2021

Responsible Investment Report

Airways Pension Scheme

Contents

Glossary

Affiliations	Affiliations are formal connections with industry groups which aim to promote a shared objective or purpose.
AGM	Annual general meeting.
Alternative Investments	Portfolios of complex investments which are usually difficult to buy and sell quickly.
AVCs	Additional voluntary contributions (AVCs) are tax-free contributions that you can choose to make on top of your standard pension contributions to provide extra benefits for you and your dependants in the future.
CDP	Formerly known as the Carbon Disclosure Project, CDP is a not-for-profit charity that runs a system for investors, companies, cities, states and regions round the world to share environmental information.
Class action	A class action is legal action taken by a group of people, such as a group of shareholders making a financial claim against a company they believe has not managed investments properly.
Engagement	BAPIML defines engagement as 'any two-way communication between BAPIML as an investor and current or new investee companies or third-party managers'.
ESG	Environmental, social and governance.
Governance	Governance is the term used to describe how organisations are directed, controlled and led.
Illiquid income	Investments that generate a regular income but are more difficult to convert to cash than other investments.
Investee company	A company in which an investor makes a direct investment.
Investment beliefs	Investment beliefs describe the trustee directors' views on how investment markets work and set the direction for investment policy, investment practice and organisational culture.
Over-boarding	Over-boarding is where a company director is also a director on too many other company boards.

Glossary

Proxy voting	Proxy voting is when a person or organisation nominates someone to vote on their behalf.
Remuneration	Remuneration is payment received for services or employment. Remuneration can include basic salary, bonuses and any other financial benefits an employee receives.
Responsible investment	Responsible investment is an approach which is designed to achieve maximum long-term returns by challenging companies to identify and manage ESG risks and opportunities that may affect them over the long term.
Sponsor	The Scheme's sponsor is British Airways Plc.
Stewardship	Stewardship is the job of supervising or taking care of something, such as an organisation or property. From an investment perspective, stewardship refers to working with investee companies to promote good governance and create long-term value for shareholders.
Stewardship Code	The Stewardship Code is a part of UK company law and is designed to protect the interests of British savers and pensioners by making sure their investments are managed responsibly.
Sustainability	Meeting today's economic, environmental and social needs without making it difficult to meet the needs of future generations.
TCFD	Taskforce on Climate-related Financial Disclosures. TCFD was established in 2015 to set standards for companies and other asset owners when reporting on risks and opportunities related to climate change.
Trustees	The Trustee of the Airways Pension Scheme (the APS Trustee).

Foreword

The Airways Pension Scheme (APS or the Scheme) annual responsible investment report is intended to highlight the Scheme's approach to investment stewardship and provide some insight into how the Scheme expects environmental, social and governance (ESG) matters to be considered as part of the investment decisions made on its behalf.

This responsible investment report 2021 relates to the 12 months ending 31 March 2021 (the 2021 scheme year), during which British Airways Pension Investment Management Ltd (BAPIML) was the Scheme's in-house investment manager and so was responsible for putting the Scheme's responsible investment (RI) policies into practice.

Since then, following the Trustee's decision to ask an external investment management company to manage the Scheme's investments, all of the Scheme's assets were transferred from BAPIML to BlackRock on 1 June 2021, and responsibility for putting the Scheme's responsible investment policies into practice passed to BlackRock on that date.

The following report was produced by BAPIML and provides a summary of the activities it carried out in relation to the Scheme's assets in the 2021 scheme year.

The year in summary

Overseeing the responsible investment policy
In 2018, the APS Trustee set up an ESG committee to help the main board update its approach to investment stewardship. As a result of the committee's work, the trustee directors adopted a new responsible investment policy in July 2019.

BAPIML worked with the ESG committee, the Scheme's independent investment experts and the Scheme's strategic investment advisers to make sure the Scheme's processes, activities and initiatives were consistent with the Scheme's stewardship goals. When the Trustee's advisers formally reviewed the Scheme's policies and practices in June 2020, they agreed that they met or were better than the industry's regulatory standards.

With significant progress having been made, the Trustee decided to simplify its committee structure. Responsibility for overseeing the responsible investment policy has now moved back to the Scheme's investment committee. The APS Trustee remains very supportive of ESG and climate-change initiatives and is committed to continuing to develop the Scheme's approach over time.

Continuous improvement

As the Scheme's in-house investment manager at the time, over the 2021 scheme year BAPIML focused on improving the way its fund managers included environmental risks and opportunities (including those relating to climate change) in their decisions. It built new screening and evaluation tools for its corporate bond managers, and started work on understanding the 'carbon footprints' of its equity and bond portfolios. It also formally reviewed the ESG policies and practices of the external fund managers it employed to manage assets such as private equity and alternatives.

BAPIML also updated its Voting and Engagement Policy. This made it easier to make sure voting decisions made by individual fund managers were consistent with the Scheme's priorities. It explained why fund managers interacted with company management, and how they hoped to add value to the Scheme's investments when they did so.

Finally, BAPIML worked to make sure that the way in which the Scheme reported on responsible investment met the pension industry's new regulations. The UK's Financial Reporting Council (FRC) published an updated version of the UK Stewardship Code in January 2020. The APS Trustee supports the revised code and, over the 2021 scheme year, BAPIML worked with the Scheme's advisers towards meeting the new standards. BAPIML made good progress and British Airways Pension Services Limited (BAPSL) will continue to work with BlackRock to refine its approach.

Working with others

BAPIML sometimes worked with other shareholders to influence companies on a specific issue or to shape industry practice in a certain area, if it believed doing so could have a positive effect on the value of the Scheme's holdings. Over the 2021 scheme year, BAPIML worked on two medium-term initiatives: the Mining and Tailings Dam Safety Initiative and the CDP's Annual Non-Disclosure Campaign.

There are more details on this later in this report.

COVID-19

The UK went into its first COVID-19 lockdown just before the start of the 2021 scheme year. Over the 2021 scheme year, BAPIML's fund managers worked hard to make sure they understood the financial effect the pandemic was likely to have on the Scheme's assets.

To do this they had to find out how the pandemic has affected companies' customers, employees and supply chains. They engaged with company management and research analysts by email, phone and video link rather than in face-to-face meetings. In most cases, fund managers supported company management when they took long-term decisions, whether they were to retain staff, invest in their supplier base or to raise extra money from shareholders.

Climate change

Laws passed in February 2021 mean that, in the future, the UK Government will ask large UK pension schemes to provide extra information on their approach to managing climate-related financial risks. To make sure the Scheme understands its responsibilities, BAPIML provided the trustee directors with training, focusing on the recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD).

The APS Trustee has confirmed that climate-related financial risks and opportunities will be assessed by the APS investment committee and reviewed by the Scheme's main board. Mercer, the Scheme's investment adviser, will make sure the trustee directors understand the regulations and what they need to do. The Scheme's investment manager will be responsible for managing the Scheme's exposure to climate risk (if this is consistent with the Scheme's investment strategy) and providing information about the Scheme's portfolio holdings to the Trustee.

Future work

Responsible investment reporting standards for pension funds continue to change. The biggest new requirement will be for schemes to provide more information on climate-related financial risks, as mentioned above. At the same time, industry standards on climate-related financial analysis are developing quickly. The Scheme will continue to work with its advisers to make sure it is prepared, and the trustee directors look forward to understanding more about the risks and opportunities the Scheme faces. As a smaller scheme, APS will need to publish an initial assessment of the climate-related financial risks it faces by late 2023.

About the Scheme

Airways Pension Scheme (APS)
APS is a relatively mature pension scheme. It is focused on being able to pay members in full without taking significant risks. It took a big step towards achieving this goal in 2018, when it insured around £4.4 billion of liabilities through a pensioner 'buy-in' with Legal & General.

At that time, BAPIML managed just over £3 billion in assets for APS (these assets have since transferred to BlackRock). The money which BAPIML managed on behalf of the Scheme was mainly invested in inflation-linked government bonds and corporate bonds, with a small portion invested in illiquid income (mainly private equity and alternatives).

The Scheme's assets also include a number of funds in which Scheme members can invest in AVCs. One of these, the Mixed Portfolio Fund (MPF), has a proportion of its assets invested in listed equity.

British Airways Pension Investment Management Limited (BAPIML)
During the 2021 scheme year, BAPIML was the Scheme's in-house investment manager, providing investment services exclusively to APS and a second British Airways scheme, the New Airways Pension Scheme (NAPS).

BAPIML managed portfolios of global equities, corporate bonds, gilts, inflation-linked bonds and direct property for APS and NAPS. Its in-house fund managers also selected and oversaw external fund managers in connection with private equity, alternative investments, real assets, illiquid income and property.

As mentioned earlier in this report, BlackRock became the Scheme's investment manager on 1 June 2021, and all assets transferred to them on that date.

British Airways Pension Services Limited (BAPSL)
BAPSL is the Scheme's in-house administrator, providing administrative services to the APS and NAPS trustee directors and to members. BAPSL also acts as both schemes' executive, co-ordinating the interaction between the schemes' trustee boards, their investment and actuarial advisers, and the sponsor.

The APS responsible investment policy

The Scheme's vision is described in its responsible investment policy, which was adopted by the Scheme's main board in July 2019 and then fully included in the Scheme's statement of investment principles. There is strong support for responsible investment among the trustee directors, and the Scheme is committed to updating its approach as best practice develops over time.

As the Scheme's in-house investment manager, BAPIML was responsible for putting the responsible investment policy into practice. Its fund managers considered ESG matters (including climate change) in their decisions where possible and where this was appropriate to the Scheme's investment strategy. BAPIML's fund managers were also responsible for carrying out engagement activities on behalf of the Scheme.

Documents relating to the Scheme's responsible investment approach, including its statement of investment principles, responsible investment policy and Stewardship Code report, are available on the Scheme's website.

Introduction

BAPIML's fund managers had to consider environmental, social and governance matters where possible and wherever this was appropriate to the Scheme's investment strategy. They were also responsible for wider investment stewardship activities, including working with relevant stakeholders and making sure that the Scheme made use of its ownership rights.

Where BAPIML managed the Scheme's assets direct, it was also responsible for voting and carrying out engagement activities on behalf of the Scheme. Where BAPIML oversaw the decisions of external (non-BAPIML) fund managers, it was also responsible for making sure that the external fund managers had suitable responsible investment policies in place. Because different assets have different rights and responsibilities attached to them, and are exposed to different risks, BAPIML's approach to responsible investment varied by asset class (type of asset) and may also have been different depending on the geographical area.

The rest of this document focuses on BAPIML's investment stewardship activities in two areas:

- global equities and corporate bonds; and
- external fund managers.

It then talks about how BAPIML worked with other asset owners and industry organisations. Finally, it looks at member communications from the 2021 scheme year.

1. Global equities and corporate bonds

BAPIML invested in global equities on behalf of the MPF, and in corporate bonds for both APS and the MPF. The portfolios that BAPIML managed are 'active', meaning that BAPIML's fund managers chose individual securities they believed were most likely to deliver the returns the Scheme needs over the long term.

When deciding which stocks or bonds to buy, hold and sell, BAPIML's fund managers considered all relevant environmental, social or governance risks and opportunities. To help them do this, the fund managers had access to a team of two ESG specialists as well as a third-party system which helped fund managers analyse ESG-related risks. Over the 2021 scheme year, BAPIML had built additional in-house tools to measure the carbon footprint associated with the Scheme's equity portfolios, and to screen corporate bonds for specific ESG-related risks.

Fund managers often spoke to company managers direct if BAPIML needed more information to be able to understand a particular company's exposure to significant risks or to help clarify BAPIML's views on certain topics. Sometimes the aim of these conversations was to protect or increase the value of the Scheme's assets by changing the investee company's ESG practices and performance. Sometimes the individual fund manager may have just needed information as part of their ongoing monitoring and scrutiny of the Scheme's assets.

Investment stewardship is, however, about more than engagement. BAPIML also voted on behalf of the Scheme. The following charts and examples show how BAPIML has tried to influence the activities or behaviour of investee companies over the 2021 scheme year, through both voting and engagement.

Voting

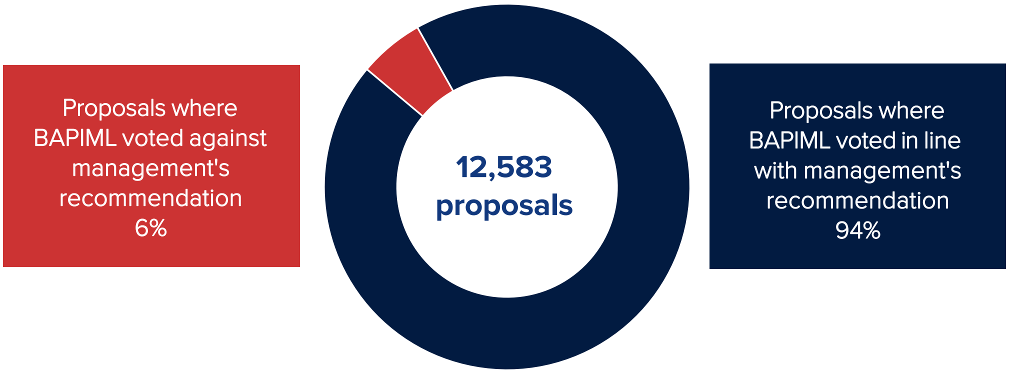
When BAPIML voted on behalf of APS, its overriding priority was to protect, and where possible increase, the value of the Scheme's assets over the long term. BAPIML's fund managers had to consider recommendations on voting from a specialist research provider (a 'proxy voting adviser'). The Scheme's proxy voting adviser was the Institutional Shareholder Services (ISS). However, the fund manager of the relevant asset class had final responsibility for deciding how to vote.

Over the 2021 scheme year, BAPIML voted at 949 meetings on 12,583 proposals. It voted in all relevant geographical areas.

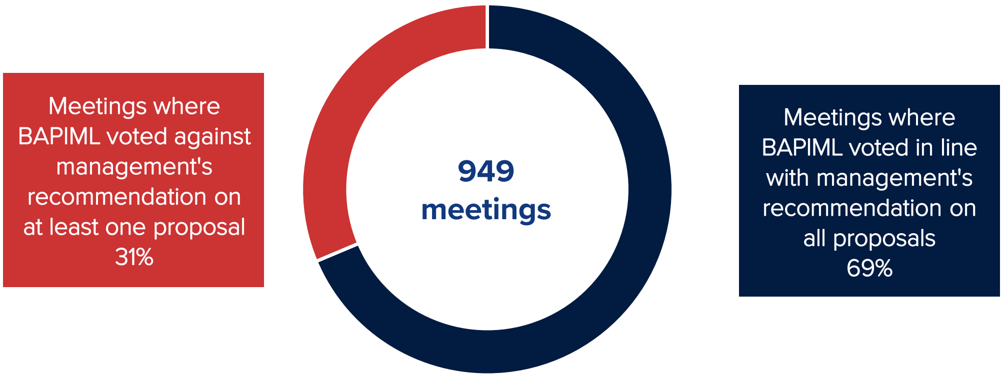
Number of meetings BAPIML voted at (by geographical area)	Meetings	Proposals
United Kingdom	155	2,687
North America	76	1,099
Developed Europe (not including the UK)	124	1,990
Developed and Emerging Asia Pacific (not including Japan)	112	959
Japan	482	5,848
Total	**949**	**12,583**

Voting continued

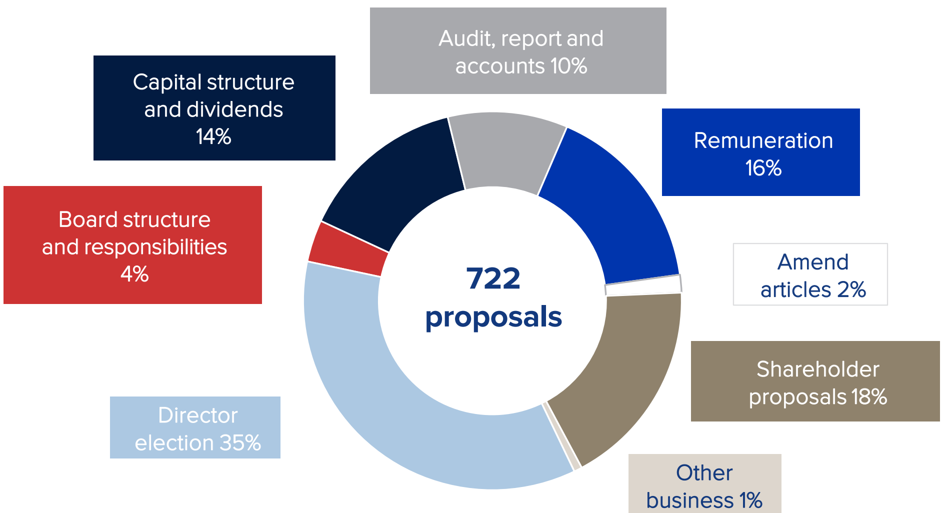
BAPIML voted against management's recommendation on 722 proposals (6% of all proposals).



That means that BAPIML voted against management's recommendation on at least one proposal at 31% of meetings.



The pie chart shows the 722 proposals over the year where BAPIML voted against management's recommendation split by category.



BAPIML most commonly voted against management in votes related to director elections, shareholder proposals or remuneration (executive pay).

Not all complicated decisions involve voting against management. There were times when BAPIML chose to vote with management but against the advice of the Scheme's proxy voting adviser. During the year, BAPIML voted against the recommendations of ISS on 43 proposals. AGL Energy Ltd was an example of this.

In this case, what looked to be a straightforward question about the CEO's pay needed to be considered in the wider context of the company's long-term strategic priorities. BAPIML's fund manager thought the company's management was right about what would make the company more valuable over the long term, and that ISS was wrong in its voting recommendations.

AGL Energy Ltd

AGL Energy Ltd (AGL) is an energy company which generates and sells electricity to customers in Australia. In recent years, the company has been actively shifting away from coal-fired generation, and has made significant investments in renewable energy.

At AGL's AGM in October 2020, BAPIML was asked to vote to approve a performance-based bonus scheme (a long-term incentive plan or LTIP) for the CEO, Brett Redman. Long-term incentive plans are meant to reward employees for reaching specific goals linked to increased shareholder value.

AGL wanted to update the CEO's LTIP to increase the effect that reducing the company's carbon emissions has on the CEO's compensation. It also wanted to cut the profit target that was included in the CEO's LTIP, because of the effect of COVID-19 on the company and in light of the company's plans to move to a low-carbon platform.

ISS recommended voting against the LTIP, believing that the importance placed on carbon emissions was too high, and that the CEO's bonus should be reduced given the lower profit target.

BAPIML's fund manager believed that moving towards owning low-carbon assets was an important strategic priority for AGL. The fund manager also believed that it would reduce the company's profits in the short term, as AGL makes new investments in renewable energy and writes off the value of its coal-fired power stations. By reducing the CEO's profit target, AGL simply wanted to make the LTIP consistent with the company's new goals.

BAPIML voted in favour of the LTIP against ISS' recommendations, believing the changes were appropriate and in line with action taken by other firms, and designed to encourage the CEO to act in the shareholders' best interests. In total, 70.7% of AGL's shareholders voted in favour of the LTIP, and it was approved.

If BAPIML considered a vote to be particularly controversial or important, it had the option to write to the company's management or board explaining its position. BAPIML did this 12 times during the 2021 scheme year. Vodafone Group was one example.

Vodafone Group

At Vodafone Group's AGM on 28 July 2020, Mr David Thodey was put forward to be re-elected as an independent director of the company's board.

In general, BAPIML was not supportive of people being directors in several companies, believing that it can reduce the time and focus they have available. At that time, Mr Thodey was on the board of directors of three other publicly listed companies, and he was chair of two of the boards. This raised significant concerns about 'over-boarding'.

On 20 July 2020, BAPIML voted against Mr Thodey's re-election, and wrote to the chair of Vodafone, Mr Gerard Kleisterlee, explaining its decision. BAPIML received an immediate response from the chair who noted that Vodafone's Nominations Committee was comfortable with Mr Thodey's commitment to Vodafone, and that he would be able to fulfil his role as a non-executive director.

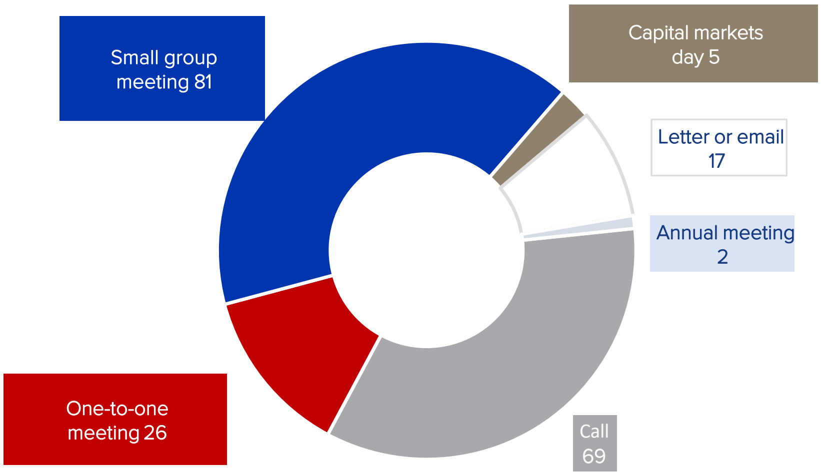
However, on 27 July 2020 (the day before the AGM), Vodafone announced that Mr Thodey had decided not to stand for re-election. BAPIML believed Mr Thodey's decision was likely to be due to the company receiving feedback similar to BAPIML's from several shareholders before the AGM.

A full list of meetings that BAPIML voted at in the 12 months to March 2021, along with details of proposals where it voted against management and against ISS' recommendations, is available on the Scheme's website at www.mybapension.com.

2. Engagement

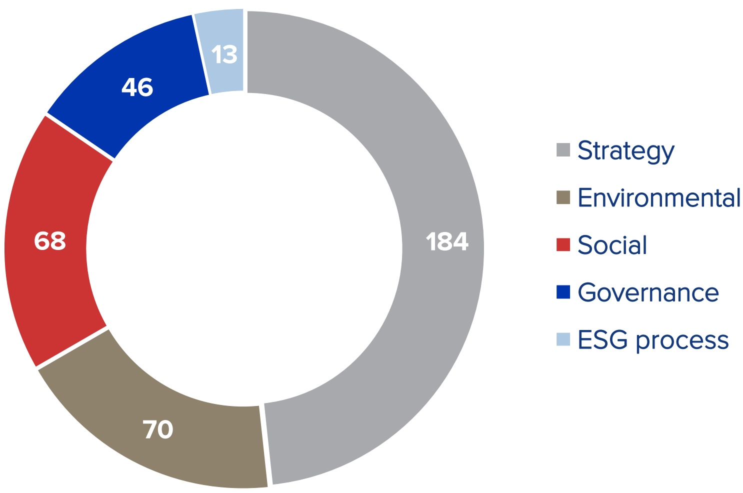
BAPIML defined engagement as any two-way conversation between BAPIML (as an investor) and the management of investee or potential investee companies. Engagement was carried out through calls, emails, letters, virtual or face-to-face meetings with management or partnership initiatives.

Over the 12 months to the end of March 2021, BAPIML's equity and corporate bond fund managers engaged with company management 200 times. While the total number of engagements fell due to restrictions on face-to-face meetings and travel, fund managers remained close to the companies and industries they research through calls, virtual meetings and online conferences.



BAPIML's fund managers engaged with companies on a wide range of topics, with discussions related to strategy being the most common. However, during the 2021 scheme year, fund managers were talking to companies about environmental issues more often than in previous years, and the effect of the pandemic on companies' customers, employees and supplies led to there being more conversations about social issues.

The chart below shows the number of times different subjects were raised during BAPIML's engagement activities.



Engagement was often specific to a particular company, aiming to find out about any unique circumstances surrounding a governance issue. An example of this was BAPIML's engagement with The Trade Desk Inc in December 2020 about their share structure.

The Trade Desk Inc

The Trade Desk Inc (TTD) is an advertising technology company based in the United States.

In December 2020, TTD called a special shareholder meeting to change the rules governing the company's share classes. The change TTD wanted to make was not something BAPIML would normally support, so BAPIML's US equity team engaged with TTD before the meeting.

Some companies have a dual share-class structure. This means that they have two or more types (classes) of shares. Different classes of shares usually have different voting rights and are owned by different types of investors. Often, insiders (such as company founders and early investors) own one class of shares and ordinary investors own a different one. The intention is usually to give insiders more control over decisions during the company's early years, when the long-term value of some investments might be unclear to outsiders. Dual share classes are not normally considered best practice as they allow a small group of insiders to control decisions that affect all shareholders.

TTD still has two classes of shares. It has 'founder' shares which have 10 votes per share, and 'ordinary' shares which have one vote per share. Founder shares were meant to convert to ordinary shares when founder shares fell below 10% of the total number of shares. The company's proposal in December 2020 was to remove the automatic trigger and replace it with a guarantee that the company would convert the founder shares to ordinary shares by 2025.

BAPIML didn't normally like dual share-class structures, and so contacted the company. TTD explained that when the company went public in 2016, management's plan was that the dual-share structure would be in place for 10 years. However, they were now concerned that the 10% trigger would be reached before then, and that converting founder shares to ordinary shares earlier than planned would affect management's ability to control the company's future.

BAPIML voted in favour of changing the rules at the December meeting. BAPIML's fund manager believed that the extension was needed to allow the company to make investment decisions based on the long term, and to reduce the risk of it being bought by another company before its full value was recognised by the market. The proposal received more than 90% of shareholders' support, suggesting that most ordinary shareholders agreed with BAPIML.

The vote relating to AGL was an example of engagement which was very specific to an individual company's circumstances. But engagements were sometimes more thematic (involving a number of companies on a particular topic) if fund managers believed there were significant, financial or non-financial risks present in the portfolio they looked after. Because thematic engagement tended to involve speaking to lots of companies that were affected by a risk in similar ways, BAPIML sometimes worked with other shareholders to increase the effect of its engagement.

Climate change is a good example of a risk that affects many companies. Over several years, BAPIML worked with other investors on a number of occasions to influence companies' policies on reducing climate change. BAPIML particularly focused on corporate campaigning, where a company's industry memberships don't appear to be in line with the company's other climate-related commitments.
Last year's responsible investment report included a case study reporting on shareholders' joint engagement with Anglo American over its environmental campaigning activities. Anglo American was a member of various industry groups which appeared to be campaigning for policies which were inconsistent with its commitment to bring its company goals in line with the Paris Climate Agreement to keep average global warming well below 2°C.

Over the 2021 scheme year, BAPIML continued to engage with companies and investor groups on similar issues. It also used its vote to push for companies to be more transparent about how they are keeping to the Paris Climate Agreement. Chevron Corporation is an example which BAPIML believed shows the positive effect of joint shareholder action in this area.

Campaigning for climate change

Chevron Corporation (Chevron) is an American multinational energy company which produces and transports crude oil and natural gas.

At Chevron's AGM in May 2020 a shareholder proposal was filed by a large asset manager who owns shares in Chevron. The proposal asked Chevron to report on how its campaigning activities are consistent with the goal of the Paris Climate Agreement.

Chevron currently works in partnership with a number of highly influential groups which campaign against the Paris Agreement's goals, including the American Petroleum Institute (API) and the Chamber of Commerce and National Association of Manufacturing (NAM). The API, for example, has successfully persuaded the US administration to amend some of the recent methane regulations and pushed to speed up the approval processes for oil and gas projects, without fully considering how this would affect the environment.

BAPIML believed that it was important for companies to be more transparent to make sure they could be held accountable for the environmental effects of their activities, and voted in favour of similar proposals at other investee companies' AGMs. What is interesting about the Chevron vote, however, is the change in investor attitudes over the last 12 months.

When BAPIML voted in favour of similar proposals at Exxon Mobil and BHP Plc and Ltd, it was in the minority, but the Chevron vote received majority support of 54%. This will force Chevron to increase the amount it tells shareholders about its campaigning in the future.

3. External fund managers

BAPIML used external fund managers when it invested the Scheme's money in some specialist assets. Investments BAPIML made for APS through third-party fund managers included private equity and alternatives. As the Scheme's in-house investment manager, BAPIML was responsible for choosing which external fund managers to use, and for monitoring them once they were up and running.

BAPIML used an ESG questionnaire as part of this choosing and monitoring process. The questionnaire had been rolled out over the last year and aimed to make sure BAPIML understood how fund managers included ESG matters in their investment processes.

BAPIML also had an ongoing programme of engagement with its third-party fund managers. Over the 12 months to March 2021, a lot of the team's focus was understandably on the direct and indirect effects of COVID-19 on fund managers' underlying investments, but social and governance matters were still very much at the forefront of the programme.

4. Affiliations and initiatives

BAPIML worked with other stakeholders where it believed this would help to resolve a specific issue or reduce a risk which could have a significant effect on the Scheme's assets. This sometimes included joining class actions to hold management to account or contributing to investor initiatives which aimed to change corporate or industry behaviours.

All formal affiliations were approved and reviewed by the Scheme's Trustee. The CDP non-disclosure campaign and the Investor Mining and Tailings Initiative are two examples of where BAPIML worked with others on behalf of the Scheme during the year.

CDP non-disclosure campaign
BAPIML was an investor signatory (investor member) to CDP, an organisation which was formerly known as the Carbon Disclosure Project. CDP is a not-for-profit organisation which gives companies and cities a platform to share information about the effect they are having on the climate, forests and water security (making sure people have access to clean, safe water). In 2020, approximately 9,600 companies and 810 cities shared environmental information through CDP.
CDP runs an annual campaign aimed at companies that currently do not share enough relevant information on climate change, forests or water security. In 2020, CDP targeted 1,025 companies, selected mainly based on their size or the effect they were likely to have on the environment. BAPIML was one of 108 institutional investors, from 24 countries and representing USD 12 trillion in assets, that signed up to support CDP.

Access to environmental information can be important in understanding the risks investee companies face. Based on the Scheme's holdings, 116 of the 1,025 companies on CDP's list were judged by BAPIML to be directly relevant to APS. BAPIML allowed CDP to put its name to letters it sent to these 116 companies, asking them to share more information. By the end of the 2020 campaign, 27 of the 116 companies selected by BAPIML on behalf of the Scheme had sent improved information to CDP.

The table below shows a breakdown of the full results from the 2020 CDP campaign. Of the 1,025 companies targeted by CDP, 20% shared more environmental information. Of the 116 companies targeted by BAPIML as part of the campaign, 23% shared more information.

	Overall engagement results			BAPIML engagement results		
	Engaged	Shared more information	%	Engaged	Shared more information	%
Target companies	1025	206	20%	116	27	23%
By topic						
Climate change	838	156	19%	74	17	23%
Forests	148	20	14%	32	6	19%
Water security	219	43	20%	36	4	11%

The Investor Mining and Tailings Safety Initiative
The Investor Mining and Tailings Safety Initiative was set up by the Church of England and the Swedish Council of Ethics, following the catastrophic failure of a tailings dam, owned by a mining company called Vale in Brumadinho, Brazil, in January 2019. BAPIML joined the initiative as mine safety is a significant risk for many mining companies. BAPIML wanted to understand the risks being taken, and to be involved in reducing them where possible.

During 2019, the initiative focused on producing a list of tailings dams globally and identifying the companies that own and manage them. Over 65% of the mining industry responded to the initiative's request for information, and there is now a public database of companies. The database includes 1,853 tailings facilities owned by 105 mining companies, and means that regulators, investors and communities have access to better information on who is responsible for managing mining waste.

In August 2020, the investor initiative, together with the United Nations Environment Programme (UNEP) and the International Council on Mining and Metal (ICMM), published the first Global Industry Standard on Tailings Management. The priority for 2021 was to establish an independent international institute on tailings to make sure they keep to the global standard and encourage companies to share information in the future.

5. Member enquiries

In the 2021 scheme year, we did not receive any queries or requests from members about responsible investment. Queries tend to come in cycles, with a peak during the UK and European AGM season, which runs from mid-March to the end of May. Requests are also often driven by third-party campaigns on specific issues or against individual companies.

APS's trustee directors do not take members' views into account when setting the Scheme's investment strategies, but the Trustee does receive a summary of all member enquiries relating to ESG matters.

Please visit the 'Scheme Documents' page of the member website at www.mybapension.com for more details of the Scheme's responsible investment activities. If you would like more information on the Scheme's ESG policies or its approach to stewardship and can't find the information on the website, you can email us at esg.bapensions.com.

British Airways Pension Services Ltd registered address:
Waterside
HAA1
Harmondsworth
UB7 0GB

Address for communications:
PO Box 2074
Liverpool
L69 2YL

Website:
www.mybapension.com