

Engagement Policy Implementation Statement (“EPIS”)

Pitney Bowes Pension Fund (the “Fund”) Fund Year End – 31 March 2024

The purpose of the EPIS is for us, the Trustee of the Pitney Bowes Pension Fund, to explain what we have done during the year ending 31 March 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 adequate evidence of voting and engagement activity, and the activities completed by our manager align with our stewardship expectations.

We delegate the management of most of the Fund’s assets to Aon Investments Limited (“Aon”). We believe the activities completed by Aon 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.

Some of our investment managers did not provide us with comprehensive information on the engagement activity carried out on our behalf. Our investment adviser, Aon, will continue to engage with these investment managers as set out in our engagement action plan to communicate our expectations.

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 adequate evidence of voting and 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 Investments Limited ("Aon"). In particular, we received quarterly ESG ratings from Aon for the funds the Fund is invested in where available.

During the year, Aon was appointed as the Fund's Delegated Portfolio Manager and a large proportion of the Fund's assets were transferred to Aon's management. As part of the selection process, we received training on Aon's responsible investment capabilities and priorities. As part of this ESG considerations are now further integrated within the Delegated Portfolio.

The Fund's stewardship policy can be found in the SIP:
https://pensioninformation.aon.com/pitneybowespensionfund/fileviewer.aspx?FileID=14266&FileName=PB%20SIP_June%202024%20v3%20-%20clean.pdf

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

Our Engagement Action Plan

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

1. Whilst we acknowledge that opportunities for engagement for property managers are different to other asset classes, we still expect our managers, Schroders and Threadneedle to carry out engagement activity and report on it. Our investment adviser, Aon, will meet with these managers to discuss their stewardship activities and the expectations for better reporting in future.
2. We will continue to monitor the environmental, social and governance ("ESG") practices of our investment managers and Aon, as our delegated portfolio manager. We will also make changes where necessary following consultation from our investment adviser, Aon.

Our delegated manager's engagement activity

During the year, we appointed Aon as the Fund's Delegated Portfolio Manager. In this capacity, Aon manages a proportion of the Fund's assets in a range of funds, including fund of funds arrangements, where Aon selects the underlying investment managers on our behalf.

For this portion of the Fund's portfolio, we delegate the 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.

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 delegated management?

Delegated 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 delegated management arrangements, 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 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 managers 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 for the year to 31 March 2024.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
Dodge & Cox - Global Equity Fund	1,369	100.0%	2.8%	0.0%
Veritas - Global Focus Common Contractual Fund	509	96.0%	10.1%	0.0%

Source: Investment 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 Fund's managers use proxy voting advisers.

Managers	Description of use of proxy voting advisers (in the managers' own words)
Dodge & Cox	Dodge & Cox uses Institutional Shareholder Services (ISS) as their proxy administrator. Dodge & Cox votes in line with Dodge & Cox Proxy Voting Policies and Procedures. Dodge & Cox manually votes all proxies.
Veritas Asset Management (VAM) LLP	VAM LLP has appointed, Institutional Shareholder Services ("ISS"), for vote execution and policy application.

Source: Investment Managers

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Fund's investment managers to provide a selection of what they consider to be the most significant votes in relation to the Fund's holdings. A sample of these significant votes can be found in the appendix.

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.

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 investment managers. The investment 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 level
	Fund level	Firm level	
Veritas - Global Focus Common Contractual Fund	9	24	Environment - Climate Change Strategy, Financial & Reporting - Capital Allocation Social - Human and Labour Rights; Human Capital Management Governance - Leadership - Chair/CEO Strategy, Financial & Reporting - Capital Allocation
PIMCO - Climate Bond Fund*	186	1,355	Environment - Climate Change Social - Human and Labour Rights; Inequality Governance - Board, Management & Ownership Strategy, Financial & Reporting - Capital Allocation; Financial Performance Other - ESG Bonds; Product Safety & Quality
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
Schroders - UK Property Fund**	<i>Not provided</i>	6,724	Environment - Decarbonising; Deforestation; Climate Risk & oversight Governance - Boards & Management; Corporate Culture
Threadneedle AM - Property Unit Trust**	<i>Not provided</i>	1,424	Environment - Climate Change Social - Human Capital Management; Human and Labour Rights Governance - Leadership - Chair/CEO; Board effectiveness - Other
Dodge & Cox - Global Equity Fund			<i>Not provided</i>

Source: Investment Managers.

*Underlying managers in AIL Sustainable Multi-Asset Credit Strategy

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

- Threadneedle AM
- Schroders

Data limitations

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

- Dodge and Cox did not provide sufficient engagement data and significant voting examples. However, the manager has provided engagement case studies.

- The property fund managers did not provide fund-level engagement information. However, the managers have provided engagement case studies.
 - Schroders stated that engagement is primarily with its tenants and is conducted by property managers who are responsible for the day-to-day relationship with tenants. It is therefore difficult to quantify the level of engagement.
 - Threadneedle stated that they could not provide this engagement information for funds that invest direct in property. This is typical for direct property managers as it is challenging to collate this information for this kind of investment.

We will engage with the managers to encourage improvements in reporting, with the exception of Dodge and Cox as the Fund has now fully divested from this mandate.

This report does not include commentary on certain asset classes such as liability driven investments/gilts 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 Fund’s assets that are held as AVCs.

Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Fund's investment 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:

Veritas - Global Focus Common Contractual Fund	Company name	Amazon.com, Inc.
	Date of vote	24 May 2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	4.7
	Summary of the resolution	Report on Efforts to Reduce Plastic Use
	How you voted?	For
	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 shareholders would benefit from additional information on how the company is managing risks related to the creation of plastic waste.
	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?	None to report
	On which criteria have you assessed this vote to be most significant?	Votes against management
Veritas - Global Focus Common Contractual Fund	Company name	Airbus SE
	Date of vote	19 April 2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	5.1
	Summary of the resolution	Grant the board authority to issue shares and exclude pre-emptive rights for the purpose of company funding
	How you voted?	Against
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
	Rationale for the voting decision	The resolution requests the disapplication of pre-emptive rights which is not in the interest of existing shareholders.
	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?	None to report
	On which criteria have you assessed this vote to be most significant?	Votes against management

Source: Managers