

# Engagement Policy Implementation Statement (“EPIS”)

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

Scheme Year End – 31 March 2025

The purpose of the EPIS is for us, the Trustees of the Institution of Engineering and Technology Superannuation and Assurance Scheme, to explain what we have done during the year ending 31 March 2025 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. 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 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 policies set out in our SIP. 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/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 ("AIL"). In particular, we received quarterly ESG ratings from AIL for the funds the Scheme is invested in where available.

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 \("the Scheme"\) \(theiet.org\)](#)

## 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 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, AIL, will engage with BlackRock to encourage better disclosures in future.
2. We will continue to 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 2025.

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	36,255	98.0%	4.0%	1.0%
BlackRock Aquila Life World (Ex UK) Equity Fund (currency hedged)	26,424	98.0%	5.0%	1.0%

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.

Managers	Description of use of proxy voting adviser (in the manager's own words)
BlackRock	BlackRock Investment Stewardship ("BIS") leverages Institutional Shareholder Services ("ISS") as an external proxy services vendor. ISS' electronic voting platform allows BIS to monitor voting activity, execute proxy vote instructions, record keep, and generate client and regulatory voting reports. BIS also uses Glass Lewis' services to support research and analysis. In addition to the global research provided by ISS and Glass Lewis, BIS subscribes to market-specific research providers including Institutional Voting Information Service in the UK, Ownership Matters in Australia, Stakeholder Empowerment Services in India, and ZD Proxy in China.

Source: BlackRock

### 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 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.

Funds	Number of engagements		Themes engaged on at a fund level
	Fund level	Firm level	
BlackRock - Aquila Life MSCI World Fund	3,254	3,384	Environment - Climate Risk Management; Water and Waste Social - Human and Labour Rights; Health and Safety Governance - Corporate Strategy; Board Composition and Effectiveness; Remuneration
BlackRock - Aquila Life World (Ex UK) Equity Fund (currency hedged)	1,575	3,384	Environment - Climate Risk Management; Other company impacts on the environment Social - Human Capital Management; Social Risks and Opportunities Governance - Corporate Strategy; Board Composition and Effectiveness; Remuneration
M&G Investments - Sustainable Total Return Credit Investment Fund	12	406	Environment - Net Zero/Decarbonisation; CA 100+ Engagements; Climate Change; Nature & Biodiversity Social - Diversity & Inclusion Governance – Executive remuneration

Source: Managers.

## Data limitations

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 Scheme's material equity manager, 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:

<b>BlackRock - Aquila Life MSCI World Fund</b>	<b>Company name</b>	Shell Plc
	<b>Date of vote</b>	21 May 2024
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	Not provided
	<b>Summary of the resolution</b>	Approve the Shell Energy Transition Strategy
	<b>How you voted?</b>	Votes supporting resolution
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	Not provided
	<b>Rationale for the voting decision</b>	BIS supported this management proposal because, in their view, Shell has provided and continues to provide a clear assessment of its plans to manage material climate-related risks and opportunities and continues to demonstrate progress against its Energy Transition Strategy.
	<b>Outcome of the vote</b>	Pass
	<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	Not provided
	<b>On which criteria have you assessed this vote to be most significant?</b>	BIS views this as reasonable and in the interest of shareholders given that they reflect and provide transparency into Shell's efforts to manage climate-related risks and opportunities in its business model.
<b>BlackRock - Aquila Life World (Ex UK) Equity Fund (currency hedged)</b>	<b>Company name</b>	Tesla, Inc.
	<b>Date of vote</b>	13 June 2024
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	Not provided
	<b>Summary of the resolution</b>	Adopt Simple Majority Vote
	<b>How you voted?</b>	Votes supporting resolution
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	Not provided
	<b>Rationale for the voting decision</b>	Supermajority vote requirement serves as an entrenchment device for management.
	<b>Outcome of the vote</b>	Pass
	<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	Not provided
	<b>On which criteria have you assessed this vote to be most significant?</b>	Consistent with BIS' historical support of both management and shareholder proposals related to these governance provisions, BIS determined that support for this proposal was in clients' financial interests as long-term shareholders.

Source: BlackRock