Civil Service Benevolent Fund Pension and Assurance Scheme (the "Scheme")
ENGAGEMENT POLICY IMPLEMENTATION STATEMENT

Financial Year Ending 5 April 2025

Introduction

This statement sets out how, and the extent to which, the Scheme's Engagement Policy in the Statement of Investment Principles ('SIP') produced by the Trustees have been followed during the year to 5 April 2025 (the "Scheme Year"). 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, the subsequent amendment in The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the statutory guidance on reporting on stewardship in the implementation statement dated 17 June 2022.

The statement is based on, and should be read in conjunction with, the SIP dated February 2024 (covering the period between February 2024 and July 2025). In July 2025 the SIP was updated following a change in investment strategy.

A copy of the SIP containing the Engagement Policy is available at Statement of Investment Principles – July 2025

The Trustees can confirm that all policies in the SIP on engagement in relation to the Scheme's DB assets have been followed during the Scheme Year.

Investment Objectives of the Scheme

The Trustees believe it is important to consider the policies in place in the context of the investment objectives they have set. As set out in the SIP, the Trustees' primary investment objective for the Scheme is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due.

In doing so, the Trustees also aim to maximise returns at an acceptable level of risk taking into consideration the circumstances of the Scheme. The Trustees also ensure that their investment objectives and the resultant investment strategy are consistent with the actuarial valuation methodology and assumptions used in the Statutory Funding Objective.

Review of the SIP

During the Scheme Year, the Trustees did not review the Scheme's SIP.

Policy on ESG, Stewardship and Climate Change

The Trustees understand that they must aim to consider all factors that can impact the financial performance of the Scheme's investments over the appropriate time horizon. This includes, but is not limited to, environmental, social and governance ("ESG") factors.

The Scheme's SIP includes the Trustees' policy on ESG factors, Stewardship and Climate Change. This policy sets out the Trustees' beliefs on ESG and climate change and the processes followed by the Trustees in relation to voting rights and stewardship. The Trustees keep their policies under regular review with the SIP subject to review at least triennially.

In November 2022, the Trustees agreed a statement of investment beliefs which included the priorities for the Scheme in relation to Responsible Investment. The statement includes the belief that **climate change** and the expected transition to a low carbon economy represent a long-term financial risk to Scheme outcomes and should be considered by the Trustees as part of their fiduciary duty, whilst recognising that the effective horizon of the Scheme is now quite short, particularly by comparison to the timescale for the impact of climate change and environmental risks.

Set out below is a summary of the work that was undertaken during the year relating to the Trustees' policy on ESG factors, stewardship and climate change, as well as an overview of how the Trustees' engagement and voting policies were followed and implemented during the year.

Engagement

Over the Scheme Year, the Trustees have not engaged with the underlying pooled fund managers on matters pertaining to ESG, stewardship or climate change. However, the Trustees use Mercer's ESG ratings to consider how ESG, climate change and stewardship are integrated within the investment process as part of their monitoring of existing investment managers.

During the Scheme Year, the Scheme's investment performance report was reviewed by the Trustees on a semi-annual basis – this includes manager research ratings (both general and ESG specific) from Mercer, as well as detail on how investment managers are delivering against their specific mandate.

The Trustees are satisfied that the ESG scores are satisfactory in the context of the mandates of the funds.

Further information on the investment managers' approaches to responsible investment, voting and engagement with the investee companies is available at the following websites:

Nordea:	https://www.nordeaassetmanagement.com/responsible-investment
Columbia Threadneedle:	Responsible investment | Columbia Threadneedle Investments
LGIM:	https://www.lgim.com/uk/en/capabilities/investment-stewardship/
Payden & Rygel:	https://www.payden.com/ESG.aspx

All the Scheme's investment managers are signatories of the UK Stewardship Code 2020 as follows:

Manager	Signatory Since
Columbia Threadneedle	2022
Nordea	2022
Payden & Rygel	2021
LGIM	2021

Source: FRC website

Taking all the above into consideration, the Trustees are satisfied that Responsible Investment is central to the investment managers' approaches to investing.

Voting Activity

The Scheme is invested in multi-client pooled funds and therefore the Trustees do not have direct voting rights in relation to the Scheme's investments. The Trustees have effectively delegated their voting rights to the investment managers. The Trustees have not been asked to vote on any specific matters over the Scheme year covered by this statement.
Nevertheless, this statement sets out a summary of the key voting activity carried out on behalf of the Trustees by the investment managers of the multi-client pooled funds for which voting is possible (i.e., all funds which include equity holdings). The Trustees do not use the direct services of a proxy voter.

Manager / Fund	Proxy voter used?	# of meetings where the investment manager was eligible to vote	# of resolutions the investment manager eligible to vote on	% of eligible resolutions voted on	Of the resolutions the investment manager voted on		
					% of votes which were with management	% of votes which were against management	% of votes which were abstained
Columbia Threadneedle Multi Asset Fund	**ISS -** cognisant of proxy advisers' voting recommendations **Glass Lewis -** For research	437	5,818	99.1%	91.2%	7.6%	1.2%
Nordea Diversified Return Fund	**ISS -** Voting platform for casting votes and recordkeeping **Glass Lewis & ISS** – For research	191	2,429	95.0%	86.7%	11.4%	1.8%
LGIM Future World Global Equity Index Fund & GBP Hedged	LGIM's Investment Stewardship team uses ISS's 'Proxy Exchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure the proxy provider votes in accordance with LGIM's view on ESG, they have put in place a custom voting policy with specific voting instructions.	5,515	55,096	99.8%	81.0%	17.9%	1.1%

Notes: ISS = Institutional Shareholder Services Inc.
NIS = Nordic Investor Services

Following the DWP's consultation response and outcome regarding Implementation Statements on 17 June 2022 ("Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement: Statutory and Non-Statutory Guidance"), one of the areas of interest was the significant vote definition. The most material change was that the Statutory Guidance provides an update on what constitutes a "significant vote":

- A significant vote is defined as one that is linked to the Scheme's stewardship priorities/themes.
- A vote could also be significant for other reasons, e.g. due to size of holdings.
- The Trustee are to include details on why a vote is considered significant and rationale for the voting.

The Trustees have classified most "significant votes" as any vote which concerns **Climate Change** e.g. a vote on a company's carbon disclosures or low-carbon transition, where the **Size** of the holding is >0.5% of the fund. Where applicable, examples of such significant votes are summarised in the table below:

Manager	Company	Date	Criteria for assessing as significant	Size of holding (% of Fund)	Summary of resolution	Vote cast	Rationale for voting decision	Outcome	Next steps
LGIM – Future World Global Equity Index Fund & GBP Hedged	Broadcom Inc.	22/4/2024	Vote relating to climate change	1.0%	Elect Director Henry Samueli	Against (against management) Intent not communicated to the company ahead of the vote	A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management. Under Climate Impact Pledge, LGIM's engagement programme, companies that fall short of their minimum standards will be subject to voting sanctions.	Pass	Active stewardship (engagement and voting) continues to form an integral part of their research and investment process.
Nordea – Diversified Return Fund	NextEra Energy Inc	23/5/2024	Vote relating to climate change	0.6%	Report on Climate Lobbying	For	Additional disclosure around the company's framework for identifying alignments and its approach to addressing misalignments would allow shareholders to better evaluate the company's lobbying efforts and align it with best practices that have been undertaken by some of its peers and is unlikely to be unduly burdensome for the company.	Fail	Nordea will continue to support shareholder proposals on this issue as long as it is needed.
	Ross Stores Inc	22/5/2024	Vote relating to climate change	0.7%	Disclose All Material Value Chain GHG Emissions	For	Nordea support the proposal as it is line with their expectations on climate.	Pass	Disclosure of all material value chain GHG emissions would allow shareholders to better evaluate the company's progress toward its net zero ambition and help it prepare for potential regulatory requirements.

Sources: Investment managers. Voting information as at 31 March 2025.

There were no votes qualifying under the Trustees' definition of 'most significant' related to the Columbia Threadneedle – Multi Asset Fund holdings of the Scheme.