

Implementation Statement

The Institution of Civil Engineers Staff Retirement Benefits & Life Assurance Scheme (“the Scheme”)

Purpose of this statement

This implementation statement has been produced by the Trustees of the Institution of Civil Engineers Staff Retirement Benefits & Life Assurance Scheme (“the Scheme”) to set out the following information over the year to 31 December 2023:

- how the Trustee’s policies on exercising rights (including voting rights) and engagement activities have been followed over the year.
- the voting activity undertaken by the Scheme’s investment managers on behalf of the Trustees over the year, including information regarding the most significant votes.

Stewardship policy

The Trustees’ Statement of Investment Principles (“SIP”) in force at 31 December 2023 describes the Trustee’s stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in July 2023 and has been made available online here: [Statement of Investment Principles | Institution of Civil Engineers \(ICE\)](#)

The Scheme solely invests through pooled investment vehicles where the Scheme’s assets only represent a small proportion of the capital invested in the funds. The Trustees understand that they are constrained by the policies of the managers. Additionally, the Trustees have decided not to set stewardship priorities since the Scheme no longer holds any investments with voting rights, as at 31 December 2023, and therefore have limited scope to influence stewardship. However, the Trustees takes the stewardship priorities, climate risk, and ESG factors into account at manager selection. The Trustees also review the stewardship and engagement activities of the investment managers annually.

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme’s investment managers, the Trustees believe that its policies on voting and engagement have been met in the following ways:

- The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme’s fund managers.
- The Trustees undertook an initial review of the stewardship and engagement activities of the current managers in 2019 and were satisfied that their policies were reasonable, and no remedial action was required at that time.

- Legal & General Investment Management (“LGIM”) attended a Trustee meeting in 2021 to discuss their approach to ESG and stewardship. No actions were required following these discussions.
- In November 2022 the Trustees sold holdings in all growth assets. From this date there were no assets held that have voting rights attached. The proceeds from the sale were invested with LGIM in funds currently held by the Scheme. In July 2023, the portfolio was re-structured to include some further LGIM credit and gilt funds. The approach to ESG and stewardship of these funds has been considered throughout.

Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the fund managers are in alignment with the Scheme’s stewardship policies.

Prepared by the Trustees of the Institution of Civil Engineers Staff Retirement Benefits & Life Assurance Scheme

April 2024

Voting Data

Following disinvestment from the LGIM Future World Global Equity Funds and the Newton Diversified Return Fund in November 2022, the Scheme held no growth assets with voting rights over the 12 months to 31 December 2023.

The Scheme's holdings in Buy & Maintain Credit, Absolute Return Bonds, Sterling Liquidity, and the LDI portfolio with LGIM have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate. Therefore, no voting data or significant votes have been reported this period.

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme's LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

As part of the portfolio refresh in July 2023, the Scheme invested in LGIM's Maturing Buy & Maintain Credit Fund 2035-2039 and Maturing Buy & Maintain Fund 2040-2054. In addition, the Scheme sold the holdings in the LGIM Absolute Return Bond Fund. The engagement data for these funds are given for the 12 months to the 31 December 2023 due to availability of data, despite the Scheme not investing in these funds over the full period.

Manager	LGIM	LGIM	LGIM	LGIM
Fund name	Buy & Maintain Credit Fund	Maturing Buy & Maintain Credit Fund 2035 - 2039	Maturing Buy & Maintain Credit Fund 2040 - 2054	Absolute Return Bond Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	154	74	105	143
Number of entities engaged on behalf of the holdings in this fund in the year	81	44	59	73
Number of engagements undertaken at a firm level in the year	2,486	2,486	2,486	2,486

Examples of engagement activity undertaken over the year to 31 December 2023

Legal & General

Kansai Electric Power:

Kansai Electric Power is one of the largest electric utilities companies in Japan. LGIM identified several governance areas for improvement and the company appears to lag some of LGIM's minimum expectations on board composition. LGIM believe that improvement within this company can have a positive impact more broadly across the sector in Japan.

LGIM met with the company to discuss these areas in detail to better understand its approach to governance and climate, in addition to talking in-depth about related areas (such as responsibility for executing the net zero transition plan). They felt their meeting with the company was productive and they look forward to working with the management more closely on both governance and climate change going forwards, alongside gaining a deeper understanding of the reasons behind its decisions and actions.