

Engagement Policy Implementation Statement (“EPIS”)

CHC Scotia Pension Scheme (the “Scheme”)

Scheme Year End – 30 June 2024

The purpose of the EPIS is for us, the Trustees of the CHC Scotia Pension Scheme, to explain what we have done during the year ending 30 June 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 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.

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 Scheme’s material underlying 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.

We delegate the management of some of the Scheme’s assets to our fiduciary managers, Aon Investments Limited (“Aon”) and Schroders Solutions (“Schroders”). We believe the activities completed by our fiduciary managers, to review the underlying managers’ voting and engagement policies and activities, align with our stewardship expectations. We believe our voting rights have been implemented effectively on our behalf.

As part of the Engagement Action Plan, the Schemes delegated managers (AIL and Schroders) are invited to meetings annually to discuss how they are monitoring the voting and engagement of the underlying managers, and to ensure they are using their resources to effectively influence positive outcomes in relevant funds. Abrdn are also invited to present to the Trustees.

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. We reviewed the stewardship activity of the material investment managers carried out over the Scheme 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 Scheme's investment managers can be found in the following sections of this report.

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

Each year, we review the voting and engagement policies of the Scheme's investment managers to ensure they align with our own policies for the Scheme and help us to achieve them.

The Scheme's stewardship policy can be found in the SIP:
<https://pensioninformation.aon.com/chc/>

Our Engagement Action Plan

Based on the work we have done for the EPIS, we have decided to take the following steps over the next 12 months:

As part of regular updates to the Trustees, we will invite our delegated managers to articulate how they are monitoring the voting and engagement practices of the underlying managers on our behalf, and how these help us fulfil our Responsible Investment policies.

The Trustees will also invite Abrdn to provide an update on engagement.

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 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 fiduciary managers' engagement activity

We invest most of the Scheme's assets via our fiduciary managers, Aon and Schroders. These are fund-of-funds arrangements, where Aon and Schroders select the underlying investment managers on our behalf.

Aon

The Scheme's assets with Aon are invested in a wide range of asset classes including global equities, global multi-factor equity, global impact, global fixed income, sustainable multi-asset credit, low-risk bonds and diversified alternatives.

We delegate monitoring of ESG integration and stewardship of the underlying managers to Aon. We have reviewed Aon's latest annual Stewardship Report, and we believe it shows that Aon 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 strategies. 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.

Throughout the reporting period, Aon continued to work to implement its commitment 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).

During 2024, Aon also successfully renewed its signatory status to the 2020 UK Stewardship Code, which is a voluntary code established by the Financial Reporting Council that sets high standards on stewardship for asset owners, investment managers and service providers.

Schroders

The Scheme's assets with Schroders are invested across a range of asset classes including global equities and fixed income.

We delegate monitoring of ESG integration and stewardship of the underlying managers to Schroders. We have reviewed Schroders' latest annual Stewardship Report, and we believe it shows that Schroders is using its resources to effectively influence positive outcomes in the funds in which it invests.

Schroders is committed to achieving net zero emissions by 2050 or sooner.

Schroders has been a signatory to the UK Stewardship Code since 2021.

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.

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 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.

Voting statistics

The table below shows the voting statistics for each of the Scheme's material funds with voting rights for the year to 30 June 2024.

| Funds | Number of resolutions eligible to vote on | % of resolutions voted | % of votes against management | % of votes abstained from |
|---|---|------------------------|-------------------------------|---------------------------|
| Underlying managers of Aon's Strategies | | | | |
| GQG - Global Equity Fund | 754 | 100.0% | 0.3% | 1.5% |
| Harris - Global All Cap Equity | 747 | 100.0% | 1.3% | 0.0% |
| LGIM - Multi-Factor Equity Fund | 11,793 | 99.6% | 21.0% | 0.4% |
| Mirova - Global Sustainable Equity Fund | 705 | 100.0% | 41.0% | 1.0% |
| Nordea - Global Climate and Environmental Equity Fund | 765 | 92.0% | 9.0% | 0.3% |
| Underlying managers of Schroders' Strategies | | | | |
| BNY Mellon - Global Equity Fund | 10,183 | 96.4% | 13.3% | 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.

| Managers | Description of use of proxy voting advisers (in the managers' own words) |
|------------------------|---|
| GQG Partners | To augment our independent research, we use Institutional Shareholder Services Inc. ("ISS") as an additional source of information to guide our voting. While we find ourselves voting with ISS on the majority of issues, we do not blindly follow their lead and will vote against their recommendations when we deem it necessary. |
| Harris Associates L.P. | We use our own Harris policy that ISS implements on our behalf. |
| LGIM | LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM |

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.

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|------------------------------|--|
| | 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. |
| Mirova | Mirova utilizes ISS as a voting platform for related services such as ballot collecting, vote processing and record keeping. Mirova subscribes to the ISS research, however its recommendation are not prescriptive or determinative to our voting decision. |
| Nordea Investment Management | In general, every vote we cast is considered individually on the background of our bespoke voting policy, which we have developed in-house based on our own principles. |
| | Our proxy voting is supported by ISS. |
| BNY Mellon | Glass Lewis ("GL") acts as our one service provider for the processing of all proxy votes in all markets. GL delivers vote processing through its Internet-based platform Proxy Exchange. Schroders receives recommendations from GL in line with our own bespoke guidelines, in addition, we receive GL's Benchmark research. This is complemented with analysis by our in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers. |

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. Some of the information provided is at a firm-level i.e. is not necessarily specific to the funds invested in by the Scheme.

| Funds | Number of engagements | | Themes engaged on at a fund/ firm level |
|---|-----------------------|---------------------|--|
| | Fund level | Firm level | |
| Underlying managers of Aon's Strategies | | | |
| BlackRock - UK Property Fund* | <i>Not provided</i> | 3,768 | Environment - Climate & Natural Capital Social - Company Impacts on People Governance - Brd Quality and Eff. Strategy, Financial & Reporting* - Strategy & Fin Resilience Other* - Incentives Value Creation |
| Blackstone - Property Partners Europe Fund* | <i>Not provided</i> | <i>Not provided</i> | Environment - Emissions Reduction |
| GQG - Global Equity Fund | 36 | 68 | Environment - Climate Change; Natural Resource Use/Impact Social - Human Capital Management; Conduct, Culture and Ethics Strategy, Financial & Reporting - Risk Management |
| Harris - Global All Cap Equity | | | <i>Not provided</i> |
| PIMCO - Climate Bond Strategy | 186 | 1,355 | Environment - Climate Change Governance - Board, Management & Ownership Strategy, Financial & Reporting - Capital Allocation; Financial Performance Other - ESG Bonds and Others |
| Robeco - Sustainable Development Goals ("SDG") Credit Income Fund | 17 | 319 | Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights Governance - Board Effectiveness - Other Other - SDG Engagement |
| LGIM - Multi-Factor Equity Fund | 296 | 2,500 | Environment - Climate Change, Natural Resource Use/Impact Social - Human Capital Management Governance - Remuneration; Board Effectiveness - Independence or Oversight |
| M&G - Sustainable Total Return Credit Investment Fund | 13 | 297 | Environment - Net Zero/Decarbonisation; Nature and Biodiversity Social - Diversity and Inclusion; Inequality Governance - Board Composition |
| Aegon Asset Management ("Aegon") - European Asset | 127 | 528 | Environment - Climate Change |

| | | | |
|---|---------------------|---------------------|--|
| Backed Securities ("ABS") Fund | | | Governance - Board Effectiveness - Diversity; Leadership - Chair/CEO; Remuneration Other - General Disclosure |
| Royal London Asset Management ("RLAM") - Absolute Return Government Bond Fund | 24 | 667 | Environment - Climate Transition Risk Social - Just Transition; Financial Inclusion; Human and Labour Rights Strategy, Financial & Reporting - Strategy/Purpose |
| Boussard & Gavaudan ("BG") - BG Fund | 19 | 19 | Environment - Climate Change Social - Human Capital Management Governance - Shareholder Rights; Remuneration Strategy, Financial & Reporting - Reporting |
| Man Group - Alternative Risk Premia Fund | <i>Not provided</i> | 81 | Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights; Public Health Governance* - Remuneration |
| Marshall Wace ("MW") - Market Neutral ESG Tops Fund | <i>Not provided</i> | <i>Not provided</i> | Environment - Supply Chain and Deforestation; Electrification and Net Zero; Carbon Emissions |
| Mirova - Global Sustainable Equity Fund | 42 | 122 | Environment - Natural Resource Use/Impact; Climate Change Social - Human and Labour Rights; Human Capital Management Governance - Remuneration |
| Nordea - Global Climate and Environmental Equity Fund | 42 | 1,214 | Environment - Pollution, Waste; Climate Change Governance - Board Effectiveness – Diversity Social - Human and Labour Rights Strategy, Financial & Reporting - Reporting |
| Underlying managers of Schroders' Strategies | | | |
| BNY Mellon - Global Equity Fund* | <i>Not provided</i> | 353 | Environmental or Social Matters; Board Governance (oversight, skillset, effectiveness, refreshment); Shareholder Rights; Executive Compensation |
| Insight - Maturing Buy and Maintain Bond Fund 2021-2025 | 66 | 2,521 | Environment - Climate Change; Natural Resource Use/Impact Social - Human Capital Management; Conduct, Culture And Ethics Strategy, Financial and Reporting - Strategy/Purpose; Financial Performance; Capital Allocation Other – ESG Controversies. |

Source: Managers.

*The following managers did not provide fund-level themes; themes provided are at a firm level:

- BlackRock
- Blackstone
- Man
- MW
- BNY Mellon

Data limitations

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

- BlackRock, BNY Mellon and Man Group did not provide fund-level engagement data.
- BNY Mellon provided limited information in the significant voting examples.
- Harris provided limited information on its engagement activity.
- MW provided limited engagement information, although it did provide detailed examples of its engagement activity at the firm level.
- MW and Blackstone did not provide engagement statistics at a firm or fund level.

This report does not include commentary on certain asset classes such as liability driven investments, gilts, currencies or cash because of the limited materiality of stewardship to these asset classes. Further, this report does not include the additional voluntary contributions (“AVCs”) due to the relatively small proportion of the Scheme’s assets that are held as AVCs.

Engagement Property Abrdn

The Scheme also invests in property through Abrdn (“Abrdn”). At a firm level, Abrdn believes that it is important that engagement activities lead to improvements in its investments. Abrdn therefore maintains close contact with the companies and assets in which it invests. As part of this, Abrdn records concerns and issues raised with its investments, and sets time frames within which it expects these investments to address Abrdn’s concerns. To do this, Abrdn has defined a five step "lifecycle" that enables the manager to track how its investments are addressing Abrdn's concerns and issues. This in turn feeds into Abrdn 's overall analysis and investment decision-making.

Abrdn uses their proprietary research framework ("the ESG Impact Dial") to support its investment strategies, underwriting decisions and asset management approach. The ESG Impact Dial influences the assets that Abrdn buys, how the assets are managed and Abrdn's plans for those assets. The framework helps tailor investors' ESG aspirations to its risk profile and target goals and focuses on avoiding undue risk when managing a real estate asset.

Abrdn is also committed to playing a constructive role in the decarbonisation of the global economy. It plans to tackle the transition risks associated with climate change by targeting net-zero carbon by 2050 for its real estate investments.

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 manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below:

| | | |
|--|---|--|
| GQG - Global Equity Fund | Company name | Meta Platforms, Inc. |
| | Date of vote | 29 May 2024 |
| | Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio) | 6.5 |
| | Summary of the resolution | Amend Corporate Governance Guidelines |
| | 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 | A vote FOR this proposal is warranted, as it would enhance the lead independent director duties. |
| | Outcome of the vote | <i>Not provided</i> |
| | Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome? | GQG will continue to follow our Proxy Voting Policy. |
| | On which criteria have you assessed this vote to be most significant? | <i>Not provided</i> |
| Harris - Global All Cap Equity | Company name | Alphabet Inc. |
| | Date of vote | 07 June 2024 |
| | Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio) | 3.9 |
| | Summary of the resolution | Approve Recapitalization Plan for all Stock to Have One-vote per Share |
| | 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 | We voted for the resolution in the interest of minority shareholder rights. |
| | 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? | We will continue to monitor the situation, and to conduct and escalate engagement as needed. |
| | On which criteria have you assessed this vote to be most significant? | Voted against management |
| LGIM - Multi-Factor Equity Fund | Company name | Wells Fargo & Company |
| | Date of vote | 30 April 2024 |
| | Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio) | 0.5 |

| | | |
|--|---|--|
| | Summary of the resolution | Resolution 7: Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining Rights |
| | 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 AGM as our engagement is not limited to shareholder meeting topics. |
| | Rationale for the voting decision | Shareholder Resolution - Labour rights: A vote in favour is applied as LGIM supports proposals that are set to improve human rights standards and employee policies because we consider this issue to be a material risk to companies. |
| | 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. |
| Mirova - Global Sustainable Equity Fund | Company name | Unilever Plc |
| | Date of vote | 01 May 2024 |
| | Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio) | <i>Not provided</i> |
| | Summary of the resolution | Say on Climate |
| | How you voted? | Votes supporting resolution |
| | Where you voted against management, did you communicate your intent to the company ahead of the vote? | Yes |
| | Rationale for the voting decision | The sector dedicated ESG analyst thoroughly reviewed the proposed transition plan. While there is room for improvement noted, on balance, we were satisfied with the current proposal. |
| | Outcome of the vote | Pass |
| | Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome? | While concerns remain regarding governance of sustainability, we will leverage engagement to push the company to further improve the climate transition target setting and provide meaningful progress reports. |
| | On which criteria have you assessed this vote to be most significant? | Relevant to engagement strategy regarding governance of sustainability. |
| Nordea - Global Climate and Environmental Equity Fund | Company name | Deere & Company |
| | Date of vote | 28 February 2024 |
| | Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio) | 1.5 |
| | Summary of the resolution | Advisory Vote to Ratify Named Executive Officers' Compensation |
| | How you voted? | Votes against resolution |

| | | |
|--|---|---|
| | Where you voted against management, did you communicate your intent to the company ahead of the vote? | No |
| | Rationale for the voting decision | Share-based long-term incentive plan for executives was 64% time-based. In our view, properly devised remuneration systems should, in an uncomplicated, clear and transparent manner, aim to achieve a better performance and increase value for shareholders. Ideally, the incentive programs would incentivize the participant to achieve something out of the ordinary and thus, they should have clear and sufficiently challenging performance conditions. |
| | Outcome of the vote | Pass |
| | Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome? | We see less and less support at many AGMs for remuneration packages, and we will continue to be critical of badly structured remuneration programs with large proportions of time based variable compensation. |
| | On which criteria have you assessed this vote to be most significant? | Significant votes are those that are severely against our principles, and where we feel we need to enact change in the company. |
| BNY Mellon - Global Equity Fund | Company name | Alibaba Health Information Technology Limited |
| | Date of vote | 16 January 2024 |
| | Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio) | <i>Not provided</i> |
| | Summary of the resolution | Authority to Allot and Issue Consideration Shares to Taobao Holding Limited in accordance with the Share Purchase Agreement |
| | How you voted? | Votes against resolution |
| | Where you voted against management, did you communicate your intent to the company ahead of the vote? | <i>Not provided</i> |
| | Rationale for the voting decision | Issuance: Excessive dilution without pre-emptive rights. |
| | Outcome of the vote | <i>Not provided</i> |
| | Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome? | <i>Not provided</i> |
| | On which criteria have you assessed this vote to be most significant? | <i>Not provided</i> |

Source: Managers