

Royal Commonwealth Society for the Blind Pension and Assurance Scheme

ENGAGEMENT POLICY IMPLEMENTATION STATEMENT

Financial Year Ending 31st December 2024

Introduction

This statement sets out how, and the extent to which, the Stewardship policy in the Statement of Investment Principles (SIP) produced by the Trustees, has been followed during the year to 31st December 2024 the 'Scheme Year'). This statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2019 and the guidance published by the Pensions Regulator.

Trustees Investment Objective

The Trustees believe it is important to consider the policies in place in the context of the investment objectives they have set. As set out in the SIP the Trustees' primary investment objective for the Scheme is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due. In doing so, the Trustees also aim to maximise returns at an acceptable level of risk taking into consideration the circumstances of the Scheme.

The Trustees believe that their investment objectives and the resultant investment strategy are consistent with the actuarial valuation methodology and assumptions used by the Scheme Actuary.

Investment Strategy

Over the year to 31 December 2024, the Trustees implemented investment strategy changes agreed in Q4 2023. The new strategy consists of a 40% allocation to diversified growth funds, 20% to index tracking equities, 25% to LDI and 15% to investment grade credit. At underlying manager level Baillie Gifford's Multi-Asset Growth Fund was terminated and replaced with Nordea's Diversified Return Fund. The Trustees made new investments in the L&G World Equity Index Fund and the L&G Investment Grade Credit.

Statement of Investment Principles

The Scheme's SIP is subject to review at least triennially. In light of the implementation of the new investment strategy at the start of the year, the Trustees updated the SIP in May 2024. A copy of the May 2024 SIP can be sourced <https://www.sightsavers.org/wp-content/uploads/2024/05/Sightsavers-statement-of-investment-principles-2024.pdf>.

Policy on ESG, Stewardship and Climate Change

The Trustees have considered financially material factors such as environmental, social and governance ('ESG') issues as part of the investment process to determine a strategic asset allocation over the length of time during which the benefits are provided by the Scheme for members. They believe that financially material considerations are implicitly factored into the expected risk and return profile of the asset classes they are investing in. However, the Trustees have not made an explicit allowance for risks associated with climate change, as they believe it is difficult to accurately quantify.

An assessment of the ESG and responsible investment policies forms part of the manager selection process when appointing new investment managers and these policies are also reviewed regularly for existing investment managers with the help of the investment consultant. The Trustees will only invest with investment managers that are signatories to the United Nations Principles of Responsible Investment ('UN PRI') or other similarly recognised standard.

The Scheme's SIP includes the Trustees policies on ESG factors, stewardship and climate change. The policies were reviewed, as part of the Trustees ongoing monitoring of the Scheme's investments, during the year to 31 December 2024 but no changes were made.

The Trustees have identified the following stewardship priorities and believe that any voting on these issues are seen as 'significant'.

- Climate Change related: e.g. a vote on a company's carbon disclosures – this represents an E (environmental) theme
- Human rights: e.g. pay & safety in workforce and supply chains, etc – this represents a S (social) theme
- Corporate governance: e.g. Board quality, diversity and inclusion, executive remuneration – this represents a G (governance) theme

Engagement

In the relevant year the Trustees have not engaged with either Mobius, or the underlying pooled fund managers on matters pertaining to ESG, stewardship or climate change. However, the Trustees review the stewardship and ESG policies of the Fund managers periodically. The underlying investment managers engaged with companies over the year on a wide range of different issues including ESG factors.

Voting Activity

The Scheme has no direct relationship with the pooled funds it is ultimately invested in, the Trustees have therefore effectively delegated its voting rights to the managers of the funds the Scheme's investments are ultimately invested in. The Trustees have not been asked to vote on any specific matters over the Scheme year.

Nevertheless, this Statement sets out a summary of the key voting activity of the pooled funds for which voting is possible (i.e., all funds which include equity holdings) in which the Scheme's assets are invested.

The table below shows the level of voting activity undertaken by the Scheme's investment managers over the year to 31 December 2024.

Voting Data to 31 December 2024	Columbia Threadneedle	Nordea	L&G
Votes in total	5,739	2,308	35,657
% of votes in favour of management	91.0%	87.0%	79.3%
% of votes against management	7.8%	11.9%	20.4%
% of votes abstained	1.2%	1.0%	0.3%
Proxy Voting	ISS – recommendations and vote. Glass Lewis & Co. – recommendations only. IVIS – recommendations only.	ISS – for recommendations only. NIS – for recommendations only. Nordea makes its own voting decisions.	ISS – for recommendations only. IVIS – for recommendations only. LGIM makes its own voting decisions.

Notes: ISS = Institutional Shareholder Services Inc, IVIS = Institutional Voting Information Service, NIS = Nordic Investor Services. Source: Investment Managers.

Significant Votes

The table below shows examples of the most significant votes that occurred over the year to 31 December 2024 for the Scheme and how these votes align with the Trustees' stewardship priorities. The Trustees feel that the voting policy of the managers was broadly aligned to the Scheme's stewardship priorities over the year.

Columbia Threadneedle - Multi-Asset Fund

Company Name & date of vote	Why deemed significant?	Size of holding at date of vote	Summary of the resolution	How the asset manager voted	Rationale	Outcome
Amazon.com, Inc. 22 May 2024	Relates to the Trustees' corporate governance stewardship priority	1.6%	Report on Median and Adjusted Gender/Racial Pay Gaps	For	CT felt enhanced disclosure would help the board and shareholders better assess existing and potential future risks related to human capital management.	Fail
Amazon.com, Inc. 22 May 2024	Relates to the Trustees' corporate governance stewardship priority	1.6%	Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining	For	CT felt shareholders would benefit from increased disclosure through a third-party assessment of the company's commitment to its freedom of association policies and practices to provide assurance regarding the company's claims.	Fail
Amazon.com, Inc. 22 May 2024	Relates to the Trustees' human rights stewardship priority	1.6%	Report on Customer Due Diligence	For	CT felt shareholders would benefit from increased disclosure on the company's approach to customer due diligence. The company faces risks related to human rights in its global operation. Good practices include developing a clear process and narrative	Fail

					on how impacts are monitored and effectively mitigated.	
Amazon.com, Inc. 22 May 2024	Relates to the Trustees' human rights stewardship priority	1.6%	Commission Third Party Study and Report on Risks Associated with Use of Rekognition	For	CT felt shareholders would benefit from increased disclosure on the company's approach to customer due diligence. The company faces risks related to human rights in its global operation. Good practices include developing a clear process and narrative on how impacts are monitored and effectively mitigated.	Fail
Alphabet Inc. 7 June 2024	Relates to the Trustees' human rights stewardship priority	1.3%	Publish Human Rights Risk Assessment on the AI-Driven Targeted Ad Policies	For	CT felt shareholders would benefit from further information on how the company plans to mitigate human rights risks related to its targeted advertising practices given the company faces several investigations regarding its practices and with rising regulatory risks particularly in the EU.	Fail
Apple Inc. 7 June 2024	Relates to the Trustees' corporate governance stewardship priority	1.1%	Report on Median Gender/Racial Pay Gap	For	CT felt the proposed enhanced disclosures would help the board and shareholders better assess	Fail

					existing and potential future risks related to human capital management.	
The Goldman Sachs Group, Inc. 24 April 2024	Relates to the Trustees' corporate governance stewardship priority	0.3%	Report on Pay Equity	For	CT felt the proposed enhanced disclosures would help the board and shareholders better assess existing and potential future risks related to human capital management.	Fail

Nordea – Diversified Return Fund

Company Name & date of vote	Why deemed significant?	Size of holding at date of vote	Summary of the resolution	How the asset manager voted	Rationale	Outcome
Alphabet Inc. 7 June 2024	Relates to the Trustees' human rights stewardship priority	4.7%	Publish Human Rights Risk Assessment on the AI-Driven Targeted Ad Policies	For	Nordea felt the proposal would help shareholders better evaluate the company's management of risks related to the human rights impacts of its targeted advertising policies and practices.	Fail
Microsoft Corporation 10 December 2024	Relates to the Trustees' human rights stewardship priority	4.5%	Report on Risks Related to AI Generated Misinformation and Disinformation	For	Nordea voted for the proposal based on factors related to a material controversy or thematic issue that have not been adequately addressed.	Fail
Microsoft Corporation 10 December 2024	Relates to the Trustees' human rights stewardship priority	4.5%	Report on Risks of Operating in Countries with Significant Human Rights Concerns	For	Nordea felt the proposal would improve transparency on material ESG issues such as human rights risk.	Fail
Mastercard Incorporated 18 June 2024	Relates to the Trustees' corporate governance stewardship priority	1.5%	Report on Gender-Based Compensation and Benefit Inequities	For	Nordea felt additional disclosure of the company's direct and indirect lobbying related expenditures would help shareholders better assess the risks and benefits associated with the company's participation in the public policy process.	Fail
Ross Stores Inc. 22 May 2024	Relates to the Trustees' climate change stewardship priority	0.7%	Disclose All Material Value Chain GHG Emissions	For	Nordea voted for this proposal as they felt disclosure of all material value chain GHG emissions would allow shareholders to better	Pass

					evaluate the company's progress toward its net zero ambition and help it prepare for potential regulatory requirements.	
NextEra Energy Inc. 23 May 2024	Relates to the Trustees' climate change stewardship priority	0.6%	Report on Climate Lobbying	For	Nordea voted for this proposal as they felt additional disclosure around the company's framework for identifying alignments and its approach to addressing misalignments would allow shareholders to better evaluate the company's lobbying efforts and align it with best practices that have been undertaken by some of its peers and is unlikely to be unduly burdensome for the company.	Fail

L&G - World Equity Index Fund

Company Name & date of vote	Why deemed significant?	Size of holding at date of vote	Summary of the resolution	How the asset manager voted	Rationale	Outcome
Apple Inc. 28 February 2024	Relates to the Trustees' corporate governance stewardship priority	4.2%	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy	Against	L&G felt the company appeared to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and non-discrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.	Fail
Microsoft Corporation 10 December 2024	Relates to the Trustees' corporate governance stewardship priority	4.1%	Report on AI Data Sourcing Accountability	For	L&G voted for the proposal as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language models.	Fail
Amazon.com, Inc. 22 May 2024	Relates to the Trustees' human rights stewardship priority	2.4%	Report on Customer Due Diligence	For	L&G felt enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation. While the company has disclosed that they internally review these for some	Fail

					products and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic.	
Shell Plc 21 May 2024	Relates to the Trustees' climate change stewardship priority	0.4%	Approve the Shell Energy Transition Strategy	Against	L&G voted against the proposal in light of the revisions made to the Net Carbon Intensity targets, coupled with the ambition to grow its gas and LNG business this decade, LGIM expects the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050. In essence, LGIM seeks more clarity regarding the expected lifespan of the assets Shell is looking to further develop, the level of flexibility in revising production levels against a range of scenarios and tangible actions taken across the value chain to deliver customer decarbonisation. Additionally, shareholders would benefit from further transparency regarding lobbying activities in regions where hydrocarbon production is expected to play a significant role, guidance on capex allocated to low carbon beyond 2025 and the application of responsible divestment principles involved in	Pass

asset sales, given portfolio changes
form a material lever in Shell’s
decarbonization strategy.
