

Engagement Policy Implementation Statement (“EPIS”)

University of Exeter Retirement Benefits Scheme (the “Scheme”)

Scheme Year End – 05 April 2025

The purpose of the EPIS is for us, the Trustees of the University of Exeter Retirement Benefits Scheme (the “Scheme”), to explain what we have done during the year ending 05 April 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, the Scheme’s material investment manager, BlackRock, was able to disclose good evidence of voting and engagement activity, and the activities completed by our manager align with our stewardship expectations.

*Aon has updated the terminology used to classify manager disclosures from “adequate” to “good.” This change reflects updated wording in Aon’s templates only; the underlying criteria and meaning of the classification remain unchanged from previous reports.

How voting and engagement policies have been followed

The Scheme is entirely invested in pooled funds, and so the responsibility for voting and engagement is delegated to the Scheme's sole appointed investment manager, BlackRock, which is in line with the policies set out in our SIP. We reviewed the stewardship activity carried out by BlackRock over the Scheme year and in our view, it was able to disclose good evidence of voting and engagement activity. More information on the stewardship activity carried out by the Scheme's investment manager 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 Environmental, Social and Governance ("ESG") ratings from AIL for the funds the Scheme is invested in where available.

The Scheme's stewardship policy can be found in the SIP:

https://www.exeter.ac.uk/v8media/universityofexeter/humanresources/documents/pensions/UERBS_SIP_March_2025_final.pdf

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 continue to monitor and actively review our investment managers engagement and performance through the Quarterly Investment Report produced by our investment advisor.

Our manager's 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 manager, BlackRock, to responsibly exercise its 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. BlackRock collates voting information on a quarterly basis. The voting information provided is for the year to 31 March 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
BlackRock - ACS World Multifactor Equity Fund	6,679	92.0%	2.2%	0.2%
BlackRock - Aquila Life Hedged World Ex UK Equity Fund	26,424	98.2%	5.2%	0.4%
BlackRock - Aquila Life UK Equity Index Fund	9,801	99.5%	2.4%	0.1%

Source: BlackRock. 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 BlackRock uses proxy voting advisers.

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.

Managers	Description of use of proxy voting adviser (in the manager's own words)
BlackRock	BlackRock Investment Stewardship leverages Institutional Shareholder Services ("ISS") as an external proxy services vendor. ISS' electronic voting platform allows BlackRock Investment Stewardship to monitor voting activity, execute proxy vote instructions, record keep, and generate client and regulatory voting reports. BlackRock Investment Stewardship also uses Glass Lewis' services to support research and analysis. In addition to the global research provided by ISS and Glass Lewis, BlackRock Investment Stewardship 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

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked BlackRock to provide a selection of what it considers 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 manager's 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 BlackRock. The manager has 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 - ACS World Multifactor Equity Fund	569	3,384	Environment - Climate Risk Management Social - Human Capital Management Governance - Corporate Strategy; Board Composition and Effectiveness; Remuneration
BlackRock - Aquila Life Hedged World Ex UK Equity Fund	1,575	3,384	Environment - Climate Risk Management Social - Human Capital Management Governance - Corporate Strategy; Remuneration; Business Oversight/Risk Management
BlackRock - Aquila Life UK Equity Index Fund	<i>Not provided</i>	3,384	Environment - Climate Risk Management Social - Human Capital Management Governance - Corporate Strategy; Board Composition and Effectiveness; Remuneration; Business Oversight/Risk Management

Source: BlackRock.

Data limitations

This report does not include commentary on the Scheme's gilts or cash funds because of the limited materiality of stewardship to these asset classes. It does not include commentary on the Schemes allocation to UK equities given the allocations are immaterial (less than 1% of Scheme assets).

Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Scheme's manager. 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, in the manager's own words:

BlackRock - ACS World Multifactor Equity Fund	Company name	Phillips 66
	Date of vote	15 May 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	<i>Not provided</i>
	Summary of the resolution	Report on Impacts of a Significant Reduction in Virgin Plastic Demand
	How you voted?	Votes against resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	BlackRock endeavours to communicate to companies when it intends to vote against management, either before or just after casting votes in advance of the shareholder meeting. BlackRock publishes its voting guidelines to help clients and companies understand its thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which BlackRock assesses a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. BlackRock applies its guidelines pragmatically, taking into account a company's unique circumstances where relevant. BlackRock's voting decisions reflect its analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and our active investment colleagues.
	Rationale for the voting decision	The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures
	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?	BlackRock's approach to corporate governance and stewardship is explained in its Global Principles. BlackRock's Global Principles describe its philosophy on stewardship, including how it monitors and engages with companies. These high-level principles are the framework for BlackRock's more detailed, market-specific voting guidelines. BlackRock do not see engagement as one conversation. BlackRock has ongoing direct dialogue with companies to explain its views and how it evaluates their actions on relevant ESG issues over time. Where BlackRock has concerns that are not addressed by these conversations, it may vote against management for their action or inaction. Where concerns are raised either through voting or during engagement, BlackRock monitors developments and assesses whether the company has addressed its concerns.

	On which criteria have you assessed this vote to be most significant?	BlackRock periodically publishes Vote Bulletins on key votes at shareholder meetings to provide insight into details on certain vote decisions it expect will be of particular interest to clients.
BlackRock - Aquila Life Hedged World Ex UK Equity Fund	Company name	Tesla, Inc.
	Date of vote	13 June 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	Not provided
	Summary of the resolution	Report on Harassment and Discrimination Prevention Efforts
	How you voted?	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	Not provided
	Rationale for the voting decision	Greater disclosure on this issue, which we deem material to the long-term economic interests of shareholders, would help investors better assess risks at the company.
	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?	Tesla subsequently made some enhancements to its disclosures, such as reporting on types of complaints received and employee training initiatives.
	On which criteria have you assessed this vote to be most significant?	This shareholder proposal was also on the ballot at Tesla's August 2022 AGM, and it received approximately 46% shareholder support, including from BIS.
BlackRock - Aquila Life UK Equity Index Fund	Company name	Shell Plc
	Date of vote	21 May 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	Not provided
	Summary of the resolution	Advise Shell to Align its Medium-Term Emissions Reduction Targets Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement
	How you voted?	Votes against resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	Not provided
	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
	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?	Shell has developed climate-related emissions reduction targets that are being implemented through its Energy Transition Strategy. Its targets are set using a 1.5°C pathway that it developed based on 1.5°C scenarios developed for the Intergovernmental Panel on Climate Change ("IPCC") Sixth Assessment Report ("AR6"). We understand that Paris Agreement-aligned targets are set on a best-efforts basis given that there is currently a lack

of global consensus about how energy suppliers should decarbonize to meet the Paris Agreement's 1.5°C target.

On which criteria have you assessed this vote to be most significant?

Climate-related risks and opportunities

Source: BlackRock