THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS STAFF PENSION SCHEME

IMPLEMENTATION STATEMENT
For the year ended 31 December 2020

Introduction
In 2019, the UK government published the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. These regulations introduced new requirements for pension schemes, setting out the policies they need to explicitly include in their Statement of Investment Principles (the document that governs the way the Scheme's assets are invested). In particular, by 1 October 2020 the Statement of Investment Principles (or "SIP") needed to include the Trustees' policies in relation to their arrangements with the investment managers that invest the Scheme's assets on behalf of the Trustees. This expanded legislation, which was introduced in 2018, required schemes' SIPs to include (from 1 October 2019) the Trustees' policies on how they take account of Environmental, Social and Corporate Governance ("ESG") considerations when setting investment strategy, and how they exercise voting rights in, and undertake engagement activities with, those they invest in. In addition, the 2018 and 2019 regulations introduced a requirement for the Scheme to produce a statement setting out (among other things) how the Trustees have followed the SIP over the year, and in particular how they have implemented their policies on the exercise of voting rights attaching to its investments and engagement activities. This document is intended to meet those requirements and will be included in the Scheme's Report and Accounts and published on the Scheme's website.

The Trustees' review of the Statement of Investment Principles (SIP) over the last year
The Trustees maintain the Statements of Investment Principles for the Scheme, which sets out the investment principles for both Defined Benefit (DB) and Defined Contribution (DC) benefits. The SIP is reviewed at least annually and following any significant changes in investment policy.

The SIP was reviewed in October 2019 to reflect changes in the investment strategy and updated in September 2020 to formally incorporate the Trustees' consideration of Environmental, Social and Corporate Governance issues (and specifically consideration of climate risk) when determining investment strategy for both DB and DC investments. The latest version of the SIP, which was agreed in June 2021, includes investment target ranges for asset allocations and also reflects the new legislative requirements requiring trustees to explain their policies on how they monitor their asset managers. The current version of the Scheme's SIP is available on the Employer's website, via https://www.accaglobal.com.

How have the policies of the SIP been followed in the year?
The Trustees are comfortable that the SIP has been followed effectively throughout the last year.

The Trustees' policies for choosing and realising investments, and the kinds of investments to be held
The SIP sets out the Trustees' policies for choosing investments - specifically by identifying appropriate objectives which reflect each the Scheme's risk and return requirements, and then constructing a portfolio of investments to meet these objectives for DB investments, or identifying a suitable range of options for members of the DC Section. In considering these objectives and selecting investments, the Trustees obtain and consider written advice from their investment adviser. Changes made to the investment strategy are set out on page 8 in note 10 of the Trustees' report.

In each case, formal advice was provided to the Trustees by their investment adviser prior to the change, confirming the suitability of the investments for the purposes of Section 36 of the Pensions Act 1995. The investment managers have discretion in the timing of realisation of investments, and this has continued over the year. In addition, the Trustees review the asset allocation for the Scheme on a quarterly basis, and are comfortable that over the year the investments held were in line with the agreed investment strategy which is reflected in the SIP as updated from time to time.

The Trustees' policies on managing and measuring risk, and expected returns
The Trustees' investment objective is to target an expected return of gilts + 2.5% p.a. (net of fees) to support the approach used to value the Scheme's liabilities; this approach was determined following professional advice and considering the Trustees' (and the sponsors') risk tolerance. As part of the investment adviser's assessment of suitability of the investment range it considered, amongst other factors, the risks associated with investments with inadequate liquidity, poor diversification, underperformance, country/political and organisational risk.

The Investment Funding Subcommittee (IFC) met four times during the year, where it received monitoring updates on all investments and monitored the expected return on assets on a quarterly basis and considered rebalancing where appropriate. The updates confirmed that all funds continued to perform as expected. As this is a long-term objective the Trustees are satisfied that the objective is being met, and is confident that the objective will continue to be met over the long term.

The Trustees' policies on ESG. Stewardship & Material Non-Financial considerations
The Trustees are committed to achieving the investment objectives in a way that takes into account broader environmental, social and corporate governance concerns. The Trustees believe that, as both DB and DC pensions are long-term investments, this is important, and they would also like the Scheme's approach to responsible investment to reflect the views of the Scheme's members as far as reasonably possible, and to be consistent with the values of the Schemes sponsors and its members.

The Trustees believe that ESG risks are both a significant financial risk and an opportunity and that it is in the interest of the members to invest in a ESG responsible manner. The Trustees' beliefs with regards to ESG investing are set out in the revised SIP, in particular Appendix 2, and should be read in conjunction with, and as if it formed part of, this implementation statement.

Last year the Trustees made clear their beliefs on ESG issues and material non-financial considerations. In order to ensure that their views were reflected accurately in their investments the Trustees shared their views with their investment adviser and have jointly engaged with investment managers on ESG matters . The Trustees have also decided that to better reflect their views, they will develop an ESG allocation by divesting from some of the LGIM funds and investing in LGIM Future World funds, which tilt towards companies with better ESG credentials. This will be done whilst still keeping the investment costs of each fund at low levels.

The majority of the Scheme assets are currently held with LGIM. The underlying funds held with LGIM have been sorted into the following categories:

- Explicit ESG – Funds with an explicit ESG element to them, at this point this consists of all the Future World funds.
- Implicit ESG – All Explicit ESG Funds, as well as any funds in asset classes where ESG is unlikely to ever meaningfully be applied, this includes cash and gilts.
- Non-ESG – Funds where ESG would be possible in the asset class but is not present in the fund.

As at 30 June 2021, 97% is invested in Implicit or Explicit ESG funds. The Trustees are comfortable with the current percentage and will continue to engage with LGIM and other investment managers on ESG-related matters in the future.

As of 30 June 2021, the Trustees' investments with other investment managers all have some level of ESG engagement. While these funds do not necessarily fall into the non-ESG category, they do not impose the same level explicit of constraints on portfolio construction. They therefore do not fall clearly into any one category above.

Investment Manager Accountability
The Trustees regularly engage with the Primary Investment Manager. Over the past year the Trustees have engaged on issues such as performance, fees and ESG related issues. The Trustees have sought assurances from the Primary Investment Manager that the primary default remains appropriate for the membership and the Trustees were satisfied that the Primary Investment Manager is an innovative provider.

IMPLEMENTATION STATEMENT (continued)
For the year ended 31 December 2020

Known breaches and issues
The Trustees are not aware of any breaches over this period.

The Trustees' policies on the exercise of voting rights and undertaking engagement activities'

How voting and engagement policies have been followed

The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers.

The Trustees undertook an initial review of the stewardship and engagement activities of the Scheme's fund managers at their May 2019 meeting and were satisfied that their policies were reasonable and no remedial action was required at that time.

Annually, the Trustees receive and review voting information and engagement policies from both the asset managers and their investment advisers, which they review to ensure alignment with their policies, alongside the preparation of the Implementation Statement.

Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the fund managers are in alignment with the Scheme's stewardship policies.

During the year, the Trustees replaced the Ninety One Diversified Growth Fund ("DGF") with the CVC Global Yield Fund, mainly due to a run of poor performance from the Ninety One DGF. For completeness, the Trustees have included voting and engagement information for the Ninety One DGF over the year to 31 December 2020, even though the Scheme disinvested from the fund during the year. The Trustees believe this is proportionate and provides a reasonable overview of the manager's voting behaviour.

Additional information on the voting and engagement activities carried out for the Scheme's investments are provided on the following pages.

IMPLEMENTATION STATEMENT (continued)
For the year ended 31 December 2020

How voting and engagement policies have been followed
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The Trustees of the Association of Chartered Certified Accountants Pension Scheme
June 2021

IMPLEMENTATION STATEMENT (continued)
For the year ended 31 December 2020

Voting Data

Manager	LGIM	Barings	Ninety One
Fund name	All World Equity Index Fund and All World Equity Index GBP Hedged	Dynamic Asset Allocation Fund	*Invested in until 20 May 2020:* Diversified Growth Fund
Structure		Pooled	
Ability to influence voting behaviour of manager		The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.	
Number of company meetings the manager was eligible to vote at over the year	6,491	101	150
Number of resolutions the manager was eligible to vote on over the year	68,198	1,049	1,794
Percentage of resolutions the manager voted on	99.64%	97.10%	90.80%
Percentage of resolutions the manager abstained from	0.81%	0.39%	2.33%
Percentage of resolutions voted *with* management, as a percentage of the total number of resolutions voted on	83.44%	91.94%	93.49%
Percentage of resolutions voted *against* management, as a percentage of the total number of resolutions voted on	15.74%	7.67%	6.51%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	0.19%	0.40%	4.00%

Source: Fund managers

IMPLEMENTATION STATEMENT (continued)
For the year ended 31 December 2020

The proportion of resolutions that were voted on or abstained from may not sum to 100%. This can be due to how managers or local jurisdictions define abstentions or classify formal voting or abstentions as opposed to not returning a voting form or nominating a proxy.

There are no voting rights attached to the other assets held by the Scheme and therefore there is no voting information shown above for those assets.
LGIM, Barings and Ninety One employ Institutional Shareholder Services (ISS) as their proxy voting adviser.

Significant votes
For the first year of implementation statements we have delegated to the investment manager(s) to define what a “significant vote” is. A summary of the data they have provided is set out below.

LGIM All World Equity Index Funds

	Vote 1	Vote 2	Vote 3
Company name	Qantas Airways Limited	International Consolidated Airlines Group	The Procter & Gamble Company (P&G)
Date of vote	23 October 2020	7 September 2020	13 October 2020
Summary of the resolution	Approve the participation of Alan Joyce (CEO) in the Long-Term Incentive Plan Resolution	Approval of a remuneration report	Report on effort to eliminate deforestation.
How the manager voted	LGIM voted against the resolution	LGIM voted against the resolution.	LGIM voted in favour of the resolution.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Given their engagement, LGIM's Investment Stewardship team communicated the voting decision directly to the company before the AGM and provided feedback to the remuneration committee.	.LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.	

	Vote 1	Vote 2	Vote 3
Rationale for the voting decision	The COVID-19 crisis has had an impact on the Australian airline company's financials. In light of this, the company raised significant capital to be able to execute its recovery plan. It also cancelled dividends, terminated employees and accepted government assistance. The circumstances triggered extra scrutiny from LGIM as they wanted to ensure the impact of the COVID-19 crisis on the company's stakeholders was appropriately reflected in the executive pay package. In collaboration with their Active Equities team, LGIM's Investment Stewardship team engaged with the Head of Investor Relations of the company to express their concerns and understand the company's views. The voting decision ultimately sat with the Investment Stewardship team.	The COVID-19 crisis and its consequences on international transport have negatively impacted this airline company's financial performance and business model. At the end of March 2020, LGIM addressed a private letter to the company, stating their support during the pandemic. They also encouraged the board to demonstrate restraint and discretion with its executive remuneration. As a result of the crisis, the company took up support under various government schemes. The company also announced a 30% cut to its workforce. On the capital allocation front, the company decided to withdraw its dividend for 2020 and sought shareholder approval for a rights issue of €2.75 billion at its 2020 AGM in order to strengthen its balance sheet. The remuneration report for the financial year to 31 December 2019 was also submitted to a shareholder vote. LGIM were concerned about the level of bonus payments, which were 80% to 90% of the salaries for current executives and 100% of the salary for the departing CEO. LGIM noted that the executive directors took a 20% reduction to their basic salary from 1 April 2020. However, whilst the bonuses were determined at the end of February 2020 and paid in respect of the financial year end to December 2019, LGIM would have expected the remuneration committee to exercise greater discretion in light of the financial situation of the company, and also to reflect the stakeholder experience (employees and shareholders).	P&G uses both forest pulp and palm oil as raw materials within its household goods products. The company has only obtained certification from the Roundtable on Sustainable Palm Oil for one third of its palm oil supply, despite setting a goal for 100% certification by 2020. Two of their Tier 1 suppliers of palm oil were linked to illegal deforestation. The company also uses mainly Programme for the Endorsement of Forest Certification (PEFC) wood pulp rather than Forestry Stewardship Council (FSC) certified wood pulp. Palm oil and Forest Pulp are both considered leading drivers of deforestation and forest degradation, which is responsible for approximately 12.5% of greenhouse gas emissions that contribute to climate change. The fact that Tier 1 suppliers have been found to have links with deforestation calls into question due diligence and supplier audits. Only FSC certification offers guidance on land tenure, workers', communities and indigenous people's rights and the maintenance of high conservation value forests. LGIM engaged with P&G and spoke to representatives from the proponent of the resolution, Green Century. In addition, they engaged with the Natural Resource Defence Counsel to understand the issues. Ultimately, LGIM decided to support the resolution. Although P&G has introduced a number of objectives and targets on deforestation, LGIM felt it was not doing as much as it could. LGIM continue to engage on the topic and push other companies to ensure more of their pulp and wood is from FSC certified sources.
Outcome of the vote	Approximately 90% of shareholders supported the resolution 3. The meeting results highlight LGIM's stronger stance on the topic of executive remuneration, in their view.	28.4% of shareholders opposed the remuneration report.	The resolution received the support of approximately 68% of shareholders (including LGIM).
Implications of the outcome	LGIM will continue their engagement with the company.	LGIM will continue to engage closely with the renewed board.	LGIM will continue to engage with P&G on the issue.
Criteria on which the vote is considered "significant"	It highlights the challenges of factoring in the impact of the COVID-19 pandemic into the executive remuneration package.	LGIM considers this vote significant as it illustrates the importance for investors of monitoring their investee companies' responses to the COVID-19 crisis.	It is linked to LGIM's five-year strategy to tackle climate change and attracted a great deal of client interest.

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For the year ended 31 December 2020

Barings Dynamic Asset Allocation Fund

	Vote 1	Vote 2	Vote 3
Company name	East Japan Railway Company	TUI AG	Nissan chemical corporation
Date of vote	23 June 2020	11 February 2020	25 June 2020
Approximate size of holding	Less than 0.5%	Less than 0.5%	Less than 0.5%
Summary of the resolution	Appointment of director	Board remuneration	Appoint Kinoshita Kojiro as a director
How the manager voted	Against	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Yes	Yes	Yes
Rationale for the voting decision	Board is not sufficiently independent; responsible for a lack of board independence.	Questionable remuneration for incoming CEO	Insufficient gender diversity/no diversity policy

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Ninety One Diversified Growth Fund

	Vote 1	Vote 2	Vote 3	Vote 4
Company name	The TJX Companies, Inc.	Bank of America Corporation	Johnson & Johnson	The Walt Disney Company
Date of vote	09 June 2020	22 April 2020	23 April 2020	11 March 2020
Summary of the resolution	Report on Reduction of Chemical Footprint	Report on Gender Pay Gap	Report on Governance Measures Implemented Related to Opioids	Report on Lobbying Payments and Policy
How the manager voted	For	Against	For	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	They did not engage pre-AGM	They voted with management	They voted with management	They voted with management
Rationale for the voting decision	Shareholders would benefit from a better understanding of steps the company is taking to mitigate its risks related to toxic chemicals	Global median gender/racial pay gap report would not produce meaningful information about worker fairness because categories of underrepresented minorities differ from country to country	Shareholders would benefit from more specific information about proactive steps the board is taking to mitigate risks related to the manufacture and marketing of opioid-related products, and that incentives are aligned with the health of the communities it serves.	Additional disclosure of the company's indirect lobbying-related oversight mechanisms, along with its trade association payments, would help shareholders better assess the risks and benefits associated with the company's participation in the public policy process.
Outcome of the vote	Failed	Failed	Passed	Failed
Implications of the outcome	They continue to require adequate disclosure	Information not provided	They will continue closely monitoring similar issues	Information not provided
Criteria on which the vote is considered "significant"	Thematic Vote - Climate	Thematic Vote/Shareholder Proposal - Social/Diversity	Controversial vote that garnered media interest - Thematic Vote/Shareholder Proposal	Thematic Vote/Shareholder Proposal - Social

IMPLEMENTATION STATEMENT (continued)
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Fund level engagement

Data Limitations

Information relating to fund level engagement policies was requested from all fund managers. LGIM and RLAM provided engagement data at firm level, rather than at fund level, whilst Barings and Ninety One provided engagement data at both firm level and fund level. The Trustees' investment advisers are working with LGIM and RLAM to improve the depth of the data provided in the future.

CVC are unable to provide this data for the Global Yield Fund. CVC informed the Trustees' investment advisers that, as a credit strategy, engagement is not really something that they can actively influence or monitor. The composition of Global Yield is a pool of 'large cap' liquid loans and whilst CVC do engage in ESG screening for the investments they make, they have stated that they cannot engage or vote on the actions any of their investee companies choose to take. As such, CVC have not been included in the table below.

Manager	LGIM	Barings	RLAM	Ninety One
Fund name	All World Equity Index Fund and All World Equity Index GBP Hedged Investment Grade Corporate Bond – All Stocks – Index Fund Investment Grade Corporate Bond – Over 15 Year – Index Fund	Dynamic Asset Allocation Fund	Multi Asset Credit Fund	*Invested in until 20 May 2020:* Diversified Growth Fund
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	Data not provided	69	Data not provided	15

Number of engagements undertaken at a firm level in the year	891	Over 180	88	138
Examples of engagements undertaken with holdings in the fund*	The top engagement topics over the year to 31 December 2020 were: • Remuneration • Board compensation • Diversity • LGIM ESG Score • Climate Change • Strategy • COVID 19 • Gender and Ethnic Diversity • Disclosures • Public Health An example is LGIM's engagement regarding Barclays' AGM. LGIM endorsed Barclay's target to shrink its carbon footprint to net zero by 2050 and are helping Barclays develop plans to achieve their target. Another example is ExxonMobil, who refused to disclose and set targets for its carbon emissions, which was at odds with peers and caused concern given the long-term prospects of the fossil fuel industry. LGIM announced they would vote against the chair of the board at the May 2020 AGM (after excluding the company from its Future World funds in 2019). This was covered by over 40 articles in major global news outlets. Approximately 30% of shareholders supported the proposals for independence and lobbying. LGIM believe this sends an important signal, and will continue to engage to push for change at the company.	**Chemicals Company -** Barings engaged with a US chemicals firm with large fertiliser businesses to push them towards shifting more of their business into green ammonia and increasing production of 'blue' ammonia. Green ammonia is used in the production of carbon-neutral fertiliser products, decarbonising the food value chain, and also has potential as a future climate-neutral shipping fuel. Blue ammonia is ammonia used as feedstock to make blue hydrogen, which is essentially hydrogen made from fossil fuels through a process that captures and stores the carbon dioxide produced rather than release it into the atmosphere. In Barings' opinion, this company is ideally placed to benefit from the trend of increasing adoption of these processes. Barings' engagement with the company is to push for this transition to be as rapid as possible. **Gold –** Barings' outreach on their Gold Exchange Traded Funds (ETFs)/Exchange Traded Commodities (ETCs) is an example of them trying to extend the coverage of their ESG requirements. In this case, the London Bullion Market Association (LBMA) has a responsibly sourced program that validates the supply chain quality for gold bars sourced post-2012. The Physical Gold ETC they use is run by Amundi (a French asset management company) and they reached out to them to push compliance with these standards, and enrolment in the LBMA programme. Since engaging with Amundi they are pleased to confirm that their fund is 100% backed by LBMA gold bars from post-2012, which ensures full compliance with the responsible sourcing guidelines. **Reverse vending technologies -** Barings recently engaged with the Norwegian world leader in environmental sorting	**Yorkshire Water and Southern Water**: As part of an ongoing engagement project, RLAM once again held a meeting with Southern Water to hear an update on their continued work to overhaul the company culture and improve environmental performance. This engagement originally started in the summer of 2019 after they excluded the company from their Sustainable range of funds, due to a significant fraud-related incident and weak environmental performance. The outcome of the engagement was positive, with the company committing to ongoing engagement to provide information and implement practises to uplift performance. **Lloyds Banking Group**: RLAM met with Lloyds Banking Group during the quarter to discuss the company's ambitions to lower the carbon emissions it is financing by 50% over the next 10 years, along with a number of broader ESG topics. The bank recently refreshed its environmental lending policies; however RLAM's questions focused on the broader loan book across its motor financing arm and the emissions they finance in their residential mortgage book. Lloyds' disclosures are improving, and they now publish their exposures to sectors at risk from a future energy transition. In addition, given the bank's leadership on staff diversity and working practices, RLAM delved deeper into their social practices, including the community analysis done when taking branch closure decisions.	**Climate Change:** Ninety One have been encouraging banks to align with the Paris Agreement, make use of the TCFD framework and to be transparent on fossil fuel lending exposure. They have material exposure to the banking industry and are aware of the fact that lending can materially expose banks to climate risk. They have been involved in many initiatives to educate their investment teams, understand climate risk and mitigate the risk. This includes participation in the Climate Action 100 Plus initiative. **Impala Platinum and Sustainability**: Ninety One's purpose is to encourage the improvement in Impala Platinum's (a South African holding company that owns several companies which operate mines that produce platinum and platinum group metals) sustainability strategy and disclosure. Their goal is to improve the third party service provider sustainability research ratings and ultimately to encourage an improved investor rating for Impala Platinum. Ninety One have engaged with members of the board and the executives responsible for the sustainability strategy of the company. Their prime area of focus to date is contributing to thinking on the sustainability strategy including communication to stakeholders.

technologies and reverse vending machines on the need for plastic sorting in a world where chemical recycling may become more prevalent. They discussed the emergence of chemical recycling technologies with the CEO, and the relationship the company's machines have with them to better understand how changing recycling technologies may affect the company's sustainability criteria. They were informed that the machines which are largely responsible for sorting plastics, are needed in both chemical and mechanical process. The CEO shed more light here, notably that chemical processes can really make a difference where you have multi-layer plastics. i.e. different plastic types embedded in one product. The engagement helped Barings develop their understanding of how the company's products contribute to alternative recycling technologies and how a future change in product mix (exposed to chemical or mechanical) may also reduce the company's indirect carbon footprint.

Source: Fund managers
*LGIM and Ninety One examples based on firm level holdings, Barings examples based on fund level holdings, RLAM examples based on holdings within Fixed Income strategies.