

## Implementation Statement

# The Association of Chartered Certified Accountants Pension Scheme

### Purpose of this statement

This implementation statement has been produced by the Trustees of The Association of Chartered Certified Accountants Pension Scheme ("the Scheme") to set out the following information over the year to 31 December 2023:

- the voting activity undertaken by the Scheme's investment managers on behalf of the Trustees over the year, including information regarding the most significant votes; and
- how the Trustee's policies on exercising rights (including voting rights) and engagement activities have been followed over the year.

### Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at 31 December 2023 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in August 2023 and has been made available online here:

[https://www.accaglobal.com/content/dam/ACCA\\_Global/about-us/ACCA-scheme-SIP.pdf](https://www.accaglobal.com/content/dam/ACCA_Global/about-us/ACCA-scheme-SIP.pdf).

The Trustees decided not to set stewardship priorities for the Scheme because the Scheme solely invests through pooled investment vehicles where the Scheme's assets only represent a small proportion of the capital invested in the funds. The Trustees understand that they are constrained by the policies of the managers. Additionally, only 6% (£5.5m as at 31 December 2023) of the Scheme assets were invested in assets with voting rights attached.

However, the Trustees take the stewardship priorities, climate risk, and ESG factors into account at manager selection. The Trustees also review the stewardship and engagement activities of the investment managers annually.

### How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme's investment managers, the Trustees believes that its policies on voting and engagement have been met in the following ways:

- 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 current managers 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 our investment advisors, which we review to ensure alignment with our own policies.

This exercise was undertaken both as part of the annual implementation statement and ESG monitoring report.

- As part of ongoing monitoring of the Scheme's investment managers, the Trustees use ESG ratings information available within the pensions industry or provided by their investment consultant, to assess how the Scheme's investment managers take account of ESG issues.
- Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the fund manager is in alignment with the Scheme's stewardship policies.

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

**Prepared by the Trustees of The Association of Chartered Certified Accountants Pension Scheme**

**April 2024**

## Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Scheme's Growth Portfolio on behalf of the Trustees over the year to 31 December 2023. The holdings in the LDI portfolio (including cash holdings) and credit assets, with Legal & General (LGIM), Royal London Asset Management (RLAM), CVC Capital Partners (CVC) and M&G Investments (M&G) have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate.

CBRE (the investment manager for the property holdings) have not disclosed voting data and have noted in the past:

*"With regard to voting, CBRE Investment Management Indirect ("CBRE IM Indirect") manages indirect private real estate portfolios on behalf of separate accounts and pooled vehicles, such as Global Alpha, and will exercise voting on any relevant issues that may arise."*

*"The nature of the voting undertaken for the investments targeted differs from listed equities, being typically of an administrative nature or can relate to governance matters. As voting forms only a limited part of our overall engagement approach, which includes regular interaction with our operating partners and underlying fund managers through control rights or advisory board representation, alongside meetings with management, we therefore determine it more suitable to document our engagement efforts through the examples and responses provided in the engagement questionnaire and we also provide CBRE IM Indirect's engagement policy (attached), which sets out how stewardship is integrated within our investment process."*

Manager	LGIM
<b>Fund name</b>	Future World Global Equity Index Fund and Future World Global Equity Index GBP Hedged
<b>Structure</b>	Pooled
<b>Ability to influence voting behaviour of manager</b>	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.
<b>Number of company meetings the manager was eligible to vote at over the year</b>	5,080
<b>Number of resolutions the manager was eligible to vote on over the year</b>	52,639
<b>Percentage of resolutions the manager voted on</b>	99.9%
<b>Percentage of resolutions the manager abstained from<sup>1</sup></b>	0.4%
<b>Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on<sup>1</sup></b>	80.0%
<b>Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on<sup>1</sup></b>	19.3%

Manager	LGIM
<b>Proxy voting advisor employed</b>	Institutional Shareholder Services (ISS)
<b>Percentage of resolutions voted contrary to the recommendation of the proxy advisor</b>	11.0%

<sup>1</sup>The proportion of resolutions that were voted on or abstained from may not sum to 100.0%. 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.

## Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustee over the year to be set out. The guidance does not currently define what constitutes a "significant" vote. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme's stewardship priorities/themes. At this time, the Trustees have not set stewardship priorities/themes for the Scheme.

For this Implementation Statement, the Trustees have asked the investment managers to determine what they believe to be a "significant vote". The Trustees have not communicated voting preferences to their investment managers over the period, as the Trustees are yet to develop a specific voting policy. In the future, the Trustees will consider the most significant votes in conjunction with any agreed stewardship priorities / themes.

LGIM have provided a selection of votes which they believe to be significant. The Trustees have selected three votes from the manager, these cover a range of themes to represent what it considers the most significant votes cast on behalf of the Scheme, which are shown in **Appendix 1**.

## Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds. Information relating to fund level engagement policies was requested from all fund managers.

LGIM, RLAM and CBRE provided engagement data at firm level, rather than at fund level

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.

Engagement activities are limited for the Scheme's LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager	LGIM	RLAM <sup>1</sup>
<b>Fund name</b>	Future World Global Equity Index Fund and Future World Global Equity Index GBP Hedged	Multi Asset Credit Fund
<b>Number of engagements undertaken on behalf of the holdings in this fund in the year</b>	886	35
<b>Number of engagements undertaken at a firm level in the year</b>	2,486	484
<b>Examples of engagements undertaken with holdings in the fund*</b>	<p><b>Japan Associate of Corporate Directors (JACD):</b> LGIM were invited into dialogue with the JACD, a group made up of CEOs and corporate directors committed to enhancing corporate governance in Japan. They used the opportunity to share their commitment to diversity globally and within Japan. LGIM have updated their diversity expectations recently. These include:</p> <ul style="list-style-type: none"> <li>• Having at least 40% of women at the board and executive leadership team level.</li> <li>• One person of ethnic minority background on the board</li> <li>• Clearly disclose diversity and inclusion policies and representation data</li> <li>• Disclose their gender and ethnicity pay gap information along with actions to close any stated gap.</li> </ul>	
	<p><b>Sysco Corp:</b> The proponent requested that the company oversee a third-party audit analysing the adverse impact of its policies and practices on the civil rights of stakeholders. While RLAM appreciates and supports the aims of the proponent, they believe that, in this case, the company is already addressing issues in this area, and they welcomed its recent efforts to pursue diversity, equity, and inclusion (DEI) across the business. In response to racial justice protests, the company established a three-year inclusion and diversity roadmap, conducted listening sessions, created a global DEI advisory council, and set a goal to increase U.S. associate ethnic and gender diversity to 62% by 2025.</p>	

<sup>1</sup>RLAM only produce engagement reports once per year and as such this data covers the from 30 September 2022 – 30 September 2023

Manager	CBRE	M&G
<b>Fund name</b>	Global Alpha Fund	Total Return Credit Fund
<b>Number of engagements undertaken on behalf of the holdings in this fund in the year</b>	Data not provided	9
<b>Number of engagements undertaken at a firm level in the year</b>	Data not provided	304
<b>Examples of engagements undertaken with holdings in the fund*</b>	<p><b>Oriema French Office Club (OFOC):</b> CBRE engaged OFOC on various environmental issues to ensure they align with CBRE's Global Sustainability Policy. One of the facilities is currently being refurbished and CBRE engaged with the manager of OFOC to ensure it is producing sustainability outcomes. The environmental expectations for the facility include but are not limited to:</p> <ul style="list-style-type: none"> <li>• Asbestos removal with retail units and treatment of lead.</li> <li>• Improved biodiversity through the creation of accessible and vegetated external spaces.</li> <li>• Low carbon footprint for works and upcycling.</li> </ul>	

**AIA Group LTD:** M&G engaged AIA to encourage Board diversity. They had a call with IR. This is an update following a call in 2021 on increasing Board diversity. M&G and have appointed Ms. Nor Shamsiah Binti Mohd Yunus as an independent non-executive director. The Board now has 3 female members (23% female representation).

Source: Fund managers

## Appendix 1 – Significant Votes

### LGIM Future World Global Equity Index Funds

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Microsoft Corporation	NVIDIA Corporation	Amazon.com, Inc.
<b>Date of vote</b>	07/12/2023	22/06/2023	24/05/2023
<b>Summary of the resolution</b>	Elect Director Satya Nadella	Elect Director Stephen C. Neal	Report on Median and Adjusted Gender/Racial Pay Gaps
<b>How the manager voted</b>	Against	Against (against management recommendation)	For (Against Management Recommendation)
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	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		LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.
<b>Rationale for the voting decision</b>	Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.	Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board.  Average board tenure: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.	A vote in favour is applied as LGIM expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. This is an important disclosure so that investors can assess the progress of the company's diversity and inclusion initiatives. Board diversity is an engagement and voting issue, as LGIM believe cognitive diversity in business – the bringing together of people of different ages, experiences, genders, ethnicities, sexual orientations, and social and economic backgrounds – is a crucial step towards building a better company, economy and society.
<b>Outcome of the vote</b>	N/A	Not Provided	29% (Fail)
<b>Implications of the outcome</b>	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.	LGIM will continue to engage with the company and monitor progress.
<b>Criteria on which the vote is considered "significant"</b>	Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the	Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets LGIM manage on their behalf.	Pre-declaration and Thematic – Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets LGIM manage on their behalf.

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**Vote 1****Vote 2****Vote 3**

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combination of the  
board chair and CEO.