

Implementation Statement

Urenco UK Pension Scheme

Purpose of this statement

This implementation statement has been produced by the Trustees of the **Urenco UK Pension Scheme (“the Scheme”)** to set out the following information over the year to **5 April 2023**:

- how the Trustee’s policies on exercising rights (including voting rights) and engagement activities have been followed over the year.
- the voting activity undertaken by the Scheme’s investment managers on behalf of the Trustees over the year, including information regarding the most significant votes; and
- A summary of any changes to the Statement of Investment Principles (SIP) over the period;
- A description of how the Trustee’s policies, included in their SIP, have been followed over the year.

The voting behaviour is not given over the Scheme year end to 5 April 2023 because investment managers only report on this data quarterly, we have therefore given the information over the year to 31 March 2023.

Stewardship policy

The Trustee’s Statement of Investment Principles (SIP) in force at 5 April 2023 describes the Trustee’s stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in March 2022 and has been made available online here:

https://v3.merceroneview.co.uk/v1/oneview-be/oneview-caas/files/Urenco_SIPMarch%202022.pdf

At this time, the Trustee has not set stewardship priorities / themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks.

Over the year to 5 April 2023, the Trustees received training on ESG and sustainable investing from the Scheme’s investment consultants, Barnett Waddingham. This included a discussion on the Trustees aims and beliefs regarding ESG.

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme's investment managers, the Trustees believes that its policies on voting and engagement have been met in the following ways:

- 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 Trustees met with BlackRock to gain a better understanding over their voting policies during the year.

How the SIP has been followed over the year

In the Trustees' opinion, the Statement of Investment Principles has been followed over the year in the following ways:

- The Scheme offers a suitable default strategy for members.
- The Scheme offers a range of self-select fund options which give members a reasonable choice from which to select their own strategy.
- The Trustees monitor the performance of the manager funds quarterly to ensure that the funds are meeting their stated objectives. Our Investment Consultants and managers provide quarterly reports for review.
- The Trustees agreed to review the sustainability of their investments in the upcoming year.
- The Trustees have made no new manager appointments over the year

Following year end, the Trustees received an update from BlackRock on the sustainability characteristics of the Scheme's holdings invested via Aegon.

**Prepared by the Trustees of the Urenco UK Pension Scheme
August 2023**

Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Scheme's Portfolio on behalf of the Trustees over the year to **31 March 2023**. The **cash, gilts, and bond funds** with **BlackRock and abrdn Standard Life** have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate. We have chosen to omit the BlackRock Diversified Growth and abrdn Standard Life Absolute Return Strategies due to the very limited holdings in these funds (<£1).

Manager	Aegon Asset Management			BlackRock		
Fund name	Ethical Equity	MSCI Currency Hedged World Index	Emerging Markets Equity Index	UK Equity Fund	UK Equity Optimum	European Equity Index
White-label fund name	-	Aegon Urenco PS Passive Global Equity		-	-	-
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.					
No. of eligible meetings	69	931	4,421	680	137	504
No. of eligible votes	1,186	14,092	37,097	10,135	2,202	8,994
% of resolutions voted	99.9%	88.3%	99.4%	100.0%	100.0%	76.8%
% of resolutions abstained*	0.3%	0.8%	2.0%	0.5%	1.1%	1.5%

% of resolutions voted with management¹	98.4%	94.0%	87.2%	96.1%	96.9%	87.9%
% of resolutions voted against management¹	1.6%	6.0%	12.8%	3.9%	3.1%	12.1%
Proxy voting advisor employed¹	<p>Aegon use ISS to process votes. They also use their research as part of the input into making voting decisions</p> <p>BlackRock use Institutional Shareholders Services' (ISS) electronic platform to execute their vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting.</p>					
% of resolutions voted against proxy voter recommendation	2.9%	0.0%	0.7%	0.0%	0.0%	0.0%

¹ As a percentage of the total number of resolutions voted on

* Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote against management.

Manager	BlackRock			Insight	MFS
Fund name	Japanese Equity Index	Pacific Rim Equity Index	US Equity Index	Broad Opportunities Fund	Global Equity
White-label fund name	-			Aegon Urenco PS Diversified Growth	-
Structure	Pooled			Pooled	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.			The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.
No. of eligible meetings	489	473	586	11	86
No. of eligible votes	5,974	3,317	7,224	152	1,348
% of resolutions voted	100.0%	100.0%	99.2%	100.0%	100.0%
% of resolutions abstained*	0%	0.0%	0.0%	0.0%	0.1%
% of resolutions voted with management¹	97.1%	88.5%	95.9%	100.0%	94.2%**
% of resolutions voted against management¹	2.9%	11.5%	4.1%	0.0%	5.0%**
Proxy voting advisor employed¹	They use Institutional Shareholders Services' (ISS) electronic platform to execute their vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting.			Minerva Analytics analyses any resolution against Insight-specific voting policy	MFS use Institutional Shareholders Services' (ISS) to perform various proxy

¹ As a percentage of the total number of resolutions voted on.

* Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote against management.

**voting data does not sum up to 100% as voting data provided by MFS was incomplete.

templates which will determine the direction of the vote.

voting-related administrative services.

% of resolutions voted against proxy voter recommendation

1.7%

0.0%

0.0%

0.0%

MFS do not track this information.

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustee over the year to be set out. The guidance does not currently define what constitutes a "significant" vote. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme's stewardship priorities / themes. At this time, the Trustee has not set stewardship priorities / themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks. So, for this Implementation Statement, the Trustee has asked the investment managers to determine what they believe to be a "significant vote". The Trustees have not communicated voting preferences to their investment managers over the period, as the Trustees are yet to develop a specific voting policy. In future, the Trustees will consider the most significant votes in conjunction with any agreed stewardship priorities / themes.

Managers have provided a selection of significant votes and we have selected 1 for each BlackRock passive equity fund where available, and 1 for each of the other various managers. The Trustees have selected 1 vote for each passive regional equity, and that cover a range of themes to represent what it considers the most significant votes cast on behalf of the Scheme.

BlackRock Passive Equities

	MSCI Currency Hedged World Index	Emerging Markets Equity Index	UK Equity Fund	UK Equity Optimum
Company name	Bank of Montreal	Grupo Mexico S.A.B. de C.V.	Ocado Group Plc	Royal Dutch Shell Plc
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Information not provided	Information not provided	Information not provided	Information not provided
Summary of the resolution	SP 4: Adopt a Policy to Ensure the Bank's Financing is Consistent with IEA's Net Zero Emissions by 2050 Scenario	Elect or Ratify Directors; Verify Independence of Board Members; Elect or Ratify Chairmen and Members of Board Committees	Amend Value Creation Plan	Approve the Shell Energy Transition Progress Update
How the manager voted	Against	Against	Against	For
Rationale for the voting decision	The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company	Vote against due to lack of disclosure.	Remuneration arrangements are poorly structured.	Information not provided
Outcome of the vote	Fail	Pass	Pass	Pass
Implications of the outcome	BlackRock's approach to corporate governance and stewardship is explained in our Global Principles.			

	MSCI Currency Hedged World Index	Emerging Markets Equity Index	UK Equity Fund	UK Equity Optimum
Criteria on which the vote is considered "significant"	BlackRock publish Vote Bulletins on key votes at shareholder meetings to provide insight into details on certain vote decisions. BlackRock's vote bulletins can be found here: https://www.blackrock.com/corporate/about-us/investment-stewardship#vote-bulletins			
	European Equity Index	Japanese Equity Index	Pacific Rim Equity Index	US Equity Index
Company name	TotalEnergies SE	Sumitomo Mitsui Financial Group, Inc.	Woodside Petroleum Ltd.	Chevron Corporation
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Information not provided	Information not provided	Information not provided	Information not provided
Summary of the resolution	Approve Company's Sustainability and Climate Transition Plan	Amend articles to disclose measures to be taken to make sure that the Company's lending and underwriting are not used for expansion of fossil fuel supply or associated infrastructure	Approve BHP Petroleum Merger	Adopt Medium and Long-Term GHG Emissions Reduction Targets
How the manager voted	For	Against	For	Against
Rationale for the voting decision	Information not provided	Against shareholder proposal as the proposal will not serve shareholder's interest.	Information not provided	Blackrock believe that the proposal is not in shareholders' best interests. The company already provides sufficient disclosure and/or reporting regarding this issue.
Outcome of the vote	Pass	Fail	Pass	Fail
Implications of the outcome	BlackRock's approach to corporate governance and stewardship is explained in our Global Principles.			
Criteria on which the vote is considered "significant"	BlackRock publish Vote Bulletins on key votes at shareholder meetings to provide insight into details on certain vote decisions. BlackRock's vote bulletins can be found here: https://www.blackrock.com/corporate/about-us/investment-stewardship#vote-bulletins			

Various managers

	Aegon Ethical Equity	Insight Broad Opportunities Fund	MFS Global Equity
Company name	Softcat PLC	Insight were unable to provide details of any votes*	The Goldman Sachs Group, Inc.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Not provided	-	1.7%
Summary of the resolution	Board effectiveness - Independence or Oversight	-	Reduce Ownership Threshold for Shareholders to Call Special Meeting
How the manager voted	In favour	-	Against management
Rationale for the voting decision	Aegon engaged with the Company to ensure the individual board members are not overboarded. The NEW NED has 4 other board positions and they queried what due diligence was in place to ensure she was not overboarding. They were satisfied proper due diligence was conducted and will monitor going forward.	-	While MFS may engage with issuers ahead of their vote at a shareholder meeting, they may not disclose their final vote decisions that are considered on a case-by-case basis prior to the meeting.
Outcome of the vote	Passed	-	39.3%
Implications of the outcome	Aegon will continue to monitor the outcome.	-	MFS believe this level of support indicates a fair level of shareholder concern. They hope to see a robust response from the issuer, as well as engagement efforts to address shareholders' concerns.
Criteria on which the vote is considered "significant"	Ensuring board effectiveness.	-	For the purpose of this questionnaire, "significant votes" may have the following characteristics, among others: vote is linked to certain engagement priorities, vote considered engagement with the issuer, vote relates to certain thematic or industry trends, etc.

Insight run a structure such that they have an independent board that oversee making sure the investment objectives are met and that the underlying strategy and portfolio remain within the agreed framework.

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme's cash and gilts funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager	BlackRock							
Fund name	MSCI Currency Hedged World Index	Emerging Markets Equity Index	UK Equity Fund	UK Equity Optimum	European Equity Index	Japanese Equity Index	Pacific Rim Equity Index	US Equity Index
White-label fund name	Aegon Urenco PS Passive Global Equity		-	-	-	-	-	-
Number of engagements undertaken on behalf of the holdings in this fund in the year	1,660	536	3,132	117	452	293	207	662
Number of entities engaged on behalf of the holdings in this fund in the year	946	341	1,982	61	245	193	141	385
Number of engagements undertaken at a firm level in the year					3,963			

	Insight	MFS	LGIM	Abrdn Standard Life	Columbia Threadneedle			
Fund name	Ethical Equity Fund	Broad Opportunities Fund	Global Equity	Managed Property Fund	Corporate Bond	Pooled Property Fund	Pensions Property Fund	
White-label fund name	-	Aegon Urenco PS Diversified Growth	-	-	Aegon Property	Aegon Property	-	Aegon Property
Number of engagements undertaken on behalf of the holdings in this fund in the year	60	Information not provided	27	168	34	Information not provided	Information not provided	Information not provided
Number of entities engaged on behalf of the holdings in this fund in the year	37	Information not provided	22	82	15	Information not provided	Information not provided	Information not provided
Number of engagements undertaken at a firm level in the year	441*	1,178	201	1331	Information not provided	Information not provided	Information not provided	

*Data provided for the year to 31 December. Aegon provide their engagement every 6 months.

**Please note that the Aegon Property Fund is a fund of funds managed by Aegon composed of the funds listed in the table above, rather than explicitly a white-labelled fund.