



# Airways Pension Scheme

## 2022 Summary implementation statement

### Statement of investment principles



# Summary implementation statement – statement of investment principles

## 1. Introduction

This statement sets out how our policies under the terms of the statement of investment principles (SIP) have been put into practice.

## 2. Assets held and managed

The Airways Pension Scheme (APS) is a defined-benefit scheme that has been closed to new members since 1984. As of March 2022, the APS had a total of 20,532 members, and nearly all of these were pensioners in payment (people who are receiving an income from their pension), dependent pensioners (people, other than the member, who depend on the income from this pension) or deferred members (people who are not yet receiving an income from their pension). As of March 2022, the investment manager for the Scheme, BlackRock Investment Management (UK) Limited (BlackRock), managed over £2 billion in assets for the Scheme, mainly in liability-matching assets and partly in return-seeking assets. (The Scheme's investment manager changed from British Airways Pension Investment Management Limited (BAPIML) to BlackRock from 1 June 2022.)

## 3. Policies and practices

- There are many aspects to environmental (including climate change), social and governance (ESG) issues, and these issues represent long-term risks.
- We recognise that ESG risks are financially significant and need to be managed as we have a long-term payment plan.
- We aim to consider ESG matters in our decision-making and reporting processes across all asset classes.
- We will be actively involved in, and use our voting rights to improve ESG standards, as long as this is consistent with the duty we have to protect members' investments and is in line with our investment strategy.

## 4. Monitoring and communication

- We also receive written reports setting out the investment manager's stewardship activities (for example, voting at company meetings and meetings held with company management), and the outcomes of these activities.
- When setting the Scheme's investment strategy, the trustee directors do not take account of members' views on non-financial matters, including environmental and social issues.

## 5. Voting

BAPIML's policy was to exercise its clients' voting rights in all geographical areas, for all relevant asset classes, wherever possible. Over the two months to the end of May 2021, the matters BAPIML voted on were mainly associated with the Scheme's listed equity holdings in the Mixed Portfolio Fund (MPF). BAPIML voted at 264 meetings on a total of 4,512 proposals.

Number of meetings voted at (by geographic area)	
United Kingdom	99
North America	45
Developed Europe (not including the UK)	72
Developed and emerging Asia Pacific (not including Japan)	29
Japan	19

Over the 10 months to the end of March 2022, BlackRock voted on behalf of the MPF at 1,660 meetings on a total of 13,789 proposals.

Number of meetings voted at (by geographic area)	
United Kingdom	20
North America	16
Developed Europe (not including the UK)	49
Developed and emerging Asia Pacific (not including Japan)	1,073
Japan	363
Emerging markets	139

## 6. Engagement

Engagement is any two-way conversation between an investor (in this case, BAPIML or BlackRock) and the management of invested or potential invest companies (companies that receive investments).

### APS and MPF engagement (1 April 2021 to 31 May 2021)

Over the two months to the end of May 2021, BAPIML's listed equity and corporate bond investment managers carried out 19 engagements with company management. Environmental, social or governance topics were discussed in 74% of company engagements.

## 6. Engagement

### APS engagement (1 June 2021 to 31 March 2022)

Over the 10 months to the end of March 2022, BlackRock's corporate bond investment managers carried out 95 engagements with company management. Environmental, social or governance topics were discussed at every meeting.

<b>Total company engagements</b>	<b>95</b>
<b>Geographic area</b>	
America	25
Europe, the Middle East and Africa	69
Asia-Pacific	1
<b>Engagement themes</b>	
Governance	74
Social	25
Environmental	56

### MPF engagement (1 June 2021 to 31 March 2022)

Over the 10 months to the end of March 2022, BlackRock carried out 827 engagements with company management. Environmental, social or governance topics were discussed at every meeting.

<b>Total company engagements</b>	<b>827</b>
<b>Geographic area</b>	
America	320
Europe, the Middle East and Africa	236
Asia-Pacific	271
<b>Engagement themes</b>	
Governance	717
Social	337
Environmental	556

## 7. Stewardship example from the year to the end of March 2022

### Barclays plc

For a number of years, BlackRock has engaged regularly with Barclays to discuss a range of matters, including climate risk and opportunities, as well as the climate-related information the bank publishes (disclosures).

BlackRock believes that Barclays has made progress in developing its plan to become 'net zero'. In the past year, the bank has added medium-term targets to 2030 for financed emissions (emissions as a result of financial services, investments and lending by companies). It has also broadened its targets to include reducing financed emissions from steel and cement, as well as power and energy. Finally, Barclays improved its coal policies to include a commitment to phase out financing for thermal coal mining and for thermal coal power by 2035.

At Barclays' 2022 AGM, management proposed an advisory, non-binding shareholder vote on the bank's Climate Strategy, Targets and Progress 2022. Although BlackRock believes there is still room for the bank to improve its disclosures and underlying strategy, it voted in favour of approving the plan in recognition of Barclays' progress in this area.

## 8. Affiliations and initiatives

Throughout the year to 31 March 2022, both BAPIML and BlackRock engaged with global investment companies and corporate businesses through a number of affiliations (formal connections which aim to promote a shared objective or purpose).

BlackRock also works informally with other shareholders to engage with companies on specific issues or to promote improvements to current practice.

Please visit the '**Scheme documents**' page of the member website for more details on the Scheme's responsible investment activities. If you would like more information on the Scheme's responsible investment policies or its approach to stewardship, and can't find the information on the website, you can email us at [esg@bapensions.com](mailto:esg@bapensions.com).



British Airways Pension Services Ltd

Registered address:  
Waterside HAA1  
Harmondsworth  
UB7 0GB

Address for correspondence:  
PO Box 2074  
Liverpool  
L69 2YL