

Sun Life Assurance Company of Canada 1988 UK and Irish Employee Benefit Scheme - Implementation Statement

Statement of Compliance with the Sun Life Assurance Company of Canada 1988 UK and Irish Employee Benefit Scheme's Stewardship Policy for the year ending 31 December 2024

Introduction

This is the Trustees' statement prepared in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. This statement sets out how the Trustees have complied with their Stewardship Policy during the period from 1 January 2024 to 31 December 2024.

The Scheme's assets consist of insurance policies, forming most Scheme assets, and a portfolio of assets managed by Insight Investment ("Insight"). As such, in practice, the only assets to which the Trustees' Stewardship Policy applies are those managed by Insight.

Stewardship policy

The Trustees' Stewardship (voting and engagement) Policy sets out how the Trustees will behave as an active owner of the Scheme's assets, which includes the Trustees approach to:

- the exercise of voting rights attached to assets; and
- undertaking engagement activity, including how the Trustees monitor and engage with their investment managers and any other stakeholders.

The Scheme's Stewardship Policy is reviewed on an annual basis in line with the Scheme's Statement of Investment Principles ("SIP") review which was last completed on 2 August 2024.

There were no changes made to the Stewardship Policy during the past year.

You can review the Scheme Stewardship Policy which can be found within the Scheme's Statement of Investment Principles, at:

<https://www.1988onlinebenefits.co.uk/resources/statement-of-investment-principles-2024/>

The Trustees have delegated voting and engagement activity in respect of the underlying assets to the Scheme's investment managers. The Trustees believe it is important that their investment managers take an active role in the supervision of the companies in which they invest, both by voting at shareholder meetings and engaging with the management on issues which affect a company's financial performance. The Trustees have reviewed each Manager's voting and engagement policy and are satisfied that these are consistent with the Trustees' Policy.

The Trustees own engagement activity is focused on their dialogue with their investment managers which is undertaken in conjunction with their investment advisers. The Trustees meet regularly with their managers and the Trustees consider how managers have exercised their stewardship responsibilities both during these meetings and through reporting provided by their investment adviser.

The Trustees also monitor their compliance with their Stewardship Policy on a regular basis and are satisfied that they have complied with the Scheme's Stewardship Policy over the last year.

Voting activity

The Trustees seek to ensure that their managers are exercising voting rights and where appropriate, to monitor managers voting patterns. The Trustees also monitor investment managers voting on particular companies or issues that affect more than one company.

Insight have confirmed that no assets held during the period attracted any voting rights. As such, there is no voting activity to report upon.

Significant votes

The Trustees asked Insight to report on the most significant votes cast within the portfolio they manage on behalf of the Trustees.

Insight have confirmed that no assets held during the period attracted any voting rights. As such, there were no significant votes to report upon.

Engagement activity

The Investment Sub-Committee (“ISC”) hold meetings with Insight on a quarterly basis where stewardship issues are discussed in further detail. Aside from these discussions during ISC meetings, the following specific agenda items in relation to stewardship issues have been covered over the course of the year.

Date	Fund manager / insurer	Subject discussed	Outcome
7 August 2024	Insight Investment	Responsible investment annual report	The ISC reviewed Insight’s Responsible Investment report for 12-months to 31 December 2023.

It is noted that the ISC frequently question Insight at quarterly meetings regarding the integration of responsible investment practices into their investment process where possible.

Given the Scheme’s trajectory during the reporting year, there were very limited opportunities for challenge due to the nature of the asset classes the Scheme is invested in.

The ISC noted an example provided by Insight, summarising the investment thesis and process for a newly issued “green bond”. This provided the ISC with comfort that the manager was conducting the necessary RI and ESG due diligence on potential assets for the ABS funds.

The Trustees hold regular meetings to discuss RI and ESG integration with insurers Pension Insurance Corporation and Rothesay Life. The Trustees held meetings on 19 February 2024 and 20 February 2025 to discuss integration and policies with both insurers in detail. The next meeting is scheduled for Q1 2026.

Review of policies

The Trustees have committed to reviewing the managers’ stewardship policies on an annual basis. This review was undertaken by the Trustees on 7 August 2024 (ISC Meeting). The review considered Insight’s broader approach (including any changes in its approach) to responsible investment issues over the year. The next review is scheduled to take place during the third quarter of 2025.

The Trustees and their investment consultants remain satisfied that Insight’s policies on voting and engagement are consistent with the Trustees’ policy and remain suitable for the Scheme at this time.

Signed for and on behalf of the Trustee Board of the Sun Life Assurance Company of Canada 1988 UK & Irish Employee Benefit Scheme

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Chair of the Trustee Board

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Date