

## **Arqiva Defined Benefit Pension Plan – Annual Engagement Policy Implementation Statement**

### **Introduction:**

This statement sets out how, and the extent to which, the Trustee's policy on Environmental, Social and Governance ("ESG"), Stewardship and Climate Change and the Investment Manager arrangements in the Statement of Investment Principles ("SIP") has been followed during the year to 30 June 2025. 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 2018 and the guidance published by the Pensions Regulator.

### **Investment Objectives of the Plan:**

The Trustee believes it is important to consider the policies in place in the context of the investment objectives they have set. The objectives of the Plan specified in the SIP are as follows:

- The Trustee's investment objectives guide them in their strategic management of the assets. These objectives aim to control the various risks to which the Plan is exposed.
- The Trustee's primary funding objective is to ensure that the assets of the Plan are sufficient to meet their obligations to beneficiaries. To this end, the Trustee purchased a buy-in policy with Pension Insurance Corporation Plc (PIC) in April 2024, securing the Plan's full liabilities.

### **Policy on ESG, Stewardship and Climate Change**

The Plan's SIP includes the Trustee's policy on ESG factors, stewardship and climate change. This policy sets out the Trustee's beliefs on ESG and climate change and the processes followed by the Trustee's in relation to voting rights and stewardship.

The Trustee has implicitly delegated consideration of ESG issues, engagement and stewardship obligations to the PIC in relation to the majority of Plan assets via a bulk annuity contract. The Plan's residual assets are invested in multi-client pooled vehicles and the day-to-day management of the assets has been delegated to the investment manager including the selection, retention and realisation of investments within their mandate.

### **Engagement Activity**

The Plan's investment performance report is reviewed by the Trustee on a quarterly basis and includes ratings (both general and specific ESG) from the investment consultant. The Trustee's acknowledge that managers in areas such as fixed income (particularly in relation to LDI) may not have a high ESG rating assigned by the investment consultant due to the nature of the asset class, where it is harder to engage with the issuer of debt.

The Plan's investment manager has confirmed that they are signatories to the latest UK Stewardship Code.

### **Voting Activity (during the period prior to buy-in)**

Following the DWP's consultation response and outcome regarding Implementation Statements on 17 June 2022, one of the areas of interest was the significant vote definition. The Trustee is required to include details on why a vote is considered significant and rationale for the voting decision within their implementation statements.

The Plan's implementation statement to be included in the Trustee Report & Accounts as at 30 June 2025 falls in scope of these regulations. In May 2023, The Trustee reviewed the Plan's stewardship priorities and identified the following as key themes:

- Climate Change: including, but not limited to, low-carbon transition and physical damages resilience;

- Human Rights: including, but not limited to, modern slavery, pay & safety in the workforce and abuses in conflict zones;
- Diversity, Equity and Inclusion: including, but not limited to, inclusive & diverse decision-making.

The Trustee considers a significant vote as any vote relating to Plan's key stewardship themes that is material (defined as a company that represented at least 1% of the year-end market capitalisation of any fund in which the Plan was invested during the Plan year).

Given that the Scheme did not hold any assets with voting rights over the year to 30 June 2025, the Trustee does not monitor the action of the investment manager in this area. If this situation were to change, the Trustee would monitor the voting and engagement activities of the investment manager on a periodic basis.