

Engagement Policy Implementation Statement (“EPIS”)

Swansea University Pension Scheme (the “Scheme”)

Scheme Year End – 31 July 2025

The purpose of the EPIS is for us, the Trustee of the Swansea University Pension Scheme, to explain what we have done during the year ending 31 July 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 adequate evidence of voting and engagement activity, and the activities completed by our managers align with our stewardship expectations.

Aon Investments Ltd (“Aon”) who manage our hedge fund allocation via the Aon Active Diversifiers Funds will engage with the underlying managers on our behalf to understand their engagement activities in more detail.

How voting and engagement policies have been followed

The Scheme is invested entirely 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 adequate 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:
<https://www.swansea.ac.uk/finance-swansea-university/pensions/sip-swansea-university-pension-scheme/>

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. We will continue to undertake regular ESG monitoring of our managers.
2. We will undertake an annual review of our investment managers' voting and engagement practices and where we have concerns, we will invite our investment managers to a meeting to better understand their stewardship approaches.

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 fiduciary manager's engagement activity

We invest some of the Scheme's assets in AIL's Active Diversifiers Strategy. This is a fund of funds arrangement, where AIL selects the underlying investment managers on our behalf.

We delegate monitoring of ESG integration and stewardship of the underlying managers to AIL. We have reviewed AIL's latest annual Stewardship Report and we believe it shows that AIL is using its resources to effectively influence positive outcomes in the funds in which it invests.

Over the year, AIL held several engagement meetings with many of the underlying managers in its strategies. AIL discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the investment managers. AIL provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

Over the year, AIL engaged with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations.

AIL has a net zero commitment to deliver UK delegated investment portfolios and default strategies which have a net zero carbon emissions profile by 2050.

AIL also successfully renewed its signatory status to the 2020 UK Stewardship Code, a set of high stewardship standards for asset owners and asset managers which is maintained and assessed by the Financial Reporting Council.

What is fiduciary management?

Fiduciary management is the delegation of some, or all, of the day-to-day investment decisions and implementation to a fiduciary manager. But the trustees still retain responsibility for setting the high-level investment strategy.

In fiduciary management arrangements, the trustees will often delegate monitoring ESG integration and asset stewardship to its fiduciary manager.

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 the Scheme's material fund with voting rights for the year to 30 June 2025. Managers collate voting information on a quarterly basis. The voting information provided is for the year to 30 June 2025 which broadly matches the Scheme year.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
Legal & General Asset Management ("L&G") - World Equity Index Fund (Hedged and Unhedged)	35,343	99.9%	20.4%	0.3%

Source: L&G. 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 equity holding manager uses its proxy voting adviser.

Manager	Description of use of proxy voting adviser (in the manager's own words)
L&G	L&G's Investment Stewardship team uses Institutional Shareholder Services' 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.

Source: L&G.

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 example

To illustrate the voting activity being carried out on our behalf, we asked the Scheme's investment manager to provide a selection of what it considers to be the most significant votes in relation to the Scheme's fund. An example of this 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/ firm level
	Fund level	Firm level	
L&G - World Equity Index Fund (Hedged and Unhedged)	1,833	4,399	Environment - Climate Change; Pollution, Waste Social - Human and Labour Rights; Human capital management Governance - Remuneration; Board effectiveness - Diversity Strategy, Financial & Reporting - Financial Performance; Strategy/Purpose Other - Future World Protection List
Insight Investment Management ("Insight") – Bonds Plus Fund	76	1,922	Environment - Climate Change; Natural Resource Use/Impact; Pollution, Waste Social - Human and Labour Rights; Public Health Governance - Board Effectiveness - Independence or Oversight; Remuneration; Shareholder Rights Strategy, Financial & Reporting - Strategy/Purpose; Financial Performance; Reporting; Capital Allocation
Arrowstreet - ESG Global Equity Long/Short Fund*	<i>Not provided</i>	159	Environment* - Water Quality; Water Security Social* - Human and Labour Rights; Community Relations Governance* - Business Ethics
Caius Capital - International Fund	>30	>30	Governance - Board effectiveness - Other; Leadership - Chair/CEO Strategy, Financial & Reporting - Strategy/Purpose; Financial Performance
Man Group - Alternative Risk Premia*	<i>Not provided</i>	66	Environment* - Climate Change; Natural Resource Use/Impact Social* - Human and Labour Rights; Human Capital Management Governance* - Remuneration
Marshall Wace - Market Neutral ESG Tops Fund*	<i>Not provided</i>		Environment* - Climate Change; Natural Resource Use/Impact

Source: Investment Managers.

*Arrowstreet, Man Group and Marshall Wace 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:

- L&G provided complete engagement information, but we note that the total number of engagements above refers specifically to the total number of interactions L&G held with individual companies as opposed to the number of engagements on specific engagement themes. Each interaction may cover multiple themes.
- Marshall Wace, Arrowstreet and Man Group did not provide all of the engagement information requested. This is because the assets managed by these managers are held tactically over a short period of time and/or indirectly through derivative exposures, meaning that engagement is less applicable to these assets given the long-term nature of engagements.
 - Marshall Wace provided limited engagement information but did provide detailed illustrative examples of its engagement activity at a firm level and stated that the manager undertakes engagement initiatives at the firm rather than strategy level.
 - Arrowstreet and Man Group provided detailed engagement information at a firm level only.

This report does not include commentary on certain asset classes such as liability driven investments, gilts or cash because of the limited materiality of stewardship to these asset classes.

Appendix – Significant Voting Examples

In the table below is a significant vote example provided by the Scheme's equity holding manager, L&G, in the manager's own words. We consider a significant vote to be one which the manager considers significant.

L&G - World Equity Index Fund (Hedged and Unhedged)	Company name	Mastercard Incorporated
	Date of vote	24 June 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.6
	Summary of the resolution	Resolution 7: Oversee and Report on a Racial Equity Audit
	How you voted?	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G's Asset Management business publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an Annual General Meeting as our engagement is not limited to shareholder meeting topics.
	Rationale for the voting decision	Shareholder Resolution Diversity: A vote in favour is applied as we support such information and risk management approach to Diversity.
	Outcome of the vote	Fail
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	L&G's Asset Management business will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
	On which criteria have you assessed this vote to be most significant?	Thematic - Diversity: L&G's Asset Management business views diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

Source: L&G.