Annual Implementation Statement

1 January 2023 to 31 December 2023

This document is the Annual Implementation Statement (the 'Statement') prepared by HSBC Bank UK Pension Trust (UK) Limited (the 'Trustee') in relation to the HSBC Bank (UK) Pension Scheme (the 'Scheme') covering the Scheme Year to 31 December 2023.

This Statement focuses on the investments held for the purposes of members of the Scheme with Defined Contribution ('DC') benefits. A separate statement relating to the investments held for the purpose of providing Defined Benefits ('DB') under the Scheme can be found here.

The purpose of this statement is to:

- set out how the Scheme's Statement of Investment Principles for the Scheme's DC assets (the 'SIP') has been followed during the year (and on the implementation of the SIP in Sections 2-12 below);
- detail any reviews of the SIP the Trustee has undertaken, and any changes made to the SIP over the year as a result of the review - information is provided on the last review of the SIP in Section 1;
- describe the voting behaviour by, or on behalf of, the Trustee over the year - this is provided in Section 13 below.

This Statement is intended to meet requirements under the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019, which were introduced on 1 October 2020 and is expected to evolve over time. The Statement will be included in the Scheme's Report & Accounts and made public online. In preparing this Statement, the Trustee has taken advice from its advisors. The Trustee has also had regard to the guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions ('DWP's guidance') in June 2022.

1. Review of, and changes made to, the SIP

The SIP was reviewed and updated during the Scheme Year and published on 1 October 2023 to reflect a number of updates, the most notable being:

- the inclusion of an illiquid assets policy in line with the recent regulatory requirements required for SIPs signed after 1 October 2023, and reflecting the current strategy; and
- the various additions to the list of Trustee associations and industry initiatives that the Trustee is now a signatory to, including the Asset Owner Diversity Charter and the UK Stewardship Code.

As part of these SIP updates, the Principal Employer was consulted and confirmed it was comfortable with the changes. No other policies changed over the Scheme Year and this SIP includes all policies that were in the previous SIP which was in place at the start of the Scheme Year.

The Trustee has, in its opinion, followed the policies in the Scheme's SIP during the Scheme Year. The following sections provide detail and commentary about how and the extent to which it did this.

2. Governance

The Trustee has ensured that only persons or organisations with the necessary skills, information and resources are actively involved in taking investment decisions affecting the Scheme. Key to this is the four-person dedicated team of investment professionals within the Pension Scheme Executive ('PSE') headed up by an experienced Chief Investment Officer ('CIO'). In the previous Scheme Year, a Head of Responsible Investment was appointed to join the PSE. The Trustee calls on the skills of appointed external specialists including the fund managers, custodians, legal advisors, accountants, investment advisors and Scheme Actuary, as well as that of the PSE, especially the CIO. All these agents feed into the Scheme's Asset and Liability Committee ('ALCo'), a dedicated committee which handles the majority of investment matters in relation to the Scheme DC assets. Where decisions are required to be taken by the Trustee Board, the ALCo has made recommendations to the Board.

The monitoring of DC fund managers is covered in Sections 5 and 11 below. The Trustee has also set objectives for the Trustee's investment advisors against which they are reviewed annually.

3. Investment objectives to track the SIP

As part of the formal triennial investment strategy and performance review carried out on 3 March 2023, the Trustee considered the membership demographics and the variety of ways that members may draw their DC benefits in retirement from the Scheme. The Trustee also considered a phased structure for the strategy and evolving the underlying asset allocation in the future as well as reviewing the Freechoice fund range and the platform provider. This detailed level of review is carried out every three years, with membership demographic analysis also carried out more generally on an annual basis.

Based on the outcome of this triennial review, the Trustee concluded that the target of the main default arrangement, the Flexible Income Strategy, remains in the best interests of the majority of the members with DC benefits and reflects the demographics of those members.

The Trustee also provides members with access to a range of investment options which it believes are suitable for this purpose and enable appropriate diversification. The Trustee has made available alternative targeted and lifecycle strategies and a Freechoice fund range to members covering a suitable selection of major asset classes. The Trustee monitors the take up of these DC investment funds ('DC funds'). Take up of the Freechoice fund range by the members remains relatively high in comparison to the DC pensions market. The Trustee has reminded members to review their investment choices and check they are suitable for their risk tolerances and retirement planning.

The Trustee reviews changes in member choices, behaviour and trends each quarter using a tool called Lane, Clark & Peacock ('LCP') Horizon.

The Trustee receives annual advice from its investment advisor, LCP, regarding the efficacy of its DC investment arrangements. This year's letter was received in October 2023.

As part of the triennial strategy review, the Trustee has agreed to adjust the structure of the Flexible Income, Lump Sum and Annuity Purchase strategies. The current approach of the strategies is for members to be invested in white-labelled funds, split by asset class. The newly agreed approach is for members to be invested in the 'Early Growth Fund,' before de-risking into the 'Late Growth Fund' from 20 years to retirement. Members are further de-risked into the 'Approaching Retirement Fund,' of which there are three versions dependent on the strategy members are invested in. When members are in their final working years and reach retirement, they are transitioned into the 'Through Retirement Fund', of which there are three versions dependent on the strategy members are invested in.

As part of an ongoing project to investigate how the Scheme can access private markets, the Trustee agreed in the strategy review to allocate 15% of the Early Growth Fund to private markets. This will be accessed via a bespoke multi-asset private markets fund. This will be implemented over the next Scheme Year in conjunction with the changes to the structure of the Flexible Income, Lump Sum and Annuity Purchase strategies with the percentage invested in private markets planned to gradually build up over 2024 and reach 15% in 2025.

3.1. Investment strategy

Flexible Income Strategy (main default arrangement for members with only DC benefits)

The Trustee, with the help of its DC investment advisor, LCP, reviewed the strategy and performance of the Flexible Income strategy arrangement for members with only DC benefits over the period, as part of its formal triennial investment strategy review. The Trustee concluded that drawdown remains an appropriate retirement target. The growth phase of the DC default arrangement outperformed inflation over the last 5 years to 31 December 2023. The Trustee agreed to implement the changes to the structure of the strategy and the introduction of private markets into the strategy as mentioned above.

As part of this review the Trustee confirmed that the Scheme's targeted and lifecycle strategies were adequately and appropriately diversified between different asset classes and that the Freechoice options provide a suitably diversified range to choose from.

Lump Sum Strategy (main default for members with Hybrid benefit)

The Trustee also reviewed the main default for members with Hybrid benefits, the Lump Sum strategy, and concluded that a lump sum targeting strategy remains an appropriate retirement target for this cohort of members. This was part of the triennial review. The Trustee agreed to also implement the changes to the structure of the strategy and the introduction of private markets into the strategy as mentioned above within the Lump Sum strategy.

Annuity Purchase Strategy

The previous main default for members with only DC benefits, was also reviewed and the Trustee concluded that the Annuity Purchase strategy remains an appropriate retirement target for the cohort of members targeting the purchase of an insurance annuity at retirement. The Trustee agreed to also implement the changes to the structure of the strategy and the introduction of private markets into the strategy as mentioned above.

Cash – active (ex-Property) Fund

In 2020, the Trustee introduced a new default due to the suspension of the Property – active Fund, before being reopened in December 2020, and consequently redirected contributions, namely to the Cash - active (ex-Property) Fund. This Fund became classified as a default for the purpose of fulfilling legislative requirements. The Trustee is comfortable that this fund acts as a suitable default option for this purpose. The name of this Fund is to be updated in the coming Scheme Year to remove reference to property and allow contributions to be made into the fund as part of the implementation of lifestyle changes.

Cash Lifecycle

The Cash Lifecycle is a legacy version of the current main defaults for members with Hybrid benefits and, as members did not make a choice to invest in this strategy, this lifecycle also continues to be considered a default by the Trustee for the purpose of fulfilling legislative requirements. The Cash Lifecycle Strategy was reviewed as part of the review mentioned above and the Trustee concluded that no changes to the strategy were required. The strategy is closed to new members, however, the Trustee is comfortable for members already invested in this lifecycle to remain invested.

Legacy lifecycles

The Scheme also operates two other legacy lifecycles, the Flexicycle and Lifecycle 2, which are not default arrangements. These arrangements are closed to new members. The Trustee is comfortable for members already invested in the Flexicycle to remain invested and that this strategy remains appropriate. In May 2021, the Trustee reviewed all legacy lifecycles and agreed to move the majority of members from Lifecyle 2 into a default lifecycle based on whether members held only a DC pension pot or held Hybrid benefits, unless they elected to stay where they were. Given market conditions in 2022 and 2023, the Trustee agreed in June 2023 to exclude members within 5 years of their target retirement from the Lifecycle 2 transition due to their exposure to Fixed Annuity Tracker passive. This transfer was implemented in November 2023.

Retirement data

The Trustee reviews retirement data provided by the Scheme administrators on a quarterly basis to analyse how members access their benefits. As part of the triennial strategy review, the Trustee concluded members are generally accessing their benefits in line with expectations based on the strategy in which they are invested. However, the Trustee has found that some members are retiring earlier than their target retirement age which has influenced the discussions regarding the incorporation of private markets assets into the growth phase of the Flexible Income, Lump Sum and Annuity Purchase default arrangements.

4. Considerations in setting the investment arrangements

When the Trustee undertook the formal triennial investment strategy and performance review of the DC default arrangement on 3 March 2023, it considered the investment risks set out in Appendix 2 of the SIP. It also considered a wide range of asset classes for investment, taking into account the expected returns and risks associated with those asset classes, as well as how these risks can be mitigated. Both qualitative and quantitative factors are incorporated in all investment decisions. The relative importance of these is discussed as part of the annual risk metrics paper that is presented to the Trustee.

Over the Scheme Year, the Trustee considered how its beliefs could be further integrated into the investment strategies and Freechoice fund range.

- In March 2023, the Trustee initiated an independent third-party review of the DC investment arrangements, carried out by Mercer. The Trustee appropriately challenged and tested the investment advice of its appointed advisors to make sure they continue to receive best-in-class third party services from its incumbent, LCP.
- At the Investment Day in April 2023, the Trustee revisited its specific investment belief related to factor investing, and considered whether it would prefer to make the climate tilts a more prominent driver of the Legal and General Investment Management ('LGIM') Future World Fund's process now that it has made a net zero commitment. The Trustee will continue its review of the LGIM Future World Fund over 2024. As part of this review, the Trustee will also consider the passive regional equity fund options within the Freechoice range.
- At the 8 September 2023 meeting, the Trustee reviewed the underlying funds of the Global Equity – active Fund. The review considered the broad factor exposure of the underlying funds and the resulting exposure of the white-labelled fund, in addition to firmwide considerations of the fund managers. The Trustee concluded that the River Global Global Alpha Fund should be removed, the allocation of the MFS Global Equity Fund be reduced and both the Royal London Global Equity Diversified Fund and Schroder Global Sustainable Value Equity Fund be introduced to the Fund. This change will be implemented in early 2024.
- At the 24 November 2023 ALCo meeting, the Trustee conducted a full review of the Diversified Assets – active Fund and the underlying manager, Schroder Investment Management. The review considered the performance of the Fund, the level of diversification provided and the sustainability credentials of the Fund. The Trustee concluded it remains comfortable with the Fund.
- Following significant outflows and staff departures from one of the underlying managers of the Emerging Market Equity – active Fund, the Trustee conducted a selection exercise for a replacement underlying manager for the Fund. Resulting from this exercise, the Trustee replaced the GW&K Emerging Markets Fund (which forms 50% of the Emerging Market Equities – active Fund and 7.5% of the Global Equity – active Fund) with the Robeco Emerging Stars Equities Fund in Q4 2023, with a significant contributing factor being the superior alignment of the Fund with the Trustee's beliefs on ESG risk management.

Any conflicts of interest between the Trustee, asset owners, its agents (advisors, DC fund managers, PSE) and any other party that may influence in the decision-making process are recorded in the conflicts register which is reviewed quarterly. This policy was enhanced during the Scheme Year to ensure it is clear that all parties that may influence a decision as well as decision makers declare whether there is a potential conflict.

The Trustee's governance budget is reviewed quarterly and prioritised to focus on the main default arrangement for members with only DC benefits, the Flexible Income strategy, given this is where the majority of members are invested. This was the focus of the most recent strategy review, however, all other targeted and lifecycle strategies were considered. The Cash – active (ex-Property) Fund was not included in this review as there were no members invested in the fund, however, the Trustee monitors the underlying fund that would be utilised by this white labelled fund where appropriate, if it had assets, on a quarterly basis, as part of its regular performance monitoring.

DC communications are tailored to specific portions of the membership depending on those impacted by different issues; active and deferred members receive separate communications, where appropriate.

Active DC funds are available for members who wish to use them however, particularly within the default options, the Trustee makes use of DC funds that can replicate active management strategies cheaply, where appropriate, in order to systematically replicate active fund manager value at a lower cost.

Transaction costs, fees and additional expenses for all investment options are monitored annually and reported in the Annual Chair's Statement.

The Trustee's key investment beliefs and understanding of the Scheme's membership are reflected in the design of the default and other targeted and lifecycle strategies, and in the range of other DC funds made available to members (the Freechoice range). In particular, ESG issues are an important part of the Trustee's decision-making process (see Section 7).

5. Implementation of the investment arrangements

In the previous Scheme Year, the Trustee agreed to restructure the Property – active Freechoice option, which involved replacing the LGIM Managed Property Fund with the Invesco Global Real Estate Fund and adjusting the strategic allocations to the underlying component funds. An allocation to the Invesco Global Real Estate Fund ('GREF') began being built up in April 2022. In early 2024, Invesco launched the Global Direct Property Fund ('GDPF') which is intended to be identical to the GREF in terms of investment process, but which will segregate DC assets in a separate fund to DB and other investors to improve the liquidity of the fund. The Trustee has agreed to transfer assets from the GREF to the GDPF, and shortly after Scheme Year end in April 2024 the transfer was completed. This should allow the Trustee to have more control over the asset allocation of Property – active fund via cashflows. The LGIM Managed Property Fund was removed from the Property – active Fund in November 2023. The Trustee continues to use cashflows to meet the target strategic allocation for the fund.

On 10 June 2021, the Trustee reviewed all legacy lifecycles and agreed to move all members from Lifecyle 2 into either the Flexible Income or Lump-Sum strategies based on whether members held only a DC pension pot or held Hybrid benefits, unless they elected to stay where they were. Given market conditions in 2021, 2022 and 2023 the transition was delayed, the Trustee agreed in June 2023 to exclude members within 5 years of their target retirement from the Lifecycle 2 transition due to their exposure to Fixed Annuity Tracker - passive Fund. This transfer was implemented over two tranches between 15 and 17 November 2023.

In October 2023, the Trustee replaced the GW&K Emerging Markets Fund (which forms 50% of the Emerging Market Equities – active Fund and 7.5% of the Global Equity – active Fund) with the Robeco Emerging Stars Equities Fund to better reflect its beliefs on ESG risk management.

Following the triennial investment strategy review, the Trustee agreed in the strategy review to allocate 15% of the Early Growth Fund to private markets. This will be accessed via a bespoke multi-asset private markets fund. This will be implemented over the next Scheme Year in conjunction with the changes to the structure of the Flexible Income, Lump Sum and Annuity Purchase strategies, with the percentage invested in private markets planned to gradually build up over 2024 and reach 15% in 2025.

The Trustee obtains formal written advice from its investment advisor, LCP, and before investing in new DC funds ensures the investment portfolios of the DC funds chosen are adequately and appropriately diversified and that the DC fund managers' approaches are in line with the Trustee's policies, including the fund manager's proxy voting policies. As part of this process in selecting and appointing DC fund managers, the Trustee as a minimum reviews LCP's Responsible Investment ('RI') assessments of the shortlisted managers.

The Trustee's investment advisor monitors the DC fund managers on an ongoing basis, through regular research meetings. The Trustee's investment advisor monitors any developments at DC fund managers and informs the Trustee promptly about any significant updates or events they become aware of, with regard to the DC fund managers that may affect the managers' ability to achieve their investment objectives. This includes any significant change to the investment process or key staff for any of the DC funds the Scheme invests in, or any material change in the level of diversification in the DC funds. The Trustee's ESG advisor, Redington, monitors voting behaviour of DC fund managers and keeps the Trustee informed of any change in behaviour.

The Scheme's in-house team ('PSE') regularly meets the DC fund managers, at least once every year. Prior to this LCP provides a research view of the fund in question. Any areas where investment practices could be improved (in the view of the PSE or advisor) are highlighted at these meetings, including that of the fund managers' stewardship and voting practices. Over the period, the PSE met with all the DC fund managers to discuss the investments and their stewardship practices.

The PSE receives confirmation from all DC fund managers on an annual basis which states whether their ESG and engagement policies align with those set out in the Scheme's SIP. If they do not, the PSE will engage further with the DC fund manager to attempt to resolve where respective ESG and engagement policies may differ.

The Trustee monitors the performance of the DC fund managers on a quarterly basis, using the quarterly investment report. The report shows the performance of each manager over 1-year, 3-year and 5-year periods. Performance is considered in the context of the manager's benchmark and objectives. Over the Scheme Year, ALCo conducted additional performance analysis of the underlying fund managers in the Scheme, relative to comparable peer groups where appropriate.

Over the period, the Trustee undertook a value for members assessment which assessed a range of factors, including the fees payable to managers in respect of the Scheme's DC assets which were found to be extremely competitive when compared with schemes with similar size DC assets. In addition, the Trustee used the data provided as part of this exercise to negotiate additional discounts on a small number of DC funds to further improve value.

LCP monitors the DC fund managers' portfolio turnover and confirmed that over the Scheme Year portfolio turnover was in line with expectations and therefore there were no particular concerns highlighted around inappropriate costs being incurred based on the data available at the time of publication of this Statement.

6. Realisation of investments

It is the Trustee's policy to invest in DC funds that offer daily dealing to enable members to efficiently manage their investments. All of the DC funds which the Trustee offers are daily priced, although this may change in the future with the aim of members being able to achieve higher risk adjusted returns through the 15% allocation of the Early Growth Fund to private markets discussed in Section 3 and below.

The Trustee's policy is to have exposure, within the Diversified Assets – active Fund, to diversified growth fund managers with discretion to hold illiquid assets or private markets, in order to provide potentially greater levels of diversification, and hence better risk management for members. The Trustee reviewed the Diversified Assets – active Fund in November 2023 and was comfortable with the level of private markets held within the Fund.

7. Environmental, social and governance ('ESG') and other financially material considerations

As stated in the SIP, one of the Trustee's investment beliefs is 'Understanding the world on which we rely to deliver resilient retirement outcomes for members.' This belief recognises that global systems, such as the planet, its climate, its people and societies have a material impact on the whole economic system today and over the longer term. As a result, ESG risks (including climate change risks) are all important factors in investment decision making. The Trustee expects its appointed DC fund managers to be cognisant of climate change risks and opportunities within their investment processes as applied to the Scheme assets. The Trustee has chosen to prioritise a number of system-wide ESG risks which it believes are especially financially material to the Scheme, now and/or in the future. These include:

- climate change
- biodiversity and nature related loss, including antimicrobial resistance
- diversity, equity and inclusion.

DC fund managers are further expected to report annually on how these risks and opportunities have been incorporated into the investment process within applicable guidelines and restrictions.

As part of its advice on the selection and ongoing review of the DC fund managers, the Trustee's investment advisor incorporates its assessment of the nature and effectiveness of managers' approaches to financially material considerations (including climate change and other ESG considerations), voting and engagement. This assessment acknowledges the Trustee's preference for engagement rather than exclusion as a method for incorporating climate change risks into an effective fiduciary framework. However, the Trustee expects DC fund managers to independently consider whether exclusion or engagement is more appropriate within their investment process.

As part of the quarterly investment report, the Trustee receives LCP's responsible investment scores for the Scheme's current DC funds. These scores cover each manager's approach to ESG factors, voting and engagement. The fund scores and assessments are based on LCP's ongoing manager research programme and it is these that directly affect LCP's manager and fund recommendations. The Trustee was satisfied with the Responsible Investment scores over the Scheme Year and no further action was taken other than that described in Section 5.

ESG factors including voting practices and policies were considered when choosing DC fund managers and funds as part of the agreed changes over the Scheme Year. In particular, the decision to replace the GW&K Emerging Markets Fund with the Robeco Emerging Stars Equities Fund, which receives a higher overall responsible investment score from LCP, was an example of where better alignment with ESG risk management beliefs influenced the decision to replace a DC fund manager.

Over the Scheme Year, the Trustee became a signatory to the Asset Owner Diversity Charter, signalling the importance of the topic and its desire to drive improvements across the industry. This follows its move to become a signatory to the UK Stewardship Code in September 2022.

Over the Scheme Year, the Trustee and its ESG advisor, Redington, continued to develop the Scheme's general climate dashboard risk monitoring framework, including the addition of the PCAF Data Quality metric to the TCFD statement. In the previous Scheme Year, the Trustee added Transition Pathway Initiative ('TPI') Carbon Performance as its additional climate alignment metric, in line with the TCFD regulatory requirements. As a result, six climate risk related metrics are being measured (total carbon emissions, carbon footprint, weighted average carbon intensity, TPI Management Quality Score, PCAF Data Quality metric and TPI Carbon Performance).

Within the context of its fiduciary responsibility, the Trustee is supportive of the goals of the Paris Agreement to avoid dangerous climate change. Accordingly, the Trustee is targeting that the Scheme assets align with the goals of the Paris Agreement by reaching net zero and is developing a strategy to implement this. The Trustee expects its appointed DC fund managers to be cognisant of climate change risks and opportunities within their investment processes as applied to the Scheme assets. DC fund managers are further expected to annually report on how these risks and opportunities have been incorporated into the investment process within applicable guidelines and restrictions.

The Trustee encourages the further development of asset classes that are supportive of achieving net zero by aligning with the Paris Agreement target, provided they are all based within the primary fiduciary framework. This is borne in mind as part of any DC fund manager changes.

The Trustee has included specific climate-related objectives in its investment advisors' annual objectives to ensure its advisors are taking adequate steps to identify and assess climate-related risks and opportunities. The Trustee annually assesses the delivery of this advice using the DWP's Investment Consultant Objectives framework.

The Trustee agreed what governance structure and climate metrics the Scheme will continue to report on, including a clear definition of roles and responsibilities of the Trustee and its committees. In October 2021, the Trustee announced its commitment to achieve net zero greenhouse gas emissions across the Scheme's DB and open DC assets by 2050 or sooner by aligning with the Paris Agreement where possible. The announcement includes the Trustee:

- targeting a real economy emissions reduction interim target of 50% by 2030 or sooner for its equity and corporate bond DC funds;
- having the ambition of achieving all of its corporate bond and equity investments being fully aligned to the goals of the Paris Agreement by 2030 across the Scheme's DB and DC assets; and
- enhancing its engagement and stewardship efforts through the DC fund managers.

In doing so, the Trustee intends to align its climate risk management principles with the best practice principles set out in the Net Zero Investment Framework published by the Institutional Investors Group on Climate Change ('IIGCC').

The TCFD annual statement can be found here.

The Trustee is a signatory to the UN-supported Principles of Responsible Investment ('PRI'),the Asset Owner Diversity Charter and the UK Stewardship Code and supports a number of other ESG organisations and initiatives including the IIGCC, the University of Cambridge Universal Ownership Group, the Transition Pathway Initiative ('TPI'), Climate Action 100+ and the WTW Thinking Ahead Institute ('TAI').

The Trustee has a policy of avoiding investments in controversial weapons manufacturers on grounds of financial risk, as it believes this is in the best financial interests of the Scheme and its members. Where the financial implications of excluding controversial weapons manufacturers (either due to increased costs to members or reduced investment opportunities) are, in the opinion of the Trustee, greater than the financial risks of including them, some exposure to controversial weapons manufacturers may be maintained. During 2023, the PSE received details of any controversial weapons holdings from all of the DC fund managers, and concluded the exposure was in line with its policies.

In 2022, the Trustee also added additional policies on avoiding holding investments in companies with ties to the legal production and/or retail of cannabis products for recreational use and avoiding investments that breach any sanction, prohibition or restriction. These positions have been taken on the grounds of risk, as the Trustee believes this is in the best financial interests of its members.

When the PSE met with the Scheme's DC fund managers during the year, the PSE asked several questions about the managers' ESG, voting behaviours and engagement practices. The responses have helped the Trustee to understand how the managers' policies operate in practice and to inform future dialogue with them. The Trustee also reviewed reports from its managers on voting and engagement activities undertaken on its behalf to ensure they were well aligned with that of the Trustee's ESG priorities. Overall, the Trustee believes all the DC fund managers' stewardship and engagement practices are strongly aligned with those of the Trustee, recognising that stewardship and engagement best practice is a continually evolving area and therefore is a long-term journey. To further enhance this process, in early 2023, the Trustee formally wrote to all the DC fund managers outlining the Trustee's ESG beliefs, commitments, priorities, and expectations for the year relating to the systemic ESG concerns such as climate change.

8. Members' Views and Non-Financial Factors

Within the Scheme's DC assets, the Trustee recognises that some members may wish for specific non-financial matters to be taken into account in their investments and therefore, as mentioned in the SIP, it has made available the Sustainable & Responsible Equities – active Fund and Shariah Law Equities – passive Fund as investment options to members.

The Trustee conducts regular member surveys to understand member views on a range of topics, including the Scheme's investment options and the information provided to members to help them to make informed decisions about the investment of their DC pension pots.

In the 2022 survey, members were asked to rank ESG issues by importance to them. Of the issues surveyed, the most immediate priority for respondents was climate risk. Respondents asked for regular annual updates about how the Trustee manages climate and other ESG related risks and, in early 2023, the Trustee released the first annual ESG Bulletin to members.

The survey also asked members how important it was to them that they have the option to invest their DC pension pot in a DC fund or funds that aim to generate positive social and environmental impact. Just over 50% of respondents said that it was important or very important.

9. Stewardship

Over the Scheme year, when considering potential new DC fund managers for inclusion in the Scheme, the stewardship and engagement practices of managers were scrutinised. The Trustee took account of assessments of managers' engagement practices including voting, made by both its investment advisors and PSE, through research meetings, research questionnaires and formal requests for information and proposal.

The Trustee has also had regard to the guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions ('DWP's guidance') in October 2022. In the previous Scheme year the PSE and the Trustee developed a Stewardship Policy which included a framework for effective stewardship. The Stewardship Policy can be found here.

In September 2022, the Scheme became a signatory of the UK Stewardship Code. The latest report can be found here. The Trustee expects all of its managers to be able to demonstrate how they have applied and act in accordance with the 12 principles of the UK Stewardship Code. Managers that are not signatories to the Code are challenged on why this is the case as part of the manager monitoring process which is carried out on an annual basis.

Stewardship practices of the current underlying managers in the Scheme are covered in Section 7 above.

10. Responsibilities, decision-making and fees (detailed in Appendix 1 of SIP)

The Trustee has decided on the following division of responsibilities and decision-making for the Scheme.

Trustee

The Trustee, via the PSE, has regular discussions with the Bank regarding the investment strategy and the Scheme in general. As part of the SIP update the Principal Employers were consulted and confirmed they were comfortable with the changes.

As mentioned in Section 5, the Trustee obtains formal written advice from its investment advisor, LCP, before appointing or dismissing fund managers. The Trustee assesses the performance of the Scheme's investments on an ongoing basis as part of the quarterly investment monitoring reports it receives.

See Section 8 above for details on how non-financial factors are taken into account in the investment decision making process.

The Trustee has communicated to members over the Scheme year on appropriate investment matters such as the Midlife MOT strategy, important pension tax changes following the Chancellor's March 2023 budget, changes to the benchmarks for the Fixed Annuity Tracker-passive Fund and the Inflation Linked Annuity Tracker-passive Fund, with a frequently asked questions document and the first annual update on how ESG risks and opportunities are managed for the Scheme in the form of the ESG Bulletin. The second ESG bulletin was sent out shortly after Scheme year end.

Platform Provider

The investment platform provider, Fidelity, is reviewed on an annual basis - the last review took place in June 2023. This review is included in the performance monitoring report issued by the Trustee's investment advisor as at 31 March, annually.

Investment Manager

As mentioned in Section 5 above, LCP monitors the DC fund managers on an ongoing basis, through regular research meetings. The PSE also meets each of the DC fund managers at least once a year.

Investment advisor

The performance of the advisors is considered on an ongoing basis by the Trustee.

Fee structure

See Section 5 for details on the Trustee's assessment of the fees charged by managers.

Performance assessment

The Trustee has put in place formal objectives for its investment advisors and will review the advisors' performance against these objectives on a regular basis (the most recent review took place in December 2023).

During the year, the Trustee considered the effectiveness of its decision making after each Trustee meeting.

11. Policy towards risk, risk measurement and risk management (detailed in Appendix 2 of SIP)

Risks are monitored on an ongoing basis with the help of the investment advisor.

The Trustee maintains a risk register which considers a prioritised list of significant and emerging risks, and this is discussed at quarterly meetings.

The Trustee's policy for some risks, given their nature, is to understand them and to address them if it becomes necessary. The Trustee takes external legal and/or investment advice on how to manage these risks within its investment strategy. These include risks such as credit risk, equity risk, currency risk and counterparty risk.

With regard to the risk of volatility and the risk of inadequate investment returns, the Trustee makes use of equity and equity-based DC funds, which are expected to provide positive returns above inflation over the long term. These are used in the growth phase of the default arrangements and are also made available within the Freechoice options. To reduce the chance of a sharp deterioration in members' DC pension pots close to retirement, the Trustee has made the default options lifecycle strategies gradually reduce investment risk as the member approaches their target retirement age.

Inflation risk is managed by investing in growth assets that are expected to produce returns that exceed long term inflation within both the default arrangements and the Freechoice range of DC funds available to members.

With regard to market switching risk, the Trustee monitors the change in allocations within the Freechoice options over the year to ensure members aren't excessively switching between DC funds. The Trustee also monitors transaction costs as part of the annual Chair's Statement.

Annuity conversion risk is managed by the Annuity Purchase Strategy switching DC funds into fixed income bonds as the member approaches retirement.

The PSE receives details of securities lending practices on an annual basis from all of the DC fund managers, and concluded the exposure was reasonable based on the available investment options for the Scheme Year.

The following risks are covered earlier in this Statement: lack of diversification risk in Section 5, DC fund manager risk and excessive charges in Sections 4 and 5, liquidity/marketability risk in Section 6 and climate change and other ESG risks in Section 7.

12. Investment manager arrangements

There are no specific policies in the Scheme's Investment Policy Implementation Document ('IPID').

13. Description of voting behaviour during the year

All of the Trustee's holdings in listed equities are within pooled funds. The Trustee has delegated to its DC fund managers the exercise of voting rights (see sections 7 & 9 for more information). Therefore, the Trustee is not able to direct how votes are exercised and the Trustee itself has not used proxy voting services over the year. Despite this, the Trustee closely monitors and engages with its managers in relation to their stewardship activities to ensure these reflect the Trustee's own policies in relation to stewardship. The Trustee has collected data and reported on the Scheme's most significant votes (see sub-sections 13.2 and 13.3 below) taking into consideration the context and unique features of the Scheme. The most significant votes determined by the Trustee in 2023 form a core input into the ongoing monitoring and oversight of the Trustee's incumbent DC fund managers.

In this section, the Trustee has sought to include voting data on the Scheme's DC funds where the Scheme has the highest allocation, defined as £100m or more invested. This is aligned with the disclosure requirements for popular arrangements in the Trustee's TCFD report:

- HSBC Islamic Global Equity Index Fund
- Legal & General Investment Management ('LGIM') Future World Fund
- MFS Global Equity Fund
- River Global Global Alpha Fund
- Schroders Life HSBC Sustainable Diversified Growth Fund

In addition to the above, the Trustee contacted the Scheme's other asset managers (listed below) that hold listed equities, to provide their voting policies in place over the year. Commentary provided from these managers is set out in Section 13.1.

- Artemis UK Special Situations Fund
- LGIM Diversified Multi-Factor UK ESG Exclusions Equity Fund
- GW&K Emerging Markets Fund (invested up until October 2023)
- Robeco Emerging Stars Equities Fund (invested from October 2023)
- JP Morgan Emerging Markets Sustainable Equity Fund
- WHEB Sustainability Fund
- Schroders Life UK Smaller Companies Fund
- LGIM UK Equity Index Fund
- LGIM Europe (ex UK) Equity Index Fund
- LGIM North America Equity Index Fund
- LGIM Japan Equity Index Fund
- LGIM Asia Pacific (ex Japan) Developed Equity Index Fund
- LGIM Global Real Estate Index Fund

The Trustee has omitted the following DC funds as the managers have confirmed that the funds did not have voting opportunities over the period:

- Newton Global Dynamic Bond Fund
- M&G Total Return Investment Credit Fund
- M&G All Stocks Corporate Bond Fund
- LGIM Managed Property Fund (invested up until November 2023)
- LGIM Future World Annuity Aware Fund[1]
- LGIM Future World Inflation Linked Annuity Aware Fund[1]
- LGIM Cash Fund
- Columbia Threadneedle Property Fund

- Invesco Global Real Estate Fund

[1]At the beginning of the Scheme Year, the LGIM Pre-Retirement was renamed as the LGIM Future World Annuity Aware Fund and the LGIM Inflation Linked Pre-Retirement Fund was renamed as the LGIM Future World Inflation Linked Annuity Aware Fund. The name changes occurred as a result of aligning the funds with LGIM's Future World investment approach, including the incorporation of ESG into the funds' strategies.

13.1. Description of the voting processes, as supplied by the respective investment managers

Artemis Fund Managers Limited

Artemis' voting is informed and carried out by ISS. Artemis has developed guidelines for ISS which take into account local, national and international standards. This ensures Artemis' expectations for corporate governance are appropriate to each business they invest in. Artemis' fund managers have access to this in the form of governance reports. It considers this research to be very valuable, however its fund managers make the final decision on how to vote. The firm carries out due diligence when outsourcing the processing of votes to third parties such as ISS. Any external service must meet the required standard and demonstrate effective operating controls. Artemis reviews the services provided by ISS annually.

Artemis aims to vote its shares in all stocks in the UK and overseas unless it is restricted from doing so by local market practice, laws or regulation. For example, where share-blocking is an issue – that is, voting would bar Artemis from buying or selling a company's stock around the time of the AGM – Artemis prefers to have the option to trade. In some markets Artemis is prevented from using its voting rights as overseas investors. Artemis does not lend stock for its funds. If a client's custodian does so, Artemis will not recall it for voting without prior arrangement.

GW&K Investment Management LLC

GW&K has implemented its Proxy Voting Policy to establish internal controls and procedures governing the firm's review and voting of proxies on behalf of client accounts. To assist in the process, GW&K leverages third-party service providers to facilitate the firm's proxy voting process. GW&K has adopted proxy voting guidelines developed by Glass Lewis, which provides recommendations on ballot items for securities held in client accounts. GW&K has also retained Broadridge Financial Solutions ('Broadridge') as a proxy voting agent and to provide related proxy voting services.

GW&K has established a Proxy Voting Committee to oversee the firm's proxy voting process, including the firm's Proxy Voting Policy, the firm's service providers and the proxy voting guidelines. In addition, the Committee addresses any potential conflicts of interest that are identified by GW&K with respect to voting any specific proxy ballot item. The Committee meets annually, and more frequently as needed.

In instances when a proxy ballot item does not fall within the Glass Lewis guidelines or where GW&K determines that voting in accordance with the Glass Lewis recommendation is not advisable or consistent with their fiduciary duty, GW&K's portfolio managers, with the support of GW&K's Legal & Compliance team and other personnel, will review the relevant facts and circumstances and determine how to vote the particular proxy ballot item.

HSBC Global Asset Management (U.K) Limited

The legal right to the underlying votes lies with the directors of the HSBC Islamic Global Equity Index Fund. They have delegated this execution of this voting to HSBC Global Asset Management (UK) Limited.

HSBC exercises its voting rights as an expression of stewardship for client assets. HSBC has global voting guidelines which protect investor interests and foster good practice, highlighting independent directors, remuneration linked to performance, limits on dilution of existing shareholders and opposition to poison pills.

HSBC uses the voting research and platform provider ISS to assist with the global application of their voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene their guidelines. HSBC reviews voting policy recommendations according to the scale of their overall holdings. The bulk of holdings are voted in line with the recommendation based on HSBC's guidelines.

With regards to climate, in its engagement HSBC encourages companies to disclose their carbon emissions and climate-related risks in line with the recommendations of the TCFD. Where companies in energy intensive sectors have persistently failed to disclose their carbon emissions and climate risk governance, HSBC will generally vote against the re-election of the Chairman. HSBC also generally supports shareholder resolutions calling for increased disclosure on climate-related issues.

JP Morgan Asset Management Limited

JP Morgan votes on shares held in its clients' portfolios in a prudent and diligent manner, based exclusively on its reasonable judgement of what it believes will best serve the financial interests of the beneficial owners of the security. JP Morgan treats every proxy on a case-by-case basis, voting for or against each resolution, or actively withholding its vote as appropriate. The investment analyst or portfolio manager always has discretion to override the policy should individual circumstances dictate.

To oversee the proxy-voting process on an ongoing basis, a Proxy Committee has been established for each global location where proxy-voting decisions are made. The primary functions of each Proxy Committee included determining the independence of any third-party vendor which it has delegated proxy voting responsibilities; review and approve the voting guidelines annually and provide advice and recommendations on general proxy-voting matters as well as on specific voting issues to be implemented.

To assist JP Morgan investment professionals with public companies' proxy voting proposals, it may retain the services of an independent proxy voting service ('Independent Voting Service'). The Independent Voting Service is assigned responsibility for various functions, which may include providing JP Morgan with a comprehensive analysis of each proxy proposal and providing JP Morgan with recommendations on how to vote each proxy proposal based on the guidelines or, where no guideline exists or where the guidelines require a case-by-case analysis, on the Independent Voting Service's analysis; and executing the voting of the proxies in accordance with guidelines and its recommendation.

Legal and General Investment Management Limited

The Investment Stewardship team exercises LGIM's voting rights globally. It aims to keep abstentions to a minimum. Where there are no legal or practical impediments, LGIM votes on its clients' investments across all developed and emerging markets globally.

LGIM's voting decisions are guided by policies that are thoroughly researched, set and fine-tuned every year. They incorporate specific market policies that allow for local nuances to align with best practices. In updating its policies, feedback on specific topics is sought from internal subject matter experts and the Investment Stewardship team more broadly. LGIM also considers the views of clients and other external stakeholders.

Votes are cast according to its instructions, guided by LGIM custom policies and effected through an electronic voting platform called 'ProxyExchange,' which is managed by Institutional Shareholder Services (ISS). LGIM does not automatically follow the recommendations of proxy advisers and it has put in place a 'custom' voting policy with specific voting instructions. These instructions apply to all markets globally, with minimum best practice standards that it believes all companies should observe, irrespective of local regulations or practices.

In addition, it has also set specific custom voting policies at an individual market level for those markets in which it adopts a stricter stance. All LGIM's custom voting policies are developed in accordance with its publicly disclosed positions on ESG criteria in its guideline documents and country-specific policies. LGIM retains the ability in all markets to override any voting decisions that are based on its custom voting policy. This may happen when a company has provided additional insight that allows LGIM to apply a qualitative overlay to its assessment.

MFS International (U.K) Limited

MFS maintains its own publicly available proxy voting policies and procedures (the MFS Proxy Policies), which guide all of its proxy voting decisions and provide a framework for voting decisions at approximately 2,000 meetings in over 50 markets each year. The exercise of voting rights is overseen by the MFS Proxy Voting Committee, which consists of senior members of MFS' Investment, Legal and Global Investment Support departments. The proxy voting committee encompasses a diverse range of perspectives, which they believe leads to a thoughtful and collaborative process that guides MFS' voting decisions and policy development. This committee does not include individuals whose primary duties relate to client relationship management, marketing or sales.

The day-to-day management of the proxy voting and engagement activity is performed by its stewardship team. While many voting issues fall within the scope of MFS's policies, many votes require a case-by-case analysis by the proxy voting team. As an active manager, MFS is able to combine the collective expertise of their proxy voting team with the unique perspectives and experience of their global team of investment professionals. This process enables MFS to formulate viewpoints with multiple inputs, which they believe leads to well-informed voting decisions. This process also provides the investment team with an opportunity to better understand the stewardship team's viewpoint on a variety of topics, which enables their analysts and portfolio managers to integrate those viewpoints into their research process. As a result, when considering certain types of votes for which the MFS Proxy Voting Policies and Procedures do not provide explicit guidance, the stewardship team and the investment team typically collaborate in assessing the voting matter.

MFS's stewardship team will engage in a dialogue or written communication with a company or other stakeholders when MFS believes that the discussion will enhance their understanding of certain matters on the company's proxy statement that are of concern to shareholders or regarding certain thematic topics of focus for the proxy voting committee. Some of the issues they discuss with investee companies include executive compensation, director accountability, as well as various ESG issues. When engaging with companies, the proxy voting team aims to: (i) explain the rationale behind their proxy votes; (ii) exchange views on relevant ESG issues; and (iii) potentially effect positive change with respect to such issues.

River Global Investors LLP

River Global's Voting Policy incorporates its General Principles on standards for good corporate governance and management of environmental and social issues. For UK companies River Global supports a "comply or explain" approach to corporate governance and endorses the UK Stewardship Code, expecting UK companies to explain and justify any reasons for non-compliance, and to outline their plans for compliance in future. In the case of non-compliance, River Global reserves the right to accept or reject the explanation. For non-UK companies, River Global is supportive of similar Stewardship Codes. River Global discourages passive box ticking and aim to take an informed and pragmatic approach to voting. Consideration is given to the specific circumstances and facts available to each investor before voting.

Engagements are two-way conversations addressing a sustainability, environmental, social, governance or innovation topic. The purpose of engagement is to change behaviour and incentivise management to deliver sustainability. River Global believes by engaging with companies where issues are identified that could be at risk to the investors' long-term interest and potential for improvement, that this is the best process to improve management attitudes and ensuring positive behaviour within the companies invested in, over screening or exclusion. Engagement topics are focused on the sustainability factors financially material to the investment case.

Robeco Institutional Asset Management B.V.

Robeco uses their voting rights with the aim to influence company's corporate governance and other relevant investment related decisions in the best interest of their clients.

The Robeco voting policy consists of principles, guidance and example scenarios to assist in determining their voting instructions. Broadly, Robeco votes against management recommendations in case of poor corporate governance practices, when proposals are not in the best interest of long term shareholders and on any other proposal that is out of line with their policy principles.

The Active Ownership team carries out proxy voting at Robeco. As Active Ownership is part of the investments domain's Sustainable Investing ('SI') Center of Expertise, voting decision-making integrates the perspectives of portfolio managers and analysts, as well as SI research analysts, SI strategists, and clients in discretionary mandates. The Active Ownership team coordinates voting instructions reflecting a consistent view for the organization in line with the voting guidelines and executes voting decisions for all shareholder meetings.

Schroder Investment Management Limited

Schroders' Corporate Governance team sits within the Active Ownership team, who are responsible for all engagement and voting activities. The Corporate Governance team has specialist knowledge of best practice in individual markets and works alongside investors, thematic analysts and its internal compliance and legal teams to ensure compliance with its ESG policy.

Corporate Governance is integrated into the overall investment process and the teamwork in collaboration with its analysts and portfolio managers to seek to ensure its voting rights are used to enhance and protect the long-term interests and value of its clients' investments.

Schroders seeks to align its approach to voting with its wider active ownership priorities. This can include voting against the board recommendations; for example, by holding directors to account on ESG topics, and supporting shareholder proposals, which are becoming increasingly frequent and important levers for change. Schroders will oppose management if it believes that doing so is in the best interests of shareholders and clients.

In applying the policy, Schroders considers a range of factors, including the circumstances of each company, performance, governance, strategy, and personnel. It may also take advice from third parties, including its provider of voting services. The overriding principle governing its voting is to act in the best interests of clients.

Glass Lewis acts as Schroders' proxy voting provider. Glass Lewis automatically votes on all holdings of which Schroders owns less than 0.5% (voting rights) excluding merger, acquisition and shareholder resolutions. This ensures consistency in Schroders' voting decisions as well as creating a more formalised approach to its voting process.

WHEB Asset Management LLP

As equity holders, WHEB's voting rights are an opportunity to exercise progressive influence on investee company strategy and governance. It endeavours to vote all it shares, following the guidelines set out in WHEB's Voting Policy. To achieve effective outcomes, WHEB uses voting to complement its other stewardship strategies. Its objective is not just to fulfil an obligation as part of a siloed process, but to use voting alongside wider engagement with company management to achieve a change in policy or performance.

For example, when voting against management's recommendations WHEB's policy is to explain to the company why we have done so which often leads to further dialogue with management. This way, even if the vote outcome is not what it hoped for, WHEB's activity has enabled a conversation with the company, which it finds most effective for driving change. WHEB's Voting Policy is therefore primarily designed to guide voting on core governance and sustainability issues in relation to routine proposals, which occur more frequently for its investee companies that are often sustainability leaders.

WHEB finds it advantageous to have a highly proactive policy that enables opportunities for conversations with company management and to exercise good stewardship. Combined with the high standards it requires from its companies this reinforces WHEB's impact-focused investment strategy. WHEB typically uses the services of specialist proxy voting agencies to advise on voting policy and facilitate voting shares listed on stock exchanges around the world. Whilst WHEB considers the recommendations of advisory services in how it votes its shares, the Investment Team assesses each individual company vote against its own internal policies before agreeing on how to vote.

13.2. Summary of voting behaviour over the year

The Trustee's investment managers have cast votes on its behalf throughout 2023. Consistent with the Trustee's approach of focusing on exposures which are most material, the below table summarises the voting behaviour of the investment managers where the Scheme has the highest allocation, defined as approximately £100m invested per mandate.

The Trustee has access to the voting records of its investment managers. Data is requested specifically from the investment managers to allow its advisor to review each manager individually. This data is aggregated by the advisor through its own proprietary system. This system overlays the individual voting activity of each manager and identifies the largest holdings across all portfolios, and instances where managers have voted inconsistently on the same resolution. The Trustee takes this data as reported and recognises that there is a small margin for error due to potential errors accruing as part of data collection and amalgamation processes. However, the Trustee's advisor sense checks the output, and reviews the underlying data received from the investment managers should any underlying errors become apparent. Given these checks, the Trustee's advisor believes the data the Trustee and PSE receives is adequately robust to enable it to exercise its stewardship responsibilities by holding the managers to account for quality of decision making and independence of thought.

In the voting data below, resolutions have been split between those proposed by management and shareholders respectively. Management resolutions are typically skewed more towards governance matters when compared to shareholder resolutions. Investment manager voting behaviour often differs between the two types of resolutions.

	HSBC Islamic Global Equity Fund	LGIM Future World Fund	MFS Global Equity Fund	River Global Global Alpha Fund	Schroders Life HSBC Sustainable Diversified Growth Fund
Meetings voted at	101	1,578	84	191	455
Resolutions voted	1,779	22,642	1,537	2,932	5,535
Management resolutions	1,599	21,764	1,463	2,780	5,377
Shareholder resolutions	180	878	74	152	158
% Voted in favour of management resolutions	74%	79%	90%	77%	89%
% Voted against management resolutions	15%	19%	5%	16%	9%
% Voted 'other' on management resolutions[1]	11%	3%	6%	8%	3%
% Voted in favour of shareholder resolutions	73%	61%	26%	82%	51%
% Voted against shareholder resolutions	26%	39%	73%	17%	39%
% Voted 'other' on shareholder resolutions[1]	1%	0%	1%	1%	10%

13.3. Most significant votes over the year

Most Significant Votes have been chosen through the use of the vote significance framework as described above. The votes shown in the below tables have therefore been chosen due to a combination of the following factors:

- Cast at issuers where the Scheme has higher exposure;
- Relate to one of the Trustee's key priorities of climate change, biodiversity, anti-microbial resistance, and diversity & inclusion;
- Voted on in an inconsistent manner by two or more of the investment managers;
- Due to the significance of the resolution itself i.e., driven by its nature, the scale of any public media interest and whether votes against management on the resolution were particularly high.

During 2023 the Trustee's advisor revised the process and included additional considerations, allowing the Trustee to have a more targeted list:

- Climate change: Votes at Climate Action 100+ companies that focused on climate strategy and transition planning, scope 3 targets and climate lobbying.
- Biodiversity: A sample of resolutions relating to biodiversity.
- Anti-microbial resistance: Identifying any AMR resolutions.
- Diversity & inclusion: a sample of resolutions that received significant support (over 30%) from shareholders.

The Trustee only selected one resolution per company in most cases, allowing for an exception where warranted (e.g. two MSVs at Glencore, both tackling the same issue).

Climate change-related votes

Company	**Date**	**Country**	**Proponent**	**Resolution nature**	**Vote**	**Votes vs mgmt[2]**
PACCAR	25/04/2023	US	Shareholder	Climate lobbying	For	49%
Engie	26/04/2023	France	Shareholder	Regular climate strategy vote	For	44%
BP	27/04/2023	UK	Shareholder	Scope 3 targets	Against	19%
General Electric Company	03/05/2023	US	Shareholder	Climate in accounting assumptions	Against/For[1]	11%
Holcim	04/05/2023	Switzerland	Management	Climate report	For	4%
Cummins	09/05/2023	US	Shareholder	Link executive pay to emissions reductions	Against	16%
Valero Energy Corporation	09/05/2023	US	Shareholder	Climate transition plan and emissions targets	For	36%
Equinor	10/05/2023	Norway	Shareholder	Emissions targets	Against	29%
The Southern Company	24/05/2023	US	Shareholder	Scope 3 emissions target	For	24%
Glencore	26/05/2023	Jersey	Management	Climate report	Against	40%
Glencore	26/05/2023	Jersey	Shareholder	Coal consistency with Paris Agreement	For	38%
TotalEnergies	26/05/2023	France	Management	Sustainability and climate progress report	Against	14%
TotalEnergies	26/05/2023	France	Shareholder	Scope 3 targets in line with Paris	Against	35%
Exxon Mobil	31/05/2023	US	Shareholder	Scope 3 targets	For	12%
Chevron	31/05/2023	US	Shareholder	Scope 3 targets	For/Against[1]	12%
Caterpillar	14/06/2023	US	Shareholder	Climate lobbying	For	29%
Toyota Motor Corp.	14/06/2023	Japan	Shareholder	Climate lobbying	For	16%
Exxon Mobil	31/05/2023	US	Shareholder	Scope 3 targets	For	12%
Chevron	31/05/2023	US	Shareholder	Scope 3 targets	For/Against[1]	12%
Caterpillar	14/06/2023	US	Shareholder	Climate lobbying	For	29%
Toyota Motor Corp.	14/06/2023	Japan	Shareholder	Climate lobbying	For	16%

[1] Resolutions have been voted on inconsistently by the Trustee's managers.

[2] Represents the percentage of shares which were voted against the company management's recommendation for this proposal.

Biodiversity

Company	Date	Country	Proponent	Resolution nature	Vote	Votes vs mgmt
Yum! Brands	18/05/2023	US	Shareholder	Plastics packaging	For	26%
Constellation Brands	18/07/2023	US	Shareholder	Plastics	For	38%

Anti-Microbial Resistance

Company	Date	Country	Proponent	Resolution nature	Vote	Votes vs mgmt
Tyson Foods	09/02/2023	US	Shareholder	Comply with World Health Organisation guidelines on antimicrobial use throughout supply chains	For	5%
McDonalds	25/05/2023	US	Shareholder	Report on Public Health Costs of Antibiotic Use and Impact on Diversified Shareholders	For	18%

Diversity & Inclusion

Company	Date	Country	Proponent	Resolution nature	Vote	Votes vs mgmt
The Coca-Cola Company	25/04/2023	US	Shareholder	Audit non-white stakeholder relations	For/For/For	38%
AT&T	18/05/2023	US	Shareholder	Racial Equity Audit	For	23%
Walmart	31/05/2023	US	Shareholder	Worker pay in executive compensation	For/For	11%
UnitedHealth Group	05/06/2023	US	Shareholder	Racial equity audit	For/For/For	22%
Oracle	15/11/2023	US	Shareholder	Pay gap reporting	For/For/For	65%