

Aston University Pension Scheme – Implementation Statement in line with 2019 DB Regulations and 2024 General Code of Practice

Statement of compliance with the Aston University Pension Scheme Stewardship Policy for the year ending 31 March 2025

Introduction

The Trustees have prepared this Implementation Statement in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the Pensions Regulator's General Code of Practice. It sets out how the Trustees have complied with the **Aston University Pension Scheme** Stewardship Policy as set out in the Statement of Investment Principles ("SIP") (<https://www.aston.ac.uk/about/statutes-ordinances-regulations/publication-scheme/governance-compliance/pension-scheme>) during the period from 1 April 2024 to 31 March 2025.

Overall, the Trustees are satisfied that:

- The Scheme investments have been managed in accordance with the Scheme's Stewardship Policy during the period;
- The Scheme investments have been managed in accordance with the remainder of the Scheme's Statement of Investment Principles; and
- The provisions of the Statement of Investment Principles remain suitable for the Scheme members.

Statement of Investment Principles

The Statement of Investment Principles was last reviewed in November 2024. During this review, the Statement was updated for manager appointments and the realisation of investments, as the Scheme committed to Pantheon private lending in Q4 2025. The Trustees have prepared this Implementation Statement on the basis of the Statement of Investment Principles in force throughout the period, with reporting within this document in line with the Statement of Investment Principles applicable at the relevant time.

Scheme year investments

The primary objective of the Scheme is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependants, on a defined benefits basis.

The Trustees have overall responsibility for how the Scheme investments are governed and managed, in accordance with the Scheme Trust Deed and Rules, as well as Trust Law, Pensions Law and Pension Regulations.

The Trustees monitor how well the investment adviser meets the objectives agreed with them, which are designed to align with the Trustees' own objectives and investment strategy set out in the Statement of Investment Principles. The Trustees have set the following objectives for the adviser:

- Achieve full funding on the following basis:
 - Technical Provisions by the end of the agreed recovery plan; and
 - Gilts +0.3% p.a. over the longer term.
- De-risk investment strategy to one commensurate with the long-term funding objective.

- Provide sufficient liquidity to meet liabilities as they fall due, minimizing the risk of forced disinvestment at unattractive prices.
- Cost effective and efficient implementation of the Scheme's investment strategy.
- Delivery of the Scheme's investment objectives is supported by an effective governance framework.
- Comply with relevant pensions regulation, legislation supporting guidance relating to investment.
- Develop the Trustees' Responsible Investment policy and ensure this is reflected in ongoing governance and decision-making processes.

The Trustees have carried out an evidence-based review of the investment adviser's performance against these objectives in March 2025. This involved rating the adviser against the different objectives. The Trustees were satisfied that the objectives had been achieved for the year.

The Trustees have undertaken training during the last year to ensure that their knowledge of investment matters remains up to date. Training on investment topics included:

- Insurance-linked securities training, provided by Leadenhall.
- Requirements for Pensions Dashboards and next steps
- Requirements in relation to cyber security and data protection, including:
 - Awareness of developing cyber risks that the Scheme may face
 - Understanding data protection and GDPR
 - TPR's expectations under the new Single Code
- Responsible Investment ('RI'), including:
 - Responsible Investment issues and market trends
 - What is meant by social responsibility within investment and corporate governance
 - Impact of ESG factors with respect to the Scheme's investment strategy

The Trustees have in place a set of Investment Beliefs which they use as a guide when making investment decisions. These beliefs were considered and used to help inform decision making with respect to the Scheme investments over the reporting period.

The investment risks relating to the Scheme are described in the Statement of Investment Principles on Page 3 and the expected return is described in the SIP on Page 5.

The Trustees' views on the expected levels of investment risks and returns inform decisions on the strategic asset allocation (i.e., what type of assets and areas of the world the Scheme invests in over the longer-term), and the style of management adopted by the Scheme.

The Trustees expect fund managers to invest the Scheme assets in the members' best interests. With the aim of ensuring long-term, sustainable returns to provide benefits to the Scheme members, the fund managers are expected to exercise voting power (where applicable) with the objective of preserving and enhancing long-term shareholder value. The Trustees meet regularly with the fund managers to monitor their performance and conflicts of interest, whilst asking them to evidence the implementation of environmental, social and governance risk factors into their investment decision-making, including voting rights.

The Scheme asset managers have conflicts of interest policies in place. The Trustees formally ask managers to confirm any conflicts of interest when managers meet with the Trustees. Managers have disclosed no potential or actual conflicts over the period.

Stewardship policy

The Trustees Stewardship Policy sets out how the Trustees will behave as an active owner of the Scheme assets. It includes the Trustees' approach to:

- The exercise of voting rights attached to assets; and
- Undertaking engagement activity, including how the Trustees engage with their investment managers and other stakeholders.

The Scheme Stewardship Policy can be found within the Scheme Statement of Investment Principles, at <https://www.aston.ac.uk/about/statutes-ordinances-regulations/publication-scheme/governance-compliance/pension-scheme>.

The Scheme Stewardship Policy is reviewed in line with the Scheme Statement of Investment Principles, which was last reviewed in November 2024.

The Trustees have delegated voting and engagement activity in respect of the underlying assets to the Scheme's investment managers. The Trustees believe it is important that their investment managers take an active role in the supervision of the companies in which they invest, both by voting at shareholder meetings and engaging with the management on issues which affect a company's financial performance.

The Trustees' own engagement activity is focused on their dialogue with their investment managers which is undertaken in conjunction with their investment advisers. The Trustees meet regularly with their managers, and the Trustees consider managers exercise of their stewardship both during these meetings and through reporting provided by their investment adviser.

The Trustees also monitor its compliance with the Stewardship Policy on a regular basis and is satisfied that it has complied with the Scheme's Stewardship Policy over the last scheme year.

Voting activity

The Trustees seek to ensure that managers are exercising voting rights and, where appropriate, monitors managers' voting patterns. The Trustees also monitor votes cast by managers on particular companies or issues that affect more than one company.

The Trustees invest in listed equities through a single mandate. The Scheme investment manager has reported on how votes were cast in the mandate as set out below.

Legal & General Investment Management ("L&G")

Future World Global Equity Index	
Proportion of Scheme assets	18.7%
No. of meetings eligible to vote at during the year	5,515
No. of resolutions eligible to vote on during the year	55,096
% of resolutions voted	99.8%
% of resolutions voted with management	81.0%
% of resolutions voted against management	17.9%

% of resolutions abstained	1.1%
% of meetings with at least one vote against management	58.6%

The resolutions which L&G voted against management the most on over the period were mainly in relation to:

- Environmental issues,
- Remuneration, and
- Director-related resolutions.

Significant votes

The Trustees have asked their managers to report on the most significant votes cast within the portfolios they manage on behalf of the Trustees. Managers were asked to explain the reasons why votes were significant, the size of the position in the portfolio, how they voted, any engagement the manager had undertaken with the company, and the outcome of the vote. From the manager reports, the Trustees have identified the following votes as being of greater relevance to the Scheme:

L&G

Date	Company	Subject (theme and summary)	Manager's vote and rationale
29 May 2024	Meta Platforms, Inc.	Corporate Governance – Resolution 1.1: Elect Director Peggy Alford	Against– A vote against is applied due to less than one-third women on the board, lack of an independent lead director when the Chair and CEO roles are combined, absence of annual shareholder approval for executive and non-executive pay, private use of corporate jets, missing clawback provisions for unjustified awards, no executive shareholding guidelines, insufficient long-term performance conditions in incentive plans, and failure to measure performance over a three-year period, while a withhold vote is applied to Peggy Alford for continued high director pay without adequate justification. L&G will continue to engage with Meta and publicly advocate their position on this issue and monitor company and market-level progress.
13 June 2024	Tesla, Inc.	Corporate Governance – Resolution 2: Advisory Vote to Ratify Named Executive Officers' Compensation	Against– A vote against is applied as L&G believes that the approved remuneration policy should be sufficient to retain and motivate executives. While most NEOs received modest or no compensation for FY23, one executive was granted an outsized, time-based stock option award upon his promotion, the magnitude and design for which are not adequately explained. The grant does not require the achievement of pre-set performance criteria in order to vest and the value is considered to be excessive.
1 May 2024	The Coca-Cola Company	Corporate Governance – Resolution 1.12: Elect Director James Quincey	Against – Joint Chair/CEO: A vote against is applied as L&G expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.

Date	Company	Subject (theme and summary)	Manager's vote and rationale
18 April 2024	Nestlé SA	Social – Resolution 7: Report on Non-Financial Matters Regarding Sales of Healthier and Less Healthy Foods For	For – L&G is one of the co-filers of this resolution, calling for more effective targets to increase the availability of healthier food choices for consumers. There is a clear link between poor diets and chronic health conditions such as obesity, heart disease, and diabetes, which can lead to increased healthcare costs and decreased productivity—both of which L&G believe negatively impact the economy. As the largest food company in the world, L&G believe Nestlé sets an example for the industry in driving positive change and raising market standards.
5 June 2024	Walmart Inc.	Social – Resolution 7: Establish a Company Compensation Policy of Paying a Living Wage.	For – Shareholder resolution - Income Inequality: A vote in favour is applied as L&G would encourage the company to establish a compensation policy that ensures employees earn a living wage. This is because paying a living wage can help mitigate financial risks associated with low worker morale, poor health, absenteeism, presenteeism, and high staff turnover.

Barings Investment Management

Due to the nature of the Barings investment, there were no associated voting rights. In lieu of this, a Fixed Income engagement case study is included below.

Case Study: Engagement with a motor racing company

- **Scenario:** Barings holds an investment in controlling motor racing rights. The company has recently announced a change of ownership and is expected to be acquired by a larger investment group. To date, the company has had a well-regarded set of shorter-term sustainability goals including reducing emissions footprint at racing events and plans to use sustainable fuels in motor racing in coming years.
- **Actions taken:** Barings has approached senior management to request details of how environmental plans are expected to evolve under new ownership and if there will be delays to implementation.
- **Current status:** Management has acknowledged the request for disclosure, but the engagement remains open as management has not been able to provide any detailed information given the uncertainty on sustainability strategy under new ownership.

Pantheon Ventures (UK)

Due to the nature of the Pantheon investment, there were no associated voting rights. In lieu of this, an engagement case study with the underlying investment company is included below.

Case Study: Engagement with GP 1

- **Scenario:** As part of its annual engagement, Pantheon proactively shared feedback from its GP Sustainability Survey in the form of a GP Sustainability Maturity Scorecard.
- **Actions taken:** Pantheon's Global Head of Sustainability hosted a dedicated 1:1 feedback call with the firm, providing insights on Climate Maturity and Biodiversity Essentials. Pantheon encouraged the GP to set decarbonisation targets across its portfolios and to enhance biodiversity practices, such as conducting biodiversity impact and dependency assessments.

- **Current status:** Pantheon will shortly commence its 2025 annual GP Sustainability Survey as part of its ongoing efforts to monitor the progress of its managers.

Engagement activity

The Trustees hold meetings with their investment managers on a regular basis where stewardship issues are discussed in further detail. Over the 12 months to 31 March, the Trustees met with one of the Scheme's three managers. The Trustees discussed with them the following issues over the course of the year.

Date	Fund manager	Subjects discussed	Outcome
20 March 2025	L&G	A summary of activity across various L&G funds held by the Scheme, along with a performance update following recent market movements driven by the US election. L&G also reaffirmed its ESG stance despite recent controversies in the ESG market.	No specific outcome outside of continuing ongoing monitoring of the funds.

Summary of manager engagement activity

The Trustees receive reporting on each manager's engagement activity.

The following table summarises the key engagement activity for the 12-month period ending 31 March 2025.

Fund	Number of engagements	Topic engaged on
L&G Equities ¹	1944	Climate Impact Pledge, Human Rights, Deforestation, Remuneration, Climate Change
L&G Corporate Bonds ¹	129	Climate Impact Pledge, Corporate Strategy, Remuneration, Climate Change, Capital Management
L&G Maturing Buy & Maintain Funds (2035-39 and 2040-54) ¹	375	Climate Impact Pledge, Climate Change, Corporate Strategy, Human Rights, Remuneration,
Barings High Yield Credit	167	Disclosure, Transparency & Reporting, Climate Change & Energy Management, Consumer Access, Health, Safety & Wellbeing
Pantheon Private Credit	43	Transparency and reporting, Climate, Biodiversity Essentials

¹ L&G also noted that engagement figures do not include data on engagement activities with national or local governments, government related issuers, or similar international bodies with the power to issue debt securities.

The main methods of engagement typically comprise management meetings, investor forums, and private collaboration with other investors.

Use of a proxy voting adviser

The Scheme's investment managers have made use of the services of the following proxy voting advisers over the scheme year:

Manager	Proxy voting adviser
L&G	ISS – 'ProxyExchange'

Review of Managers' Responsible Investment policies

The Trustees have committed to reviewing investment managers' Responsible Investment policies on a regular basis. This review was last undertaken in full by the Trustees on 12 May 2020, but is considered on a high level each year as part of annual stewardship updates. The review considered managers' broader approach to responsible investment issues in addition to considering any change in approach by the manager over the year. The Trustees also considered changes to their managers voting policies.

The Trustees and their investment advisers remain satisfied that the responsible investment policies of the managers and, where appropriate, the voting policies remain suitable for the Scheme.

Prepared by:

The Trustees of the Aston University Pensions Scheme

31 March 2025