

# Engagement Policy Implementation Statement (“EPIS”)

## The Sodexo Pension Fund (the “Fund”)

Fund Year End – 5 April 2024

The purpose of the EPIS is for us, the Trustee of the Sodexo Pension Fund, to explain what we have done during the year ending 5 April 2024 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Fund’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.

### Our 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 our view, most of the Fund’s material investment managers were able to disclose good evidence of voting and/or engagement activity. We believe that the activities the managers have completed align with our stewardship priorities, and that our voting policy has been implemented effectively in practice.

The Trustees continue to gain a more detailed insight and understanding of the investment managers’ policies on voting and engagement and how the managers put their policies into practice. Over the coming year, the Trustee, working with our investment adviser Aon Investments Limited (Aon), will continue to engage with the investment managers regarding their stewardship and engagement activities and challenge those managers who didn’t provide adequate information to provide more detail and clarity around their engagement activities.

## How voting and engagement policies have been followed

The Fund is invested entirely in pooled funds, and so the responsibility for voting and engagement is delegated to the Fund's investment managers, which is in line with the policies set out in our SIP. We reviewed the stewardship activity of the material investment managers carried out over the Fund year and in our 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 Fund's investment managers can be found in the following sections of this report.

Over the reporting year, we monitored the performance of the Fund's investments on a quarterly basis and received updates on important issues from our investment adviser, Aon. In particular, we received quarterly Environment Social Governance ("ESG") ratings from Aon for the funds the Fund is invested in where available.

During the year, we received training on ESG and stewardship topics, and agreed our policies in relation to these. Aon also provided the Trustee with a paper and a session on Carbon Emissions, the purpose of which was to provide the Trustee with a summary of the carbon emissions associated with the Fund's investments.

Each year, we review the voting and engagement policies of the Fund's investment managers to ensure they align with our own policies for the Fund and help us to achieve them. Reference to these policies is reported on a quarterly basis in Aon's quarterly report and updated annually.

The Fund's stewardship policy can be found in the SIP: <http://bit.ly/Sodexo-SIP>

### 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 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*

## Our 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 Fund's investments is an important factor in deciding whether a manager remains the right choice for the Fund.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Fund's equity-owning investment manager to responsibly exercise their voting rights.

### Voting statistics

The table below shows the voting statistics for each of the Fund's material funds with voting rights. Managers collate voting information on a quarterly basis. The voting information provided is for the year to 31 March 2024 which broadly matches the Fund year.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
BlackRock - Aquila Life World (ex-UK) Currency Hedged Equity Index Fund	27,144	94.3%	5.8%	0.5%
BlackRock - Aquila Life World Fund	39,737	95.3%	4.7%	0.7%

Source: BlackRock

Please note that the 'abstained' 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 Fund's equity-owning manager uses proxy voting advisers.

Manager	Description of use of proxy voting adviser (In the manager's own words)
BlackRock	We use Institutional Shareholder Services' ("ISS") electronic platform to execute our vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, we work with proxy research firms who apply our proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform our voting decision.

Source: BlackRock

### 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

### 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.

## Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Fund's equity-owning investment manager to provide a selection of what they consider to be the most significant votes in relation to the Fund'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 Fund's material managers. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e. is not necessarily specific to the funds invested in by the Fund.

Funds	Number of engagements		Themes engaged on at a fund/ firm level
	Fund level	Firm level	
BlackRock - Aquila Life World (ex-UK) Currency Hedged Equity Index Fund	1,684	3,768	Environment - Climate Risk Management, Other company impacts on the environment, Water and Waste, Biodiversity Social - Human Capital Management, Diversity and Inclusion, Health and Safety, Social Risks and Opportunities Governance - Corporate Strategy; Remuneration, Governance Structure, Board Composition and Effectiveness, Business Oversight/Risk Management
BlackRock - Aquila Life World Fund	3,152	3,768	Environment - Climate Risk Management, Biodiversity, Other company impacts on the environment, Water and Waste Social - Human Capital Management, Diversity and Inclusion, Health and Safety, Social Risks and Opportunities Governance - Corporate Strategy, Board Composition and Effectiveness, Remuneration, Business Oversight/Risk Management, Governance Structure
Canyon Partners ("Canyon") - Distressed Opportunities Fund III	<i>Not provided</i>	6	Social <sup>1</sup> - Human and Labour Rights Governance <sup>1</sup> - Shareholder Rights Strategy, Financial & Reporting <sup>1</sup> - Strategy/Purpose
Europa Capital - Fund V	1 <sup>2</sup>	2 <sup>3</sup>	Other - Annual Tenant Engagement
Europa Capital - Fund VI	1 <sup>2</sup>	2 <sup>3</sup>	Other - Annual Tenant Engagement
Nuveen Asset Management ("Nuveen") - Real Estate Debt Partners Fund II	4 <sup>4</sup>	564 <sup>5</sup>	Environment - Climate Change
Oak Hill Advisors ("OHA") - LP Diversified Credit Fund	26	100	Other <sup>1</sup> - Other

Source: Managers.

<sup>1</sup>The following managers did not provide fund level themes; themes provided are at a firm-level:

- Canyon
- Oakhill

<sup>2</sup>Europa Capital engages with all tenants of the Funds through its Annual Tenant Engagement Survey

<sup>3</sup>Europa Capital, at a firm-level, engaged with the Investors in Non-listed Real Estate Vehicles ("INREV") Research Committee and the Urban Land Institute ("ULI") Sustainability Committee over the year

<sup>4</sup>Nuveen engaged with 4 of the Fund's loan sponsors over the year

<sup>5</sup>The total number of firm-level engagements at Nuveen comprises of engagements across all the asset classes it manages including equity

## Data limitations

At the time of writing, the following managers did not provide all the information we requested:

- BlackRock did provide fund-level engagement information but not in the industry standard ICSWG template.
- Canyon did not provide fund level engagement information.
- Oakhill did not provide a detailed breakdown of the "Engagement Activity by themes" section for both fund and firm level.
- Due to the difficulty for private equity/credit managers (Apollo and HarbourVest) to obtain and provide engagement data at the time of writing, we have had to exclude them from the implementation statement. We continue to engage with private equity/credit managers to support them in providing engagement data for future reporting.

This report does not include commentary on the Fund's investment in gilts or cash because of the limited materiality of stewardship to these asset classes.

## Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Fund's equity-owning manager. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote. Some examples are outlined below in the manager's own words:

<b>BlackRock - Aquila Life World (ex-UK) Currency Hedged Equity Index Fund</b>	<b>Company name</b>	The Goldman Sachs Group, Inc.
	<b>Date of vote</b>	26 April 2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	<i>Not provided</i>
	<b>Summary of the resolution</b>	Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets
	<b>How you voted?</b>	Votes against resolution
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	We endeavour to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. We publish our voting guidelines to help clients and companies understand our thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which we assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. We apply our guidelines pragmatically, considering a company's unique circumstances where relevant. Our voting decisions reflect our analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and our active investment colleagues.
	<b>Rationale for the voting decision</b>	The company already provides sufficient disclosure and/or reporting regarding this issue or is already enhancing its relevant disclosures.
	<b>Outcome of the vote</b>	Fail
	<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	BlackRock's approach to corporate governance and stewardship is explained in our Global Principles. Our Global Principles describe our philosophy on stewardship, including how we monitor and engage with companies. These high-level principles are the framework for our more detailed, market-specific voting guidelines. We do not see engagement as one conversation. We have ongoing direct dialogue with companies to explain our views and how we evaluate their actions on relevant ESG issues over time. Where we have concerns that are not addressed by these conversations, we may vote against management for their action or inaction. Where concerns are raised either through voting or during engagement, we monitor developments and assess whether the company has addressed our concerns.
	<b>On which criteria have you assessed this vote to be most significant?</b>	<i>Not provided</i>

**BlackRock - Aquila Life World Fund**

<b>Company name</b>	Westlake Corporation
<b>Date of vote</b>	11 May 2023
<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	<i>Not provided</i>
<b>Summary of the resolution</b>	Report on Reducing Plastic Pollution of the Oceans
<b>How you voted?</b>	Votes supporting resolution
<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	We endeavour to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. We publish our voting guidelines to help clients and companies understand our thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which we assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. We apply our guidelines pragmatically, taking into account a company's unique circumstances where relevant. Our voting decisions reflect our analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and our active investment colleagues.
<b>Rationale for the voting decision</b>	Additional information would help shareholders assess investment risks and opportunities related to natural capital, which we deem material to long-term financial results.
<b>Outcome of the vote</b>	Fail
<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	BlackRock's approach to corporate governance and stewardship is explained in our Global Principles. Our Global Principles describe our philosophy on stewardship, including how we monitor and engage with companies. These high-level principles are the framework for our more detailed, market-specific voting guidelines. We do not see engagement as one conversation. We have ongoing direct dialogue with companies to explain our views and how we evaluate their actions on relevant ESG issues over time. Where we have concerns that are not addressed by these conversations, we may vote against management for their action or inaction. Where concerns are raised either through voting or during engagement, we monitor developments and assess whether the company has addressed our concerns.
<b>On which criteria have you assessed this vote to be most significant?</b>	<i>Not provided</i>

Source: BlackRock