Engagement Policy Implementation Statement ("EPIS")

Stanplan F – The Royal Highland and Agricultural Society of Scotland (the "Scheme")

Scheme Year End – 30 November 2024

The purpose of the EPIS is for Entrust Pension Limited, the Trustee of the Scheme, to demonstrate the actions taken during Scheme year to achieve certain policies and objectives set out in the Statement of Investment Principles ("SIP").

The contents of this EPIS 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.

Trustee 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 the view of the Trustee, most of the Scheme's material investment managers were able to disclose good evidence of voting and/or engagement activity, and the activities completed by our managers align with our stewardship expectations.

The Trustee delegates the management of the Scheme's assets to our fiduciary manager, Aon Investments Limited ("Aon"). The Trustee believes the activities completed by AIL to review the underlying investment managers' voting and engagement policies align with the Trustee's stewardship expectations. The Trustee believes its voting rights have been implemented effectively on our behalf.

Summary of 'The Trustee Engagement Action Plan'

Not all underlying investment managers were able to provide all the engagement information requested by AIL. AIL will continue to engage with these managers to encourage improvements in their reporting. These issues are set out in the Trustee's Engagement Action Plan.

How voting and engagement policies have been followed

The Scheme is invested entirely 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 Trustee does not directly engage or cooperate with underlying managers or other institutional investors on ESG issues. The Trustee delegates responsibility to its fiduciary manager, AIL, to engage with underlying managers as part of portfolio construction.

The Trustee has reviewed the stewardship activity of the material underlying investment managers over the Scheme year and in its view, most of the investment managers were able to disclose good evidence of voting and/or 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.

Responsible Investment (RI) policy development

The Trustee's RI policy was created following an exercise to collate the individual views of the Trustee's team with respect to different RI issues. The Trustee reviewed the conclusions from this exercise alongside the features of the Scheme and its investment arrangements to formally establish its RI views, beliefs and objectives. This exercise resulted in the establishment of a statement of RI beliefs, which guided the RI policy set out in the SIP. Throughout the year, the Trustee ensured the RI policy remained relevant and up to date. This included, for example, a review of the RI beliefs in December 2023 where the Trustee considered updating its collective RI beliefs.

Ongoing monitoring

The Trustee receives in depth portfolio updates from AIL at quarterly Trustee meetings, covering investment performance, portfolio positioning and topical updates, including ESG-related updates.

Each year, usually at one of its quarterly Trustee meetings, the Trustee reviews the annual stewardship report provided by AIL. This sets out detailed voting and engagement commentary for each underlying investment manager within the fiduciary investment portfolio and, alongside this EPIS, allows the Trustee to assess the actions taken by the AIL-appointed investment managers over the year.

Sponsor consultation

The Trustee believes that the views of the sponsor, where applicable, should be aligned to the Scheme's RI policy and objectives. The sponsor is consulted with any amendments to the SIP.

The Scheme's stewardship policy can be found in the SIP: Stanplan F – The Royal Highland and Agricultural Society of Scotland – Gateley (gateleyplc.com)

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

Trustee’s Engagement Action Plan

Based on the work we have done for the EPIS, the Trustee noted the following and will take the outlined steps where appropriate, with AIL’s support, over the next 12 months:

1. While Legal and General Investment Management (“LGIM”) did provide a comprehensive list on fund level engagements, which we find encouraging, it did not provide detailed engagement examples specific to the fund in which we are invested, as per the Investment Consultants Sustainability Working Group (“ICSWG”) best practice industry standard. We will request our fiduciary manager meets with LGIM to better understand its engagement practices and discuss the areas which are behind those of its peers.

2. The Trustee will invite an RI specialist from its fiduciary manager to a meeting to get a better understanding of how it is monitoring voting and engagement practices, and how these help the Trustee fulfil its Responsible Investment policies.

3. The Trustee will continue to undertake an annual review of the AIL stewardship report and evaluate how the underlying investment managers’ Responsible Investment policies align with those of the Trustee.

What is the Engagement Action Plan?

In preparing the Engagement Policy Implementation Statement, AIL and the Trustee have discovered specific areas where they would like to see improvement over time.

The Engagement Action Plan sets out specific issues that AIL and the Trustee will look to address over the forthcoming year, as well ongoing commitments around ESG monitoring and reporting.

Our fiduciary manager’s engagement activity

As set out in the Scheme’s SIP, the Trustee invests the Scheme’s assets in Aon’s fiduciary management platform. Under this arrangement, the implementation of the Scheme’s investment strategy is delegated to Aon, acting within parameters set by the Trustee.

The Scheme’s assets may be invested in a combination of return-seeking funds including the Managed Growth and the Diversified Liquid Credit Strategy as well as, four “Fruition” funds which contain growth assets and liability matching assets. The strategic allocation to each fund is determined by the target level of return, and target hedging of interest rates and inflation.

The underlying investment managers within each selected fund are appointed by Aon, based on Aon’s best ideas and due diligence processes.

The Trustee delegates monitoring of ESG integration and stewardship of the underlying managers to AIL. The Trustee has reviewed AIL’s latest annual Stewardship Report, and believes it shows that AIL is using its resources to effectively influence positive outcomes in the funds in which it invests.

Over the year, Aon held several engagement meetings with many of the underlying managers in its funds. At these meetings, Aon discussed ESG integration, stewardship, climate, biodiversity, and modern slavery with the investment managers. Aon provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

Over the year, Aon engaged with the industry through white papers, working groups, webinars, and network events, as well as responding to multiple consultations.

In 2021, Aon committed to achieve net zero emissions by 2050, with a 50% reduction by 2030 for its fully delegated clients’ portfolios and defined contribution default strategies (relative to baseline year of 2019).

Aon also successfully renewed its signatory status to the 2020 UK Stewardship Code.

What is fiduciary management?

Fiduciary management is the delegation of some, or all, of the day-to-day investment decisions and implementation to a fiduciary manager. But the trustees still retain responsibility for setting the high-level investment strategy.

In fiduciary management arrangements, the trustees will often delegate monitoring ESG integration and asset stewardship to its fiduciary manager.

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.

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

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 2024.

Funds	**Number of resolutions eligible to vote on**	**% of resolutions voted**	**% of votes against management**	**% of votes abstained from**
Legal and General Investment Management (“LGIM”) - Multi-Factor Equity Fund	11,565	99.6%	20.8%	0.4%
UBS Global Asset Management (“UBS”) - Global Equity Climate Transition Fund	12,145	93.0%	8.0%	0.1%

Source: Managers. 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 managers use proxy voting advisers.

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.

Managers	**Description of use of proxy voting advisers** ***(in the managers’ own words)***
LGIM	LGIM’s Investment Stewardship team uses Institutional Shareholder Services’ (“ISS”) ‘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.
UBS	UBS AM retains the services of ISS for the physical exercise of voting rights and for supporting voting research. UBS retains full discretion when determining how to vote at shareholder meetings.

Source: Managers

Significant voting examples

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.

Funds	**Number of engagements**		**Themes engaged on at a fund level**
	Fund level	**Firm level**	
Abrdn - Climate Transition Bond Fund	104	1,868	Environment - Climate; Other Environment Related Social - Human Rights & Stakeholders Governance - Corporate Governance; Corporate Behaviour
Aegon Asset Management ("Aegon") - European Asset Backed Securities ("ABS") Fund	115	422	Environment - Climate Change Social - Human and Labour Rights Governance - Leadership - Chair/CEO; Remuneration Other - General Disclosure
LGIM - Multi-Factor Equity Fund	682	*Not provided*	Environment - Climate Impact Pledge Social - Human Rights Governance - Capital Management; Remuneration Other - Corporate Strategy
Robeco - Sustainable Development Goals ("SDG") Credit Income Fund	12	324	Environment - Climate Change Social - Human and Labour Rights Governance - Shareholder Rights; Board Effectiveness - Other
UBS - Global Equity Climate Transition Fund	174	425	Environment - Climate Change Governance - Remuneration; Board Effectiveness - Other; Leadership - Chair/CEO Strategy, Financial & Reporting - Capital Allocation
Janus Henderson - ABS Fund	50	716	Environment - Climate Change; Climate Risk Analysis Social - Human and Labour Rights; Inequality Strategy, Financial & Reporting - Reporting

Source: Managers

Data limitations

At the time of writing, LGIM has provided a complete list of engagements for the invested fund, however, did not include as much detail as recommended in the best practice industry standard Investment Consultants Sustainability Working Group ("ICSWG") template.

This report does not include commentary on the Scheme’s investments in gilts and cash because of the limited materiality of stewardship to these asset classes. Further, this report does not cover any additional voluntary contributions (“AVCs”).

Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Scheme's managers. We consider a significant vote to be one which the relevant investment manager deems significant, based on its own criteria Investment 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 - Multi-Factor Equity Fund	**Company name**	Microsoft Corporation
	Date of vote	10 December 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.4
	Summary of the resolution	Resolution 9: Report on AI Data Sourcing Accountability
	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 with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an Annual General Meeting ("AGM") as our engagement is not limited to shareholder meeting topics.
	Rationale for the voting decision	Shareholder Resolution - Governance: A vote FOR this resolution is warranted as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language models.
	Outcome of the vote	Fail
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
	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.
UBS - Global Equity Climate Transition Fund	**Company name**	Apple Inc.
	Date of vote	28 February 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	*Not provided*
	Summary of the resolution	Report on Use of Artificial Intelligence
	How you voted?	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
	Rationale for the voting decision	The company's lack of disclosure regarding AI limits shareholders' ability to evaluate the risks associated with the use of AI or the actions the company is potentially taking to mitigate those risks. Improved transparency and the

	disclosure of an ethical guideline may alleviate shareholder concerns.
Outcome of the vote	Fail
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	Given strong shareholder opposition, we shall monitor further developments.
On which criteria have you assessed this vote to be most significant?	Aggregate percentage of votes in support of shareholder resolution exceeded 37% of votes cast.

Source: Managers