

Engagement Policy Implementation Statement (“EPIS”)

Sopra Steria Retirement Benefits Scheme (the “Scheme”) Scheme Year End – 31 December 2023

The purpose of the EPIS is for us, the Trustee of the Sopra Steria Retirement Benefits Scheme to explain what we have done during the year ending 31 December 2023 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 good evidence of voting and engagement activity, and the activities completed by our managers align with our stewardship expectations.

A few managers, as outlined below, did not provide any requested engagement information, and the information provided was limited and often not in line with the best practice Investment Consulting Sustainability Working Group (“ICSWG”) industry standard engagement reporting template.

We will engage with these managers, as set out in our engagement plan, to encourage them to provide detailed and meaningful disclosures about their engagement and voting activities, and learn how they consider financially material Environmental, Social and Governance (“ESG”) factors into their voting policies.

How voting and engagement policies have been followed

The Scheme is invested 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. The Scheme is invested in a segregated mandate in which the voting rights have been delegated to the investment manager (subject to our stewardship policy as set out in the 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 good evidence of voting and 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.

Ongoing Monitoring

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 ("Aon"). In particular, we received quarterly Environment Social Governance ("ESG") ratings from Aon for the funds the Scheme is invested in where available. Aon's ESG rating system is for 'buy' rated investment strategies and is designed to assess whether investment managers integrate responsible investment and more specifically ESG considerations into their investment decision making process. The ESG ratings are based on a variety of qualitative factors, starting with a proprietary due diligence questionnaire, which is completed by the fund manager. Aon's researchers also conduct a review of the managers' responsible investment related policies and procedures, including a review of their responsible investment policy (if they have one), active ownership, proxy voting and/or stewardship policies. After a thorough review of the available materials, data and policies, as well as conversation with the fund manager, the lead researcher will award an ESG rating, which is subject to peer review using an agreed reference framework. Ratings will be updated to reflect any changes in a fund's level of ESG integration or broader responsible investment developments.

TCFD reporting

The Trustee completed and submitted its first TCFD report in 2023. The Trustee is now progressing towards meeting the requirements set out in the TCFD for its second report. The TCFD framework establishes a set of eleven clear, comparable, and consistent recommended disclosures about the risks and opportunities presented by climate change. The increased transparency encouraged through the TCFD recommendations is intended to lead to decision-useful information and therefore better informed decision-making on climate-related financial risks. Aligning the Scheme to the TCFD can be a long process and requires careful planning. The Trustee has an action plan in place and is working with its advisors to meet its obligations.

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.ssrbs.co.uk/other-documents/statement-of-investment-principles>

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 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. Brookfield Infrastructure Partners (“BIP”) and Global Infrastructure Partners (“GIP”) provided comprehensive ESG reports with some information on their engagement practices however detailed engagement examples specific to the fund in which we are invested, as per Investment Consultants Sustainable Working Group (ICSWG) industry standard were not provided. They also did not provide firm level engagement information. Aon will continue to engage with these managers as part of the research and monitoring of the managers, to better understand their engagement practices and discuss the areas which are behind peers.
2. Christofferson Robb & Co (“CRC”) did not provide any fund level engagement information. As they primarily invest in synthetic transactions tied to very large pools of loans originated by large, highly regulated banks and therefore have little scope for fund level engagement. To the extent that we remain invested in the fund, we will engage with these managers, as part of Aon’s research and monitoring process, to better understand the manager’s engagement practices and discuss any areas which are behind those of its peers.
3. Legal & General Investment Management (“LGIM”) provided fund-level engagement information for its funds but not in the industry standard ICSWG template. Aon will continue to engage with LGIM as part of the research and monitoring of the managers.
4. We will continue to invite each of our investment managers to meetings on a regular basis, where we can get a better understanding their voting and engagement practices, and how these help us fulfil our Responsible Investment policies.
5. We will undertake detailed ESG monitoring of our managers and will continue to review our investment managers’ Responsible Investment policies to ensure they are in line with our own.

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. Over the year, the Scheme transitioned from legacy equity managers (Morgan Stanley, MFS and Harris) to Legal & General Investment Management ("LGIM"). Given this transition, the Trustee has chosen to only include voting activity from LGIM on the basis of materiality.

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 December 2023.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
LGIM - Developed Factor Index Fund (Hedged and Unhedged)	12,217	99.9%	21.3%	0.1%
LGIM - Future World Equity Index Fund	6,404	99.7%	6.3%	0.0%

Source: Manager. 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 manager uses proxy voting advisers.

Manager	Description of use of proxy voting adviser (in the managers' own words)
LGIM	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM 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. For more details, please refer to the Voting Policies section of this document.

Source: Manager.

Significant voting examples

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.

To illustrate the voting activity being carried out on our behalf, we asked the Scheme's investment managers to provide a selection of what they consider 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 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	
Barings - Global Loan Fund	276	536	Strategy, Financial & Reporting - Reporting; Strategy/Purpose; Risk Management Environment - Climate Change; Natural Resource Use/Impact
Blackrock - UK Credit Fund	108	3,768	Environment - Climate Risk Management Social - Human Capital Management Governance - Corporate Strategy; Remuneration; Sustainability Reporting
BIP III	Not provided	Not provided	Environment* - Climate Change and Resilience, Biodiversity Social* - Occupational Health and Safety, Human Capital Development, Governance* - Corporate Governance, Ethical Business Conduct, Cybersecurity
CRC - Single Investor Fund XV	Not provided	1	Environment* - Climate Change Social* - Inequality Strategy, Financial & Reporting* - Reporting Other* - Sustainable Investing
DRC - UK Whole Loan Fund	20	150	Social - Conduct, Culture and Ethics Strategy, Financial & Reporting - Capital Allocation; Financial Performance; Reporting; Strategy/Purpose
GIP III	Not provided	Not provided	Environment* - Climate Risk Management, Net Zero Alignment, Energy Efficiency Social* - Supply Chain Management, Governance* - Diversity and Inclusion
GIP IV	Not provided	Not provided	Environment* - Climate Risk Management, Net Zero Alignment, Energy Efficiency Social* - Supply Chain Management, Governance* - Diversity and Inclusion
LGIM - Developed Factor Index Fund (Hedged and Unhedged)	296	2,500	Governance - Remuneration; Board Composition Social - Gender Diversity Environment - Climate Impact Pledge; Climate Change
LGIM - Future World Equity Index Fund	287	2,500	Governance - Remuneration Social - Ethnic Diversity Environment - Climate Change; Climate Impact Pledge Other - Corporate Strategy
Schroders Property - Multi Manager	16	6,724	Environment - Climate Change; Natural Resource Use/Impact; Pollution, Waste Social - Conduct, Culture and Ethics; Human and Labour Rights

Source: Managers. *The following managers did not provide fund level themes; themes provided are at a firm-level:

- BIP
- CRC
- GIP

Data limitations

At the time of writing, the following managers did not provide all the information we requested:

- BIP and GIP did provide firm level engagement themes but not in the industry standard template. Additionally, the manager did not provide fund level engagement information.
- CRC did not provide any fund level engagement information.
- LGIM provided fund-level engagement information for its funds but not in the industry standard template.

This report does not include commentary on certain asset classes such as liability driven investments and cash because of the limited materiality of stewardship to these asset classes. Further, this report does not include the additional voluntary contributions (“AVCs”) due to the relatively small proportion of the Scheme’s assets that are held as AVCs.

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:

LGIM - Developed Factor Index Fund (Hedged and Unhedged)	Company name	Alphabet Inc.
	Date of vote	02-Jun-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.7
	Summary of the resolution	Resolution 18 - Approve Recapitalization Plan for all Stock to Have One-vote per Share
	How you voted?	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
	Rationale for the voting decision	Shareholder Resolution - Shareholder rights: A vote in favour is applied as LGIM expects companies to apply a one-share-one-vote standard.
	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?	LGIM will continue to monitor the board's response to the relatively high level of support received for this resolution.
	On which criteria have you assessed this vote to be most significant?	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.

LGIM - Future World Equity Index Fund	Company name	Shell Plc
	Date of vote	23-May-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	4.6
	Summary of the resolution	Approve the Shell Energy Transition Progress
	How you voted?	Votes against resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
	Rationale for the voting decision	Climate change: A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in meeting its 2021 climate commitments and welcome the company's leadership in pursuing low carbon products. However, we remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5C trajectory.
	Outcome of the vote	Pass
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM continues to undertake extensive engagement with Shell on its climate transition plans
	On which criteria have you assessed this vote to be most significant?	Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. We expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.

Source: Manager