

Implementation Statement

The Institution of Civil Engineers Staff Retirement Benefits & Life Assurance Scheme (“the Scheme”)

Purpose of this statement

This implementation statement has been produced by the Trustees of the Institution of Civil Engineers Staff Retirement Benefits & Life Assurance Scheme (“the Scheme”) to set out the following information over the year to 31 December 2025:



how the Trustees’ policies on exercising rights (including voting rights) and engagement activities have been followed over the year;
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;



Conclusions

In reviewing the activities of the past year, the Trustees believe that the policies set out in the Statement of Investment Principles (“SIP”) have been effectively implemented. At the end of the accounting period, the Scheme held no funds with voting rights, and as such voting data has not been analysed and disclosed. However, the Trustees believe that the activities of the fund managers reasonably align with the stewardship priorities of the Scheme.

Stewardship policy

The Trustees’ SIP in force at 31 December 2025 describes the Trustee’s stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in June 2024 and has been made available online here: [Statement of Investment Principles | Institution of Civil Engineers \(ICE\)](#)

In 2024, the Trustee made the decision to secure benefits through the purchase of a bulk annuity policy with Aviva. As a result, most of the Scheme’s assets are now held in a bulk annuity policy, with the remaining assets held in the Scheme’s bank account and in the Legal & General Asset Management (“L&G”) Sterling Liquidity Fund. The Trustees have decided not to set stewardship priorities since the Scheme no longer holds any investments with voting rights, as at 31 December 2025, and therefore have limited scope to influence stewardship. However, the Trustees take the stewardship, 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 believe that its policies on voting and engagement have been met in the following ways:

- Beyond the bulk annuity policy, the Scheme invests entirely in cash funds which have no voting rights and limited ability to engage with key stakeholders given the nature of the underlying holdings. As such, there are limitations on how much the Trustees can shape stewardship.
- The Trustees undertook an initial review of the stewardship and engagement activities of L&G in 2019 and were satisfied that their policies were reasonable, and no remedial action was required at that time.
- L&G attended a Trustee meeting in 2021 to discuss their approach to ESG and stewardship. No actions were required following these discussions.
- In November 2022 the Trustees sold holdings in all growth assets. From this date there were no assets held that have voting rights attached. The proceeds from the sale were invested with L&G in funds held by the Scheme until the date at which a bulk annuity was purchased in June 2024. The approach to ESG and stewardship of these funds has been considered throughout.
- In purchasing a bulk annuity with Aviva, the Trustee deemed there to be limited scope for the consideration of ESG issues in insurer selection. There are no voting rights attached to the bulk annuity contract and the Trustees have no expectation that they will carry out engagement activities with the insurer given these are not expected to have a material impact on the investment. Despite this, in selecting Aviva as an insurer, "net zero" insurer commitments were considered. Aviva have a target to be net zero on all their emissions, including their investments by 2040. The Trustee did not analyse the robustness of this target, or Aviva's approach to ESG integration more widely in respect of their underlying investments.

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.

Prepared by the Trustees of the Institution of Civil Engineers Staff Retirement Benefits & Life Assurance Scheme

April 2026

Voting Data

The Scheme held no growth assets with voting rights over the 12 months to 31 December 2025.

During the year, the Scheme had holdings in Sterling Liquidity, which has no voting rights and limited ability to engage with key stakeholders given the nature of the mandate. Therefore, no voting data or significant votes have been reported this period.



Engagement

The investment managers may engage with investee companies on behalf of the Trustees. Engagement activities are limited for the Scheme's cash funds and bulk annuity purchase due to the nature of the underlying holdings and, as such, engagement information for these assets have not been shown.

Legal & General

Number of engagements undertaken at a firm level in the year

3,114



Examples of engagement activity undertaken over the year to 31 December 2025

Legal & General, Firm-level

Microsoft

L&G engage with companies on their use of artificial intelligence ("AI") and risk management processes. They believe that companies such as Microsoft should be transparent in their use of AI due to their outsized influence on the integration of AI into the economy through their software products and cloud operation. In particular, the scale of Microsoft's cloud and digital operation globally suggests that the human rights risks in its operation and in the value chain remain high.

The objective of this engagement is for Microsoft to improve its transparency, governance and risk management regarding the use of AI and human rights. L&G first engaged with Microsoft on the topic of AI governance in 2023, following the publication of L&G's 'safe AI' expectations. Among big tech companies, they have considered Microsoft to be a transparency leader over the past few years.

In late 2025, L&G met with the company again ahead of their AGM to discuss shareholder resolutions that had been filed, in relation to AI and data governance and human rights. L&G wanted to understand how Microsoft is approaching these issues and what measures the company has taken to manage relevant risks.

Given the corrective actions Microsoft has taken in response to stakeholder feedback, L&G voted against two shareholder resolutions on the topic of human rights in their 2025 AGM which took place in the fourth quarter. L&G also voted for a shareholder proposal requesting a report on AI data usage oversight, as they believe the regulatory environment is changing quickly and there are increased legal and reputational risks related to copyright infringement associated with its data sourcing practices.

Overall, L&G considers that Microsoft has improved its transparency on responsible AI governance and human rights over the past few years. Although the company's disclosures on AI governance are generally better than its international peers, they have found that the company could further improve its data governance disclosures, especially in relation to government requests for content removal and user data.

The company has made amendments to their internal risk classification process for projects, and which type of projects would require additional human rights due diligence, which L&G view positively. L&G will continue to monitor progress in AI governance and related processes.