The Pension Scheme for the Royal College of Midwives

Engagement Policy Implementation Statement

Financial Year Ending 31st March 2025

Introduction

This statement sets out how, and the extent to which, the Stewardship policy in the Statement of Investment Principles ('SIP') produced by the Trustees has been followed during the 1-year period ending on 31 March 2025. 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 2018/2019 and the guidance published by the Pensions Regulator.

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.

With that in mind, the Trustees have set specific investment objectives regarding the manner in which the primary objective of meeting their obligations to the members is to be achieved:

- To pay the Scheme benefits as they fall due and avoid any reduction in benefits if possible;
- To achieve and maintain a funding level of 100% on an on-going funding basis;
- To minimise risk in achieving and maintain a 100% funding level on an -going funding basis subject to acceptable affordability; and
- To pay due regard to the interests of the Sponsoring Employer in relation to the funding of the Scheme.

Investment Strategy

During the course of the financial year, the Trustees acted to de-risk the Scheme's investment strategy, reducing the allocation to growth assets in favour of matching assets. This involved a two-stage implementation.

Stage one involved reducing the allocations to Global Equities and Diversified Growth Fund assets. The allocation to Nominal Liability Driven Investment fund was fully redeemed in favour of investing the proceeds into Fixed Interest Gilts, Real Liability Driven Investment, Corporate Bonds, Cash and Multi-Asset Credit. Stage two involved a full redemption of the Threadneedle property fund, in favour of the Multi-Asset Credit fund. The Statement of Investment Principles was updated to reflect the new strategic asset allocation.

Statement of Investment Principles

The Scheme's Statement of Investment Principles ("SIP") was updated in December 2024. The changes made to the Statement were to reflect the new investment strategy, which is outlined above.

Policy on ESG, Stewardship and Climate Change

The Trustees understand that they must consider all factors that have the ability to 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. The policies were last reviewed in December 2024. The Trustees keep their policies under regular review with the SIP subject to review at least triennially.

Engagement

In the relevant year the Trustees have not engaged with either Mobius, or the underlying pooled fund managers on matters pertaining to ESG, stewardship or climate change. However, the Trustees review the stewardship and ESG policies of the underlying pooled fund managers periodically.

Voting Activity

The Scheme has no direct relationship with the pooled funds it is invested in, and therefore no voting rights in relation to the Scheme's investments. The Trustees have therefore effectively delegated their voting rights to the managers of the funds the Scheme's investments are invested in.

The Trustees have not been asked to vote on any specific matters over the Scheme year.

Nevertheless, this Statement sets out a summary of the key voting activity of the pooled funds for which voting is possible (i.e. all funds which include equity holdings) in which the Scheme's assets are invested.

The Trustees note that best practice in developing a statement on voting and engagement activity is evolving. Over the previous year, the Trustees considered other engagement and voting topics, and decided to retain the significant votes criteria agreed previously (and outlined below).

Significant Votes

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".

The Trustees define a significant vote 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 the size of holding. Given the nature of the Scheme's holdings, this is unlikely to be a material consideration for the Trustees.

In determining significant votes, The Trustees consider a significant vote as any vote relating to:

- Climate Change: including low-carbon transition and physical damages resilience;
- Human Rights: including modern slavery, pay & safety in the workforce and supply chains and abuses in conflict zones;
- Diversity, Equity and Inclusion: including inclusive & diverse decision-making;

The table on the following page sets out a summary of the key voting activity over the financial year.

Fund	Proxy voter used?	Votes cast			Most significant votes (description)	Significant vote examples
		Votes in total	Votes against management endorsement	Abstentions		
Nordea 1 - GBP Diversified Return Fund	**ISS** – for execution and recommendations only.	Eligible for 2,429 (c.94.98 % cast)	c.11.44% of votes cast	c.1.78% of votes cast (1.26% Abstain, 0.52% Withhold)	Significant votes are those that are severely against Nordea's principles, and where they feel the need to enact change in the company. The process stems from first identifying the most important holdings, based on size of ownership, size of holding, ESG reasons, or any other special reason. From there, Nordea benchmark the proposals versus their policy.	**Theme:** Climate Change **Company**: Ross Stores Inc **Date of vote**: 22/05/2024 **Summary of resolution**: Disclosure of all material value chain GHG emissions. **Manager vote**: For **Rationale**: Nordea believe that disclosure of all material value chain GHG emissions would allow shareholders to better evaluate the company's progress towards its net zero ambition and help it prepare for potential regulatory requirements. **Outcome of vote**: The resolution passed. **Theme:** Human Rights **Company**: Microsoft Corporation **Date of vote**: 10/12/2024 **Summary of resolution**: Report on risks of operating in countries with significant human rights concerns. **Manager vote**: For **Rationale**: Nordea support the proposal as it improves transparency on material ESG issues such as human rights risk. **Outcome of vote**: The resolution did not pass. **Theme:** Human Rights **Company**: Mastercard Incorporated **Date of vote**: 18/06/2024 **Summary of resolution**: Report on gender-based compensation and benefit inequities **Manager vote**: For **Rationale**: Nordea believe additional disclosure of the company's direct and indirect lobbying related expenditures would help shareholders better assess the risk and benefits associated with the company's participation in the public policy process. **Outcome of vote**: The resolution did not pass.

Theme: Climate Change
Company: NextEra Energy Inc
Date of vote: 23/05/2024
Summary of resolution: Report on climate lobbying
Manager vote: For
Rationale: Nordea believe 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.
Outcome of vote: The resolution did not pass.

Theme: Human Rights
Company: Alphabet Inc
Date of vote: 07/06/2024
Summary of resolution: Publish Human Rights risk assessment on the AI-driven target ad policies
Manager vote: For
Rationale: Nordea believe this specific as an independent human rights assessment on the impacts would help shareholders better evaluate the company's management of risks related to the human rights impacts of its targeted advertising policies and practices.
Outcome of vote: The resolution did not pass.

LGIM Global Equity Fixed Weights (50:50) Index Fund	**ISS's 'ProxyExchange' electronic voting platform is used for voting execution** All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions	**Eligible for 37,792 (c.99.75 % cast)**	**c.17.98 % of votes cast**	**c.0.25% of votes cast**	**LGIM does not maintain a specific definition for a significant vote, however it takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance.**	**Theme:** Climate Change **Company:** Shell Plc **Date of vote:** 21/05/2024 **Summary of resolution:** Approve the Shell Energy Transition Progress **Manager vote:** Against **Rationale:** In light of revisions made to the Net Carbon Intensity targets, coupled with the ambition to grow its gas and Liquefied natural gas business, LGIM expect the company to better demonstrate how plans are consistent with an orderly transition to net-zero emissions by 2050 **Outcome of vote:** The resolution passed. **Theme:** Diversity, Equity and Inclusion **Company:** Pershing Square Holdings Ltd. **Date of vote**: 08/05/2024 **Summary of resolution:** Re-elect Nicholas Botta as Director **Manager vote:** Against **Rationale:** A vote against is applied because of a lack of progress on gender diversity on the board. LGIM expects companies to have at least 40% female representation on the board. **Outcome of vote:** The resolution passed.

Theme: Climate Change
Company: Unilever Plc.
Date of vote: 01/05/2024
Summary of resolution: Approve Climate Transition Action Plan
Manager vote: Against
Rationale: A vote FOR the CTAP is applied as we understand it to meet LGIM's minimum expectations. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short, medium and long-term GHG emissions reduction targets consistent with a 1.5Â°C Paris goal. Despite the SBTi recently removing their approval of the company's long-term scope 3 target, we note that the company has recently submitted near term 1.5 degree aligned scope 3 targets to the SBTi for validation and therefore at this stage believe the company's ambition level to be adequate. We therefore remain supportive of the net zero trajectory of the company at this stage.
Outcome of vote: The resolution passed.

Theme: Climate Change
Company: Glencore Plc.
Date of vote: 29/05/2024
Summary of resolution: Approve 2024-2026 Climate Action Transition Plan
Manager vote: Against
Rationale: A vote against is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the

global average temperature increase to 1.5°C. While LGIM note the progress the company has made in terms of disclosure, LGIM remain concerned over the company's thermal coal activities, as it remains unclear how the planned thermal coal production aligns with global demand for thermal coal under a 1.5°C scenario.
Outcome of vote: The resolution passed.

Theme: Climate Change
Company: National Grid Plc.
Date of vote: 10/07/2024
Summary of resolution: Approve Climate Transition Plan
Manager vote: For
Rationale: LGIM is voting in favour of the National Grid Climate Transition plan. LGIM commend the company's efforts in committing to net-zero emissions across all scopes by 2050 and setting 1.5C-aligned near term science-based targets. LGIM also appreciate the clarity provided in the 'Delivering for 2035 report' and look forward to seeing the results of National Grid's engagement with SBTi regarding the decarbonisation of heating.
Outcome of vote: The resolution passed.

Notes: ISS = Institutional Shareholder Services Inc.