the year to 30 June 2023 because the Scheme disinvested from the Fund in June 2023.

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.

	Description of use of proxy voting advisers (in the managers' own words)
Janus Henderson	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. Janus Henderson Investors has adopted Proxy Voting Policy and Procedures to ensure that proxies are voted in the best interest of clients.
Neuberger Berman	Neuberger Berman has engaged Glass Lewis as its proxy service provider. Neuberger Berman has developed custom Proxy Voting Guidelines that lay out our voting positions, focusing on the potential financial impact on a company from corporate governance, environmental, and social issues. These Guidelines are reviewed at least on an annual basis and updated as deemed appropriate. While we

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.

	utilize research from proxy advisors as supplementary data to help inform our analysis, our voting decisions are determined by our custom Voting Guidelines and proprietary research.
Newton	We utilise an independent voting service provider ISS for the purposes of managing upcoming meetings and instructing voting decisions via its electronic platform, and for providing research. Its voting recommendations are not routinely followed; it is only in the event that we recognise a potential material conflict of interest that the recommendation of our external voting service provider will be applied. We do not maintain a voting policy with ISS. We apply our own Newton voting guidelines.
BlackRock	While we subscribe to research from the proxy advisory firms ISS and Glass Lewis, it is just one among many inputs into our vote analysis process, and we do not blindly follow their recommendations on how to vote. We primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial.

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.

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	
Janus Henderson Global Investors Equities - Global Core*	506	506	Environment - Climate change, Natural resource use/impact Social - Human and labour rights (e.g. supply chain rights, community relations), Human capital management (e.g. inclusion & diversity, employee terms, safety) Governance - Board effectiveness – Diversity, Remuneration Strategy, Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting)
Neuberger Berman - Emerging Equity	303	3,439	Environment - Climate change, Natural resource use/impact Social - Human and labour rights (e.g. supply chain rights, community relations), Human capital management (e.g. inclusion & diversity, employee terms, safety) Governance - Board effectiveness - Independence or Oversight Strategy, Financial and Reporting - Capital allocation, Strategy/purpose
Newton - Real Return Fund*	187	731	Environment - Climate change, Natural resource use/impact Social - Human capital management (e.g. inclusion & diversity, employee terms, safety) Governance – Remuneration Strategy, Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting) Other - Anti-microbial resistance, and Regulation

Funds	Number of engagements		Themes engaged on at a fund-level
	Fund level	Firm level	
BlackRock - Dynamic Diversified Growth Fund	693	3,880	Environment - Climate Risk Management, Operational Sustainability Governance - Board Composition and Effectiveness, Corporate Strategy, Remuneration Social - Human Capital Management, Social Risks and Opportunities
Nuveen Asset Management - Real Estate Debt Partners Fund II*	5-10	542	Environment - Climate change, Natural resource use/impact Social - Human capital management (e.g. inclusion & diversity, employee terms, safety), Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying) Governance - Board effectiveness – Diversity, Independence or Oversight Strategy, Financial and Reporting - Capital allocation, Financial performance
Mirova - Energy Transition Infrastructure	20	224	Environment - Climate change, Natural resource use/impact Social - Human and labour rights (e.g. supply chain rights, community relations), Public health Strategy, Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting) Others - Governance of Sustainability, Supply Chain, Stakeholder Engagement, Business Ethics
Pacific Investment Management Company ("PIMCO") - ESG Global Bonds	c.120	>1,800	Environment - Climate change, Natural resource use/impact Social - Human and labour rights (e.g. supply chain rights, community relations), Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying) Governance - Board effectiveness – Diversity, Board effectiveness - Independence or Oversight Strategy, Financial and Reporting - Capital allocation, Financial performance
PIMCO - Diversified Income Fund	>240	>1,800	Environment - Climate change, Natural resource use/impact Social - Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying), Human and labour rights (e.g. supply chain rights, community relations) Governance - Board effectiveness – Diversity, Board effectiveness - Independence or Oversight Strategy, Financial and Reporting - Capital allocation, Financial performance
Pictet Asset Management - Absolute Return Fixed Income Fund*	20	552	Social - Conduct, culture and ethics, Human and Labour rights
JP Morgan - Multi Sector Credit Strategy	269	1,894	Environment - Climate change, Natural resource use/impact Social - Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying), Human and labour rights (e.g. supply chain rights, community relations) Governance - Board effectiveness – Diversity, Board effectiveness - Independence or Oversight
LGIM - UK Core Plus	125	1,224	Environment - Climate change, Natural resource use/impact Social - Human and labour rights (e.g. supply chain rights, community relations), Human capital management (e.g. inclusion & diversity, employee terms, safety) Governance - Board effectiveness - Diversity, Board effectiveness - Independence or Oversight Strategy/purpose, Risk management (e.g. operational risks, cyber/information security, product risks), Activism, ESG Scores, Environmental Opportunities
Brookfield - Global Transition Fund*	Not Provided	Not Provided	Environment - Climate change- Policy, decarbonization Social - Human and labour rights (e.g. supply chain rights, community relations), community engagement Strategy, Financial and Reporting - Strategy/purpose

Source: Managers. *Janus Henderson, Nuveen, Pictet, Newton and Brookfield 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 data request.
- Janus Henderson, Pictet, Nuveen, Newton and Brookfield did not provide all the fund-level engagement information requested.
Janus Henderson noted that as the Scheme own all the regional enhanced index funds, which have a passive core at the heart of the portfolio, there will be a very high overlap between the companies engaged with at the firm-level and at the fund-level.
Brookfield provided the number of entities it engaged with but it did not provide the number of engagements undertaken.

This report does not include commentary on certain asset classes such as liability driven investments 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.

Janus Henderson Global Investors - Global Equities	Company name	Illumina, Inc.
	Date of vote	25-05-2023
	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	Elect Management Nominee Director Robert S. Epstein
	How you voted	For
	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	Janus Henderson will evaluate proposals relating to contested director candidates and/or contested slates of directors on a case-by-case basis.
	Outcome of the vote	Pass
	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"?	<i>Not provided</i>
Neuberger Berman - Emerging Equity	Company name	Tencent Holdings Ltd.
	Date of vote	05-11-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	5.6%
	Summary of the resolution	Elect Jacobus Petrus (Koos) Bekker
	How you voted	Against
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No

Newton - Real Return Fund	Rationale for the voting decision	At this time, due to governance concerns, we do not believe the election of this director is in the best interest of shareholders. The Portfolio Management team has sustained conversations about the board representation over time rather than just this vote.
	Outcome of the vote	Pass
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	While the director was re-elected to the board, we believe the lower level of vote support warrants responsiveness. We will continue to engage management and board members.
	On which criteria have you assessed this vote to be "most significant"?	Importance of the governance matter; meaningful holding in the portfolio
	Company name	Universal Music Group NV
	Date of vote	11-05-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.7%
	Summary of the resolution	Approve Remuneration Report
	How you voted	Against Management
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
	Rationale for the voting decision	We voted against executive remuneration arrangements due to a misalignment between pay and performance. In addition, there were inadequate disclosures around the quantum of pay and thresholds, targets, or the overall cap being used for variable pay outcomes. This made it difficult to assess the robustness of the pay structure and establish the link between pay and performance. Further, there were one-off awards granted without any compelling justification or not linked to any measurable performance conditions. Furthermore, there were significant pay increases granted to executives and there was an absence of a compelling rationale for this.
	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?	This is the second consecutive year running that the majority of minority shareholders failed to support the CEO's compensation, with the dissent increasing year-on-year. The company should recognize this significant level of dissent, and determine mitigating steps required to avoid a similar or worse vote outcome occurring in the future. Further, we expect the company to reach out to shareholders and ask their views to improve remuneration arrangements.
	On which criteria have you assessed this vote to be "most significant"?	This vote provides an example of where a majority of the companies minority shareholders disagreed with a company's pay practices.

BlackRock -
Dynamic
Diversified Growth
Fund

Company name	Broadcom Inc.
Date of vote	03-04-2023
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	Advisory Vote to Ratify Named Executive Officers' Compensation
How you voted	Against
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	BlackRock did not support Broadcom's proposal which sought approval of pay policies that we did not consider to be aligned with the interests of long-term shareholders. In recent engagement with Broadcom, we raised concerns about the company's incentive plan, the multi-year use of one-off awards, and the lack of a clawback policy. In summary, we remained concerned about the disproportionate focus on short-term goals and the insufficient transparency in relation to compensation. As a result, we determined not to support the proposal.
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"?	BlackRock periodically publishes Vote Bulletins on key votes at shareholder meetings to provide insight into details on certain vote decisions we expect will be of particular interest to clients. Our vote bulletins can be found here: https://www.blackrock.com/corporate/about-us/investment-stewardship#vote-bulletins

Source: Managers