The Engagement Policy Implementation Statement (“EPIS”) has been prepared by the Cambridge University Pension Trustee Limited (the “Trustee”) and covers the Scheme year from 1 August 2021 to 31 July 2022.

Introduction
On 6 June 2019, the Government published the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 (the “Regulations”). The Regulations require that the Trustee produces an annual statement which outlines the following:

▪ Explain how and the extent to which the Trustee has followed its engagement policy which is set out in the Statement of Investment Principles (“SIP”).

▪ Describe the voting behaviour by or on behalf of the Trustee (including the most significant votes cast) during the Scheme year and state any use of third party provider of proxy voting services.

Scheme’s Stewardship Policy
The below bullet points summarise the Scheme’s stewardship policy in force over the Scheme year to 31 July 2022.

The full SIP can be found here: https://www.pensions.admin.cam.ac.uk/files/cuacps_-sip_2020_final_unsigned.pdf

▪ The Trustee believes that in order to protect and enhance the value of the Scheme’s investments, it must act as a responsible steward of the assets for which it is responsible. The Trustee recognises the need to ensure high standards of governance and corporate responsibility in the underlying entities in which its investments reside. The Trustee recognises that ultimately this protects the financial interests of the Scheme. The Trustee therefore expects the Scheme’s investment managers and Investment Consultant to follow industry best practice with regards to stewardship and encourages them to abide by the principles set out in the UK’s Stewardship Code.

▪ As part of their delegated responsibilities, the Trustee expects the Scheme’s investment managers, as major institutional investors, to:
  – engage with investee companies, where appropriate, with the aim to protect and enhance the long-term value of assets taking material Environmental, Social and Governance (“ESG”) factors, including climate risks, into account; and
  – exercise the Trustee’s voting rights in relation to the Scheme’s assets in a way which holds directors of investee companies accountable for long-term and responsible behaviour, taking into account material ESG factors, including climate risks.

▪ The Trustee reviews the stewardship activities of their investment managers at least annually, covering both engagement and voting actions.

▪ From time to time, the Trustee will consider the methods by which, and the circumstances under which, they would monitor and engage directly with an issuer of debt or equity, an investment manager or another holder of debt or equity, and other stakeholders. The Trustee may engage on matters concerning performance, strategy, risks, social and environmental impact and corporate governance, the capital structure, and management of actual or potential conflicts of interest.

Scheme Stewardship Activity Over the Year

New Investments

Copenhagen Infrastructure Partners ("CIP") – Renewable Infrastructure Fund

The Fund focusses on large scale energy infrastructure investments across technologies within the renewables sector. The Trustee has committed 5% of Scheme assets to the Fund. Drawdowns commenced in April 2021 and have continued over the period.

CVC – European Direct Lending Responsible Investment SMA Strategy
In June 2021, the Trustee made the decision to commit capital to the CVC European Direct Lending Strategy. Drawdowns have subsequently commenced and continued over the period.

The Strategy incorporates Environment, Social & Governance (“ESG”) key performance indicators into each loan agreement issued by the fund. The objective is to encourage investment companies to improve their ESG profiles, and in doing so the companies will be rewarded with tangible financial benefits.

**Ongoing Monitoring**

Investment monitoring takes place on a quarterly basis with a monitoring report being provided to the Investment Committee (“IC”) by Aon. The reports include Aon’s ESG ratings and highlights any areas of concern, or where action is required. The 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.

Qualified rated managers, like Genesis, are covered on a quantitative basis which includes quantitative ESG scoring and maps to Policies, Staff, Process and Stewardship aspects of the Aon Five Factor framework. Genesis scored in the top quartile in comparison to their peers for all of these factors.

Aon have highlighted to the IC that PIMCO has an ESG rating of advanced. This means that the fund management team have demonstrated to Aon that they have an advanced awareness of potential ESG risks in the investment strategy. The fund management team have demonstrated advanced processes to identify, evaluate and potentially mitigate those risks across the entire portfolio.

Aon have highlighted to the IC that State Street, Majedie, Reams and CVC all have an ESG rating of integrated. This means that the fund management team have demonstrated to Aon that they have taken appropriate steps to identify, evaluate and mitigate potential financially material ESG risks within the portfolio.

If a particular fund were to have its ESG rating downgraded by Aon, the IC would be notified. None of the investment manager ESG ratings were downgraded over the period.

It is important to note that Aon's ESG rating framework does not cover the Scheme's investment in the Aegon Property Fund, as this fund is not rated by Aon. ESG monitoring is also not conducted for BlackRock or CIP due to the nature of these investments.

More information on the Aon ESG Ratings process can be found here: https://one.aon.net/sites/ribportal/RI/Documents/Aon-s-Guide-to-ESG-Investing_V1%20%281%29.pdf

The IC monitors compliance with the SIP at each quarterly meeting, using a governance dashboard to ensure that the policies set out in the SIP, including those in relation to ESG are being applied.

**Manager Stewardship Update**

During the year, Aon conducted an annual investment manager stewardship update on behalf of the IC. As part of this process Aon collates the RI policies for all investment managers and provides a summary of these to the IC. Aon also shares the SIP with each manager so that the managers can familiarise themselves with the policies of the Scheme. The review highlighted that none of the investment managers were believed to be in conflict with the policies.

Aon also engaged with the Scheme’s investment managers to confirm their UK Stewardship Code status. At the time of the review, all of the Scheme’s investment managers were signatories of the Code with the exception of Reams Asset Management, Copenhagen Infrastructure Partners and CVC Credit Partners. The Scheme’s investment consultants Aon have also confirmed that they are signatories of the Code.

The IC has reiterated the importance of the Code and engagement with these investment managers who are not currently signatories to the UK Stewardship Code is ongoing.
Updating the Stewardship Policy

In November 2021, the Trustee updated the wording in the SIP to reflect that they expect all investment managers to follow industry best practice with regards to stewardship and encourages them to abide by the principles set out in the UK Stewardship Code. As noted, engagement is ongoing to promote adherence to the UK Stewardship Code.

Manager Meeting Attendance

The IC invites its appointed investment managers to attend meetings, typically inviting one manager per quarterly meeting. During the period, the IC invited Reams, PIMCO and State Street. The purpose of the sessions is for the managers to provide an update to the IC on their business, the funds held investment performance and their ESG and stewardship policies and practices.

During State Street’s presentation the IC heard that by 2023 State Street would be voting against boards which were not at least 30% female and would also vote against boards where there was not at least one member of an ethnic minority group. The IC welcome this positive development. State Street was also asked to confirm that it is adhering to the Scheme’s SIP, which it did providing high-level references to it ESG policies and practices.

Following the presentation from PIMCO, the IC requested more information on the number of issuers who have been rejected by the portfolio management team for the Diversified Income Fund as a result of ESG analysis. Whilst unable to confirm the number of rejected issuers (as this is not tracked for the fund the Scheme invests in), PIMCO have provided examples to the IC where a negative ESG score has contributed to issuers being rejected.

Reviewing the Responsible Investment Policy of the Scheme

The IC received a presentation from Aon detailing the climate strategy of the Cambridge University Endowment Fund (“CUEF”) and also the Net Zero commitments made by the University of Cambridge and Trinity College. The presentation also identified steps the IC could take if the Scheme wanted to align with the climate strategy of the CUEF. Before progressing further, the IC initiated further analysis to establish that any changes to the current policy would be in the best interest of members.

Climate Change Working Group

The IC set up a working group to consider why taking a more active stance to tackle climate change risk within the Scheme would be in the best interest of its members. Following this, a paper was prepared for the IC to support discussions with the Trustee Board regarding aligning the Scheme’s sustainability policy with that of the Sponsoring Employer. This report set out:

- The regulatory requirements on trustees in relation to climate change
- The impact of climate change and implications for investors
- An overview of the Scheme’s current Responsible Investment Policy
- Steps that can be taken to mitigate climate change risk and capitalise on the climate change opportunity.

It was agreed by the Trustee Board that the next step would be to look at the carbon footprint of the Scheme’s assets.

Carbon Footprint Analysis

Aon was asked to undertake the Scheme’s carbon footprint analysis, to help the IC and Trustee understand climate risk exposure within the Scheme’s existing portfolio. as a basis considering whether to make a long-term climate related commitment for the Scheme.

Aon undertook this analysis across the asset classes and investment managers in which the Scheme invests. Specifically, the analysis was seeking to answer the following questions associated with the Scheme’s investments:

- What is the total carbon footprint?
- What is the normalised carbon footprint per £m invested?
- What is the exposure to carbon intensive companies?
- What proportion of the portfolio shows ‘good quality’ data?

This work was completed post the period covered by this review and therefore further details of the outcomes will be provided in next year’s statement. However, it is worth noting that the IC are mindful that the carbon footprint analysis is just one input into an understanding of climate risks in the Scheme portfolios.
Cost and Transparency

During the year, the IC reviewed the Scheme’s investment managers’ portfolio costs and benchmarked these against relevant peer groups for reasonableness. Following this, it was agreed that Aon would enter into fee negotiations with BlackRock, Genesis and PIMCO where associated costs were deemed to higher than expected. Subsequently, BlackRock have reduced their annual management fee.

Voting and Engagement Activity – Equities

Over the year, the equity investments held by the Scheme were:

- Liontrust (formerly Majedie) Asset Management – UK Equity Fund
- State Street Global Advisors
  - Emerging Markets Equity Index Sub-Fund
  - Fundamental Index Global Equity Sub-Fund
  - UK Equity Index Sub-Fund
  - Asia Pacific ex Japan Equity Index Sub-Fund
  - Europe (Ex UK) Equity Index Sub-Fund
  - Japan Equity Index Sub-Fund
  - North America Equity Index Sub-Fund
- Genesis Investment Management Ltd – Global Emerging Markets Equity

Voting approach

Majedie uses Institutional Shareholder Services (“ISS”) for voting research and places its electronic votes through ISS’s voting platform, ProxyExchange. Majedie is guided by its custom voting policy. When reaching a voting decision, where a management recommendation and ISS’s recommendation are in alignment Majedie will be minded to vote in the same way, except where items concern approval of political donations and expenditure where Majedie will be minded to vote against. Where there is divergence between management and ISS, the relevant Majedie fund manager will decide how to vote. Majedie also scrutinises the recommendations of management and ISS in the UK small cap space.

Voting activity over the year

The table below shows the voting statistics for the UK Equity Fund the period 1 July 2021 to 30 June 2022, which broadly matches the Scheme’s reporting year.
<table>
<thead>
<tr>
<th>Number of resolutions eligible to vote on over the period</th>
<th>% of resolutions voted on for which the fund was eligible</th>
<th>Of the resolutions on which the fund voted, % that were voted against management</th>
<th>Of the resolutions on which the fund voted, % that were abstained from</th>
</tr>
</thead>
<tbody>
<tr>
<td>Majedie UK Equity Fund</td>
<td>2,694</td>
<td>100.0%</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

Source: Majedie. Please note that managers generally collate voting information on a quarterly basis. The voting information provided above is for the year to 30 June 2022. This broadly matches the Scheme year.

Majedie provided a further breakdown of votes against management:

<table>
<thead>
<tr>
<th>Topic</th>
<th>% of votes against management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director related</td>
<td>21%</td>
</tr>
<tr>
<td>Routine/Business</td>
<td>41%</td>
</tr>
<tr>
<td>Capitalisation</td>
<td>17%</td>
</tr>
<tr>
<td>Compensation</td>
<td>21%</td>
</tr>
</tbody>
</table>

Source: Majedie

Most of the votes against management in the Routine/Business category followed its voting guidelines which are against political donations. In the Directors category, Majedie primarily voted against the (re)election of directors where it had concerns over the independence of the board.

**Engagement approach**

Majedie sees engagement as a critical component of its investment process in helping it understand its investments, the key issues and potential risks companies might face going forward. Majedie engages with investee companies via meetings, phone calls and written communications as part of its investment process, with the level of engagement driven by its assessment of the material issues a company faces. Majedie escalates engagements on a case by case basis, if needed. This may involve breaking requests down into multiple, smaller steps or speaking to multiple company representatives.

Majedie reports on its engagements, including any subsequent votes, in its quarterly reports to clients and in its annual Responsible Capitalism report. Over the Scheme year, Majedie engaged with approximately 120 companies in the UK Equity Fund.

**State Street Global Advisors ("SSGA")**

**Voting approach**

SSGA’s uses proxy voting service provider ISS as a proxy voting agent, to apply SSGA’s proxy voting guidelines and for research and analysis on general corporate governance issues and specific proxy items.

SSGA’s stewardship team reviews its proxy voting guidelines with ISS on an annual basis or on a case-by-case basis as needed. Members of the stewardship team evaluate each proxy vote against their proxy voting guidelines, which seek to maximise the value of its client accounts. Additionally, SSGA may refer significant issues to its proxy review committee to decide the proxy vote.

**Voting activity over the year**

The table below shows the voting statistics for the SSGA funds the Scheme was invested in the period 1 July 2021 to 30 June 2022, which broadly matches the Scheme’s reporting year.
Number of resolutions eligible to vote on over the period | % of resolutions voted on for which the fund was eligible | Of the resolutions on which the fund voted, % that were voted against management | Of the resolutions on which the fund voted, % that were abstained from
--- | --- | --- | ---
Emerging Markets Equity Index Sub-Fund | 32,223 | 96.9% | 17.1% | 2.9%
Fundamental Index Global Equity Sub-Fund | 38,285 | 98.4% | 9.8% | 1.3%
UK Equity Index Sub-Fund | 10,344 | 100.0% | 7.3% | 0.2%
Asia Pacific ex Japan Equity Index Sub-Fund | 3,302 | 100.0% | 16.6% | 0.8%
Europe (Ex UK) Equity Index Sub-Fund | 8,932 | 99.1% | 10.8% | 0.7%
Japan Equity Index Sub-Fund | 6,143 | 100.0% | 7.3% | 0.0%
North America Equity Index Sub-Fund | 8,094 | 99.4% | 10.0% | 0.5%

Source: SSGA. Please note that managers generally collate voting information on a quarterly basis. The voting information provided above is for the year to 30 June 2022. This broadly matches the Scheme reporting year.

Engagement approach
SSGA’s stewardship team has developed an issuer engagement protocol and a framework to increase the transparency of its engagement philosophy, approach and processes. The protocol is designed to communicate the objectives of SSGA’s engagement activities and to facilitate a better understanding of preferred terms of engagement with investee companies.

At a firm level, SSGA carried out 990 engagements with 666 entities over the year to 30 June 2022. The main themes of engagements were compensation, human capital, racial equity and climate change.

Genesis Investment Management LLP (“Genesis”) – Global Emerging Markets Equity Fund

Voting approach
In its voting decisions, Genesis’s objective is to protect and enhance long-term shareholder value. Proxy voting decisions are based on its set of corporate governance principles and are taken in the best interest of clients. Genesis is mindful of the various market practices across emerging market countries and it recognises that more than one governance model may be effective.

Genesis views proxy voting as an investment function and in evaluating a proposal, its investment team draws on a variety of resources including their many years of experience as investment analysts. Genesis provides feedback to boards and management on significant voting matters where appropriate and this in turn informs its ongoing investment analysis and company engagements. Genesis uses proxy voting adviser, ISS, for research and voting recommendations, to execute votes and record keeping. ISS’s services, performance and any potential conflicts of interest are reviewed on a periodic basis.

Voting activity over the year
The table below shows the voting statistics for the Global Emerging Markets Equity Fund the period 1 July 2021 to 30 June 2022, which broadly matches the Scheme’s reporting year.
Number of resolutions eligible to vote on over the period | % of resolutions voted on for which the fund was eligible | Of the resolutions on which the fund voted, % that were voted against management | Of the resolutions on which the fund voted, % that were abstained from
--- | --- | --- | ---
Genesis Global Emerging Markets Equity | 1,305 | 98.2% | 6.7% | 1.0%

Source: Genesis. Please note that managers generally collate voting information on a quarterly basis. The voting information provided above is for the year to 30 June 2022. This broadly matches the Scheme year.

Genesis provided a further breakdown of votes against management:

<table>
<thead>
<tr>
<th>Topic</th>
<th>% of votes against management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director related</td>
<td>41%</td>
</tr>
<tr>
<td>Routine/Business</td>
<td>32%</td>
</tr>
<tr>
<td>Capitalisation</td>
<td>12%</td>
</tr>
<tr>
<td>Reorganisation and mergers</td>
<td>7%</td>
</tr>
<tr>
<td>Compensation</td>
<td>7%</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: Genesis

**Engagement approach**

Genesis views engagement as the purposeful communication with company management on a wide range of matters which have a material impact on long-term shareholder value. It aims to create a positive impact for stakeholders, without compromising its ability to generate investment returns. Genesis focuses engagement efforts on a) research and b) to influence investee companies.

Genesis engages directly with investee companies on an ongoing basis to develop in-depth knowledge of the risks and opportunities facing the business and to assess the quality of companies’ management. As part of the investment case for each holding, the portfolio manager includes an engagement plan to address ESG areas of improvement where appropriate. Engagement progress is assessed quarterly. If engagements do not yield results, Genesis may escalate the issue by meeting with the CEO or board members, formalising concerns in a letter to the board, or reducing/selling its position in the company.

For the year to 30 June 2022, Genesis estimates that it has engaged with over 90% of the companies in the Global Emerging Markets Equity portfolio (c.80 companies) and for the majority of companies there was more than one engagement. In 2021, Genesis’s Investment Team conducted around 1,000 calls and meetings with companies and their competitors, customers, supply chain entities and former employees. Of these engagements, over 150 involved ESG issues at portfolio companies.

**Engagement Activity – Bonds**

Whilst voting rights are not applicable to non-equity mandates, the Trustee recognises that debt investors have significant capacity for engagement with issuers of debt. Debt financing is continuous, and so debt issuers have a vested interest to make sure that investors are happy with the issuer’s strategic direction and policies. Whilst upside potential may be limited in comparison to equities, downside risk mitigation and credit quality are critical parts of the investment decision-making process.

Over the year, the Scheme was invested in the following fixed income funds:
• Pacific Investment Management Company – Diversified Income Fund
• Reams Asset Management – Unconstrained Bond Fund
• CVC Credit Partners – Direct Lending Fund

Below is further information on the engagement activities carried out by the Scheme’s fixed income managers over the year. At the time of writing, CVC Credit Partners did not provide engagement information to include in the EPIS.

Pacific Management Investment Company ("PIMCO") – Diversified Income Fund

PIMCO sees engagement as an essential tool for delivering impact for investors, markets and society. It believes that engagement can be partnering with issuers that already demonstrate strong sustainability commitments and those with less advanced sustainability practices. PIMCO believes that this can be a way for it to influence positive change that may benefit investors, employees, society and the environment.

PIMCO’s credit research analysts engage regularly with issuers, discussing topics with company management teams related to corporate strategy, leverage and balance sheet management, as well as sustainability-related topics such as climate change targets and environmental plans, human capital management and board qualifications and composition.

During 2021, PIMCO engaged with 295 issuers in the Diversified Income Fund. At a firm-wide level, PIMCO engaged with more than 1,500 issuers throughout 2021. PIMCO carried out over 4,000 engagements with these issuers. This includes for the multiple interactions with the same issuers as well as multiple topics covered in each interaction.

Reams Asset Management ("Reams") – Unconstrained Bond Fund

Reams subscribes to a pooled engagement service with ISS, where ISS engages with companies on behalf of subscribers to address ESG issues and risks. Reams believes this is an effective means to leverage the strength of the broader group of investors represented by ISS and influence issuers with material ESG risk. While this process is passive, Reams tracks the engagements ISS makes on a quarterly basis and reviews the progress of ongoing engagements. Reams’ parent company, Carillon Tower Advisers, is developing corporate engagement protocols and tools to facilitate both individual and collaborative engagements across its affiliates, which is expected to lead to more focused and effective engagements in time.

Reams’ current engagement activities are restricted to pooled engagement services provided by ISS and hence Reams was unable to provide any engagement examples. In July 2022, the Trustee’s investment adviser, Aon, engaged with Reams about the lack of engagement reporting. Reams confirmed that it has put engagement protocols in place and more meaningful engagement reporting can be expected in the future.

Engagement Activity – Alternatives

Over the year, the Scheme was invested in the following alternative investments:

• BlackRock Alternative Advisors – Capital Appreciation Strategy (Hedge Fund)
• Aegon Asset Management – UK Property Fund
• Copenhagen Investment Partners – Fund IV (Renewable Infrastructure)

The Trustee recognises that while the ability to engage varies by strategy and the investment processes and often illiquid nature of alternative investments may mean that certain types of engagement and stewardship harder to achieve, it is still important to ensure the ESG and climate related risk are being managed. Consequently, the Trustee expects that its managers should undertake a dialogue with the issuers/companies they invest in to address concerns that may be financially material and promote responsible long-term behaviour.

Below is further information on the engagement activities carried out by the Scheme’s alternative managers over the year.

Hedge Funds: BlackRock Alternative Advisors ("BlackRock") – Capital Appreciation Strategy Fund

BlackRock’s Capital Appreciation Strategy is a fund of hedge funds, where BlackRock does not have investment discretion over the underlying holdings of the hedge fund managers in the portfolio. As such, BlackRock has limited ability to engage with or influence the underlying companies, governments or other issuers of securities. Further, BlackRock does not hold direct voting rights for any the underlying holdings in the portfolio.
At a firm level, BlackRock’s key engagement priorities include:

- Board quality and effectiveness
- Strategy, purpose and financial resilience
- Incentives aligned with value creation
- Climate and natural capital
- Company impacts on people

BlackRock considers engagement to be at the core of its stewardship efforts. It enables BlackRock to provide feedback to companies and build a mutual understanding about corporate governance and sustainable business practices. Each year, BlackRock sets engagement priorities to focus on, such as governance and sustainability issues that it considers to be most important for companies and its clients.

Real Estate: Aegon Asset Management ("Aegon") – UK Property Fund

Aegon believes that actively engaging with companies to improve their ESG performance and corporate behaviour is generally more effective than excluding companies from investment. Engagements are conducted by its investment managers, research analysts and its Responsible Investment team.

Within real estate, Aegon’s engagement activity involves meetings with the underlying managers of the properties in the portfolio. The engagements cover a variety of topics including management changes, corporate actions, Global Real Estate Sustainability Benchmark ("GRESB") reporting and scores, environmental targets, and governance issues.

In 2021, Aegon carried out 30 engagements covering all the holdings in the UK Property Fund.

Infrastructure: Copenhagen Investment Partners ("CIP") – Fund IV (Renewable Infrastructure)

If CIP believes that an investee company cannot or is unwilling to respect sustainability-related topics, CIP will seek to engage with that party on such matters. Generally, CIP’s engagement process is as follows: Determine if the party is able and willing to change behaviour. Attempt to agree an action plan for remediation. CIP may consider terminating the relationship in the case of unwillingness to engage or improve and/or inability to improve.

CIP’s engagement themes are focused on what it believes are the most material ESG factors. The materiality of an ESG factor is determined on the basis of CIP’s experience in energy infrastructure investment, and after considering the extent to which the ESG factor:

- is relevant to infrastructure investment in that market;
- reflects CIP’s funds’ significant economic, social and environmental impacts;
- substantively influences the assessment/decisions of investors; and
- is addressed by CIP’s Responsible Investment policy.

CIP’s material engagement themes are environmental regulation and compliance and future environmental impacts, health and safety, and labour rights.

Summary

Based on the evidence provided by the investment managers and a review by its investment advisors, the Trustee believes that it is reasonable to conclude that the Scheme’s investment managers have continued to improve their stewardship activities in accordance with the Scheme’s stewardship policies.

The Trustee notes that most of its investment managers were able to disclose summary voting statistics and supporting examples of their approach to engagement. (e.g., those included in Appendix A and B to this statement). Managers are also making efforts to provide greater visibility on the topics covered in engagements.

The Trustee recognises that they have responsibility as an institutional investor to encourage and promote high standards of stewardship in relation to the assets that the Scheme invests in.
Investment managers often have significant influence to generate positive outcomes for the Scheme through considered voting and engagement.

The Trustee will therefore continue to engage with its investment managers to ensure visibility of voting and engagement improves, including greater detail on the specific ESG issues prioritised (including climate risk) and the impacts that have been achieved. The Trustee will monitor, assess and ultimately hold investment managers to account to ensure that the assets of the Scheme are appropriately invested.

This statement was approved by the Trustee of Cambridge University Assistants' Contributory Pension Scheme, December 2022
Appendix A – Significant Voting Examples

Below are some significant vote examples provided by the Scheme’s managers. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined below.

Majedie

In April 2022, Majedie voted against a management resolution for NatWest Group to re-elect Frank Dangeard as a Director. Majedie states that in addition to his role as Non-Executive Director of the company, Frank Dangeard serves on boards of three other publicly listed companies. In particular, he is Board Chair at two out of the three other companies. Majedie believes that this could potentially compromise his ability to commit sufficient time to his role at NatWest Group. The resolution was passed with over 30% of votes against. Majedie considered this vote to be significant as it was an item from a meeting of one of the portfolio’s top five holdings in the reporting year where ISS and management voting recommendations disagreed.

SSGA

Asia Pacific ex Japan Equity Index Sub-Fund

In February 2022, SSGA voted against management on a proposal to ratify executive officers’ compensation for Aristocrat Leisure Limited, a gaming content and technology company. SSGA voted against the proposal because it had concerns with the remuneration structure for senior executives at the company. The vote passed with over 90% support. This vote was considered significant as it relates to a vote on a compensation proposal where SSGA voted against the management’s recommendation.

Japan Equity Index Sub-Fund

In May 2021, SSGA voted against the proposal to elect a director for ABC-MART Inc., a Japanese footwear company. SSGA voted in this way due to the lack of gender diversity on the board. The voted passed with over 90% of votes in support of the proposal. This vote was considered significant as it relates to a vote against the re-election of board members due to a lack of gender diversity on the board.

Europe (Ex UK) Equity Index Sub-Fund

In March 2022, SSGA voted against management on a proposal to approve a remuneration policy for Naturgy Energy Group SA, an integrated gas and electric utility company. SSGA voted against the proposal because it had concerns with the remuneration structure for senior executives at the company. As an outcome, the vote passed with over 90% of support. This vote was considered significant as it relates to a vote on a compensation proposal where SSGA voted against the management’s recommendation.

North America Equity Index Sub-Fund

In April 2022, SSGA voted in favour of a proposal for Berkshire Hathaway Inc, a multinational holding company, to report on climate change. SSGA supported the proposal because it believed the company’s disclosure and practices related to climate change could be improved. The vote failed with over 70% votes against the proposal. This vote was considered significant as it was an environmental-related shareholder proposal.

UK Equity Index Sub-Fund

In May 2022, SSGA voted against a shareholder proposal for BP Plc, an oil and gas company, regarding its greenhouse gas (“GHG”) emissions. SSGA voted against the proposal because it believed the company’s disclosure and practices related to GHG emissions to be reasonable. The vote failed with almost 80% of votes against the proposal. This vote was considered significant as it was an environmental-related shareholder proposal.

Fundamental Index Global Equity Sub-Fund

In June 2022, SSGA voted against a management proposal to elect a director for Shin-Etsu, a Japanese chemical company. SSGA voted this way due to a lack of gender diversity on the board and because the company had not engaged in successful dialogue with SSGA’s board gender diversity program for three consecutive years. The
outcome of the vote is not yet available. This vote was considered significant as it relates to a vote against the re-election of board members due to a lack of gender diversity.

**Emerging Markets Equity Index Sub-Fund Fund**

In January 2022, SSGA voted against a proposal to approve a remuneration policy for Life Healthcare Group holdings, a South-African based healthcare company. SSGA voted against the proposal because it had concerns with the remuneration structure for senior executives at the company. The vote passed with 62% support. This vote was considered significant because it relates to a vote on a compensation proposal where SSGA voted against the management’s recommendation.

**Genesis**

In April 2022, Genesis voted against the re-election of Patrick Butler as a director of Himka Pharmaceuticals Plc. Genesis voted this way because only 22% of the company’s board are women, which is not aligned with the target set by the government-backed Hampton-Alexander Review into the lack of representation of women in leadership positions. As chair of the nomination committee, Patrick Butler is considered responsible for overseeing board composition. The vote passed. Genesis considers votes against the management recommendation to be significant.
Appendix B – Engagement Examples

Below are some engagement examples provided by some of the Scheme’s managers.

Majedie

• Over the past two years, Majedie engaged with RS Group (formerly Electrocomponents), a British-based distributor of industrial and electronic products, about its supply chain risks. Majedie discussed the steps the company is taking to ensure its supply chain is robust, has sufficient oversight, is of a manageable size, and how the company is working to reduce carbon emissions. Majedie believes the company has made considerable progress with its supply chain. It believes there is more work to be done, but the company has a good handle on this area and is working towards greater resiliency.

• In February 2022, Majedie engaged with Anglo American, a British-listed, diversified miner of copper (Majedie has previously engaged with the group in March and September 2021) about its steps to reduce energy usage, and production of coal. Majedie discussed the group’s energy sourcing, including the plan to build solar panels to take operations off grid in South Africa, and technology in use to reduce energy consumption in the mining process.

Genesis

In the last 12 months, Genesis engaged with Puregold Price Club (“Puregold”), a supermarket chain in the Philippines, about improving its ESG disclosures. Genesis shared with the company’s CEO an example of what Genesis considers to be good quality ESG reporting. This engagement is part of Genesis’s on-going efforts to encourage Puregold to improve its ESG reporting and ESG efforts.

PIMCO

In 2021, PIMCO engaged with an issuer who is a leading computer developer and retailer. PIMCO encouraged the company to disclose the results of its supplier audit which inspects a supplier’s usage of industry regulation practices and to provide assurances that it responsibly sources minerals within its supply chain. PIMCO also discussed net zero carbon emissions goals.

Following the engagement, the issuer confirmed that its audits cover most of its supply chain. The issuer also disclosed which of its suppliers conform with the Responsible Minerals Assurance Process (“RMAP”), the industry ESG standard for mineral supply chains. The issuer is working to achieve 100% RMAP conformance for its supply chain. The issuer is also exploring the use of Science Based Targets initiative for its net zero goals. PIMCO believes that the company had made good progress on its carbon emission reductions but there was still room for improvement. PIMCO will continue to engage with the company on supply chain transparency.

Aegon

In 2021, Aegon engaged with the manager of the Unite Student Accommodation Fund. The aim of the engagement was to improve and modernise the fund’s terms, and investor rights and protections. Aegon raised several issues including proposed changes to the redemption mechanisms, the performance fee structure and the composition of the Unitholder Advisory Committee. Aegon played a leading role in forming a minority unitholder group with other investors and advisors to collectively engage with the manager.

As a result of the engagement, the manager agreed to periodically review fund terms. Several resolutions proposing changes to the fund were voted on by unitholders in Q3 2021. Aegon will continue to engage with the manager, particularly in relation to the composition of the Unitholder Advisory Committee.
Copenhagen Investment Partners ("CIP")

At the time of writing, CIP was unable to provide an engagement example for the Fund IV. The example provided below is at a firm level, i.e., it is not specific to the fund the Scheme is invested in.

During 2021, CIP engaged the senior regional management of a solar photovoltaic materials supplier in China after assessing that the supplier had a potential exposure to human and labour rights issues. CIP’s objective was to understand the supplier's exposure to these issues and communicate CIP’s zero tolerance for these issues. CIP’s engagement team escalated this issue to CIP’s senior management.

The outcome of the engagement was that CIP received written confirmation from the supplier that its supply chain was free of such issues, and a confirmation that any future procurement would be on terms that specifically addressed the standards of conduct required. The outcome met CIP’s objective and resulted in a wider societal benefit. CIP will continue to follow-up on a periodic basis with the supplier, as well as place specific attention on this issue during procurement processes, in due diligence and contracting.