Annual Implementation Statement

1 January 2022 to 31 December 2022

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 2022.

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 on the Scheme website: **https://futurefocus.staff.hsbc.co.uk/active-hybrid/information-centre/other-information**

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 prior to the Scheme Year and published on 1 October 2021 to reflect the following updates:

- the Trustee has established a Climate Risk Working Group ('CRWG') to identify strategic targets relating to climate-related risks and opportunities pertinent to the Scheme. The CRWG concluded its work in the fourth quarter of 2021 and ongoing tasks were delegated to the relevant Committees;
- the introduction of a requirement for the Trustee's advisors to advise on, and provide objective assessments of, differing approaches to responsible investment to help the Trustee decide appropriate responsible investment objectives for the Scheme. This includes informing the Trustee of new responsible investment opportunities or emerging risks and assisting with the implementation of the climate-related strategy of the Trustee; and
- the Trustee has included specific climate-related objectives in the Trustee's 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, which came into force from 1 October 2022 and replaced the previous CMA framework.

It was also updated and published in September 2022 to reflect the Trustee's selection of key system-wide Environmental, Social and Governance ('ESG') risks to prioritise (climate change, biodiversity and nature related losses (including anti-microbial resistance) and diversity, equity and inclusion), the Trustee's commitment to avoid investments in recreational cannabis or investments that breach sanctions. The updated SIP included changes to the Trustee's key investment beliefs and the way it articulates its beliefs. The key investment beliefs were categorised into the following four categories:

- understanding the world on which we rely to deliver resilient retirement outcomes for members;
- navigating the risk and opportunities over the long term;
- practicing good governance; and
- building and implementing a robust investment strategy.

Additionally, the Trustee has set a long-term objective for the investment of the Scheme's DB and DC assets to emit 'net zero' Greenhouse Gas ('GHG') emissions by 2050 or sooner. The ambition will be to achieve this well in advance of this date. An interim target date of 2030 has been set to ensure that sufficient progress is made towards the ultimate target of reaching net zero greenhouse gas emissions. The interim targets include:

- A real economy emissions reduction interim target of 50% by 2030 or sooner for its equity and corporate bond investments.
- 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.
- Enhancing its engagement and stewardship efforts through working collaboratively with the Scheme's DC fund managers.

Further detail on the Scheme's ESG considerations is set out in Section 7 below. 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'). Over the Scheme Year a Head of Responsible Investment was appointed to join the PSE. The Trustee calls on the skills of appointed external advisors 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. Objectives of the Scheme

As part of the most recent annual performance and strategy review of the DC default arrangement on 8 June 2022, the Trustee considered the membership demographics and the variety of ways that members may draw their DC benefits in retirement from the Scheme. This level of review is performed on an annual basis, with a detailed, formal triennial investment strategy review carried out every three years, most recently carried out in March 2023.

Based on the outcome of this annual review, the Trustee concluded that the main default arrangement, the Flexible Income Strategy, has been designed to be 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 also reviewed the membership demographics as part of the last triennial strategy review. This review is conducted every three years and involves a detailed assessment of Scheme performance and member experience. The Trustee conducted the triennial strategy review shortly after Scheme Year end which reconfirmed the design of the Flexible Income Strategy remains well-suited to the membership.

The Trustee receives suitability advice annually from its investment advisor, LCP. This letter was received in November 2022.

Investment strategy

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

The Trustee, with the help of its 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 annual 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 2022.

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.

The Trustee has further investigated how to most effectively introduce an allocation to illiquid assets within the growth phase including considering the size of the allocation to illiquid assets and how close to retirement to disinvest. The potential allocation to illiquid assets remains under consideration by the Trustee.

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 annual review. The Trustee agreed to also implement any changes which come out of the review to the growth phase mentioned above within the Lump Sum Strategy where appropriate.

Annuity Purchase Strategy

The annuity lifecycle, the previous main default for members with only DC benefits, was also reviewed and the Trustee concluded that annuity purchase remains an appropriate retirement target for this cohort of members. The Trustee agreed to also implement any changes to the growth phase mentioned above within the Annuity Purchase Strategy where appropriate.

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.

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 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 three other legacy lifecycles, the Capital Lifecycle, 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. There are now no members invested in the Capital Lifecycle so this strategy is due to be fully closed. 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 with Hybrid benefits unless they elect to stay where they are. This was agreed following formal written advice from its investment advisor and given concerns that the legacy strategy design may not be aligned with the retirement outcome targeted by this member cohort. This transfer is due to be implemented in 2023, following postponement due to heightened market volatility in late 2022.

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 which has taken place shortly after Scheme year end, the Trustee concluded members are generally accessing their benefits in line with expectations based on the strategy in which they are invested.

The Trustee also reviewed retirement data as part of the performance and strategy review of the DC default arrangements, looking at what age members accessed their benefits, compared with when they said they would. The Trustee has found that some members are retiring earlier than their Target Retirement Age which has influenced the discussions regarding the incorporation of illiquid assets into the growth phase of the DC default arrangement.

4. Considerations in setting the investment arrangements

When the Trustee undertook a performance and strategy review of the DC default arrangement on 8 June 2022, 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.

The Trustee started to review its investment beliefs in April 2022 at its Investment Day. The PSE held one on one sessions with the Trustee to discuss their investments beliefs, which the PSE collated and used to identify the following key system-wide ESG risks: climate change; biodiversity and nature related loss, including antimicrobial resistance and diversity; equity and inclusion. The Trustee reworked the investment beliefs which were further discussed as part of a training day on 21 July 2022 at the 'Net Zero and Beyond' day. The SIP was updated for the agreed investment beliefs in September 2022, effective 1 October 2022. As part of the triennial investment strategy review in 2023 the Trustee is considering how its beliefs could be further integrated into the investment strategy.

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 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 quarterly 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 lifecycle options, 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

Over the Scheme year, the Trustee replaced the Schroder Life QEP Emerging Markets Fund with the JP Morgan Emerging Markets Sustainable Equity Fund within the Emerging Market Equities – active Fund. This fund also forms part of the Global Equities – active Fund. This change happened over five tranches between 24 May and 9 June 2022. The Trustee also agreed to restructure the Property – active Freechoice option, which involved replacing the Legal and General Investment Management ('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 began being built up in April 2022, with the remaining assets due to be transitioned later in 2023.

In the previous Scheme Year, on 10 June 2021, the Trustee reviewed all legacy lifecycles and agreed to move all members from Lifecyle 2 into a default lifecycle based on whether members held only a DC pension pot or Hybrid benefits unless they elect to stay where they are. This was agreed following formal written advice from the Trustee's investment advisor and given concerns that the legacy strategy design may not be aligned with the retirement outcome targeted by this member cohort. This transfer has been delayed to later in 2023 due to heightened market volatility and property fund liquidity issues.

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 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 behavior of DC fund managers and keeps the Trustee informed of any change in behavior.

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. The PSE also met with the underlying manager of the Sustainable and Responsible Equities – active Fund to discuss underperformance and remains comfortable with the current manager.

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.

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 remainder of the Responsible Investment scores over the Scheme year and no further action was taken.

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 JP Morgan Emerging Markets Sustainable Equity Fund was chosen to replace the Schroders QEP Emerging Market Fund in part due to its approach of investing in sustainable companies.

Over the Scheme Year, the Trustee had training on diversity, equity and inclusion and after consideration decided to become a signatory to the Asset Owner Diversity Charter signaling the importance of the topic and its desire to drive improvements across the industry.

Over the Scheme year, the Trustee and its ESG advisor, Redington, continued to develop the Scheme's general climate dashboard risk monitoring framework. Over the 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, five climate risk related metrics are being measured (total carbon emissions, carbon footprint, weighted average carbon intensity, TPI Management Quality Score 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 by limiting global warming to well below 2°C above pre-industrial levels and pursuing efforts to limit it to 1.5°C. In this context, accordingly, the Trustee is targeting that the Scheme assets align with the goals of the Paris Agreement 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 the well below 2°C 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 the previous Scheme Year (October 2021), the Trustee (following a development project carried out by the CRWG) announced its commitment to achieve net zero greenhouse gas emissions across the Scheme's DB and open DC assets by 2050 or sooner. 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, in line with the findings of the most recent Intergovernmental Panel on Climate Change (IPCC) report;
- 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 on the Scheme website: **https://futurefocus.staff.hsbc.co.uk/active-dc/information-centre/other-information**

The Trustee is a signatory to the UN-supported Principles of Responsible Investment ('PRI') and the Asset Owner Diversity Charter and supports a number of other ESG organisations and initiatives including the Institutional Investors Group on Climate Change ('IIGCC'), Cambridge Institute for Sustainability Leadership (terminated in late 2022), the Cambridge Initiative: addressing systemic risks through collaboration (appointed in early 2023), the Transition Pathway Initiative ('TPI'), Climate Action 100+ and the Occupational Pension Scheme Stewardship Council ('OPSC').

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 2022, 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.

During the Scheme Year, 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.

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. Over the Scheme Year the PSE and the Trustee developed a Stewardship Policy which included a framework for effective stewardship. The Stewardship Policy can be found on the Scheme website: **https://futurefocus.staff.hsbc.co.uk/active-dc/information-centre/other-information**

In September 2022, the Scheme became a signatory of the UK Stewardship Code. The latest report can be found on the Scheme website: **https://futurefocus.staff.hsbc.co.uk/active-dc/information-centre/other-information**

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 Employer was consulted and confirmed it was comfortable with the changes.

As mentioned in Section 5, the Trustee obtains formal written advice from its investment advisor, LCP, before appointing or dismissing 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 Scheme's policy for investing in Russian domiciled assets and the market volatility following the UK 'mini-budget'.

Platform Provider

The investment platform provider, Fidelity, is reviewed on an annual basis - the last review took place in June 2022. 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 advisor's performance against these objectives on a regular basis (the most recent review took place in December 2022).

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, among others.

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 pot 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. However, 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 2022 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:

- HSBC Islamic Global Equity Index Fund
- Legal & General Investment Management ('LGIM') Future World Fund
- MFS Global Equity Fund
- River and Mercantile 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 13.4.

- Artemis UK Special Situations Fund
- LGIM Diversified Multi-Factor UK ESG Exclusions Equity Fund
- GW&K Emerging Markets Fund
- Schroders QEP Global Emerging Markets Fund
- JP Morgan Emerging Markets Sustainable Equity Fund
- WHEB Sustainability Fund
- Schroders Life UK Smaller Companies
- 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 Credit Investment Fund
- M&G All Stocks Corporate Bond Fund
- LGIM Managed Property Fund
- LGIM Future World Annuity Aware Fund[1]
- LGIM Future World Inflation Linked Annuity Aware Fund[1]
- LGIM Cash Fund
- Threadneedle Property Fund
- Invesco Global Real Estate Fund (invested from April 2022)

[1]Shortly after Scheme Year end, 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

LGIM

LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all its clients. LGIM's voting policies are reviewed annually and take into account feedback from their clients. The views expressed by attendees of LGIM's annual stakeholder roundtable event form a key consideration in developing LGIM's voting and engagement policies. LGIM also take into account client feedback received at regular meetings and/or ad-hoc comments or enquiries.

All voting decisions are made by LGIM's Investment Stewardship team and in accordance with their relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents, which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company, ensuring LGIM's stewardship approach is consistent and that engagement is fully integrated into the voting decision process, which aims to provide consistent messaging to companies.

LGIM's Investment Stewardship team uses Institutional Shareholder Services' ('ISS') 'ProxyExchange' electronic voting platform to electronically vote. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. The ISS recommendations are used to augment LGIM's own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services to supplement the research reports received from the independent external research provider, ISS for UK companies when making specific voting decisions.

To ensure LGIM's proxy provider votes are in accordance with its position on ESG, LGIM have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what LGIM consider are minimum best practice standards that all companies globally should observe, irrespective of local regulation or practice.

Artemis

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. They consider this research to be very valuable, however their 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.

Schroders

Schroders evaluates voting resolutions arising at investee companies and, where they have the authority to do so, vote on them in line with their fiduciary responsibilities and in what Schroders deems to be the interests of their clients. The Corporate Governance specialists assess each proposal, applying Schroders voting policy and guidelines (as outlined in the ESG Policy) to each agenda item. In applying the policy, they consider a range of factors, including the circumstances of each company, long-term performance, governance, strategy and the local corporate governance code. Specialists will draw on external research, such as the Investment Association's Institutional Voting Information Services and ISS, and public reporting. Schroders own research is also integral to the process; this is conducted by both financial and Sustainable Investment analysts.

Schroders believes that all votes against the board should be classified as a significant vote. However, it believes resolutions related to certain topics carry particular significance. Schroders therefore ranks the significance of its votes against the board, firstly by management say on climate votes, secondly environmental and social shareholder resolutions, thirdly any shareholder resolutions and finally by the size of its holding.

GW&K

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.

JP Morgan

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. Its primary concern at all times is the best economic interests of its clients. 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.

MFS

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 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.

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 and Mercantile ('R&M')

R&M's Voting & Engagement Policy sets out their beliefs on what they regard as best practice for companies globally. For UK companies it incorporates the standards set by the UK Corporate Governance Code and intends to deal with issues that are either not covered, require greater emphasis or are specifically left open for shareholders to resolve with company boards. This also applies to companies listed outside the UK, as R&M believes this code has taken a lead in encouraging companies to set higher standards of corporate governance in promoting transparency, integrity and to adopt a medium to long-term view in decision making for the benefit of all stakeholders. Implementation of the Policy is mainly by voting, with engagement as appropriate.

Fundamental principles are set out in R&M's Policy and applied in the majority of cases. However, R&M discourages passive box ticking and aims to take an informed and pragmatic approach to voting. R&M will give due consideration to the specific circumstances and facts available to each investor before voting. For UK companies, R&M supports a 'comply or explain' approach to corporate governance and endorses the Code. R&M expects 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, R&M reserves the right to accept or reject the explanation. For non-UK companies, they are supportive of similar Codes.

WHEB

WHEB's voting policies are modelled on the Associate of the Member Nominated Trustees' ('AMNT') 'Red Lines' which are applied on a 'comply or explain' basis. WHEB seeks to vote on all their active positions in the fund and, from time to time, utilises a range of third-party service providers to support proxy voting and provide voting advisory services.

When considering how to vote shares, WHEB appraises the governance standards of the relevant investee company and compares these with local market standards (such as the UK Corporate Governance Code for UK-listed companies).

As the entire business is focused on sustainable and impact investing, the whole team and especially the three partners and the investment team, are responsible for implementing ESG and impact considerations, including through engagement and voting

HSBC

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 their 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 their 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.

13.2. Summary of voting behaviour over the year

The Trustee's investment managers have cast votes on its behalf throughout 2022. 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 or more invested.

The Trustee has access to the voting records of its investment managers through a number of sources. Data is requested specifically from the investment managers to allow its advisor to review each manager individually. Voting data for all of the investment managers is gathered via a third-party, Tumelo, and 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 is and recognises that there is a small margin for error due to potential errors accruing as part of data collection and amalgamation, both by Tumelo, and its advisor. However, the Trustee's advisor sense checks the output, and liaises with Tumelo, or reviews the underlying data received from the investment managers should any underlying errors become apparent. 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	River & Mercantile Global Value Equity	Schroders Life HSBC Sustainable Diversified Growth Fund
Meetings voted at	104	1,771	73	211	469
Resolutions voted	1,628	25,192	1,107	2,900	5,220
Management resolutions	1,468	24,335	1,058	2,741	5,430
Shareholder resolutions	160	857	49	160	154

% Voted in favour of management resolutions	84%	81%	98%	79%	85%
% Voted against management resolutions	11%	19%	1%	21%	8%
% Voted 'other' on management resolutions[1]	5%	0%	0%	1%	3%
% Voted in favour of shareholder resolutions	79%	61%	43%	91%	50%
% Voted against shareholder resolutions	21%	37%	57%	9%	27%
% Voted 'other' on shareholder resolutions[1]	0%	2%	0%	0%	23%

13.3. Most significant votes over the year

Most Significant Votes have been chosen through 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 DC fund 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.

In line with the Trustee's Stewardship Policy, where DC fund managers have voted in contrary to management recommendations, the Trustee expects this to be communicated and the managers' views expressed to the company.

The majority of the Most Significant Votes below have been voted contrary to company management recommendations. This means supporting shareholder proposals or voting against management proposals. The rationale for doing so is expected to be to encourage management to improve their approach, or transparency on the issue in question. Where DC fund managers have voted in line with management recommendations, the DC fund manager has typically judged the shareholder proposals to be too restrictive at the point in time or have seen sufficient improvement in management behaviour.

The Trustee will consider the below Most Significant Votes as part of their ongoing monitoring and engagement with its DC fund managers as part of a wider voting activity behaviour assessment. Where a DC fund manager's voting activity has not aligned with the Trustee's expectations and ESG priorities, the Trustee engages with the DC fund manager via the PSE.

Climate change-related votes

Company	Date	Country	Proponent	Resolution nature	Vote	Votes vs mgmt
CostCo	20/01/2022	US	Shareholder	Report on GHG Emissions Reduction Targets	For	71%
Rio Tinto	08/04/2022	UK	Management	Approve Climate Action Plan	Against	18%

Anglo American	19/04/2022	UK	Management	Approve Climate Change Report	For/Against[1]	8%
Engie	21/04/2022	France	Management	Approve Company's Climate Transition Plan	Against	14%
Bank of America	27/04/2022	US	Shareholder	Adopt Fossil Fuel Lending Policy Consistent with IEA's Net Zero 2050 Scenario	For	11%
Citigroup	27/04/2022	US	Shareholder	Adopt a Financing Policy Consistent with IEA's Net Zero Emissions by 2050 Scenario	For	14%
Wells Fargo	27/04/2022	US	Shareholder	Adopt a Financing Policy Consistent with IEA's Net Zero Emissions by 2050 Scenario	For	16%
Glencore	28/04/2022	Switzerland	Management	Approve Climate Progress Report	Against	24%
Goldman Sachs	28/04/2022	US	Shareholder	Adopt a Financing Policy Consistent with IEA's Net Zero Emissions by 2050 Scenario	For	12%
RWE	28/04/2022	Germany	Shareholder	Approve Binding Instruction to Prepare Spin-Off of RWE Power AG	Against	7%
Credit Suisse	29/04/2022	Switzerland	Shareholder	Amend Articles Re: Climate Change Strategy and Disclosures	For	19%
Berkshire Hathaway	30/04/2022	US	Shareholder	Report on Climate-Related Risks and Opportunities	For	27%
Berkshire Hathaway	30/04/2022	US	Shareholder	Report on GHG Emissions Reduction Targets	For	27%
Barclays	04/05/2022	UK	Management	Approve Barclays' Climate Strategy, Targets and Progress 2022	Against	19%
Standard Chartered	04/05/2022	UK	Management	Approve Net Zero Pathway	For/Against[1]	17%
QBE Insurance	05/05/2022	Australia	Shareholder	Approve Climate Risk Management	For	25%
Rio Tinto	05/05/2022	Australia	Management	Approve Climate Action Plan	Against	18%
Occidental Petroleum	06/05/2022	US	Shareholder	Report on Quantitative Short, Medium and Long-Term GHG Emissions Reduction Targets	For	17%
Repsol	06/05/2022	Spain	Management	Advisory Vote on Company's Climate Strategy	Against	17%

Dominion Energy	11/05/2022	US	Shareholder	Report on the Risk of Natural Gas Stranded Assets	For	80%
Equinor	11/05/2022	Norway	Management	Approve Company's Energy Transition Plan (Advisory Vote)	Against	23%
Equinor	11/05/2022	Norway	Shareholder	Instruct Company to Set Short, Medium, and Long-Term Targets for Greenhouse Gas (GHG) Emissions of the Company's Operations and the Use of Energy Products	For	30%
BP	12/05/2022	UK	Management	Approve Net Zero - From Ambition to Action Report	For	15%
JP Morgan	17/05/2022	US	Shareholder	Adopt Fossil Fuel Financing Policy Consistent with IEA's Net Zero 2050 Scenario	For	12%
Chubb	19/05/2022	Switzerland	Shareholder	Adopt and Disclose Policies to Ensure Underwriting Does Not Support New Fossil Fuel Supplies	For	19%
Chubb	19/05/2022	Switzerland	Shareholder	Report on Efforts to Reduce GHG Emissions Associated with Underwriting, Insuring, and Investing	For	72%
Chevron	25/05/2022	US	Shareholder	Issue Audited Net-Zero Scenario Analysis Report	For	39%
ExxonMobil	25/05/2022	US	Shareholder	Report on Scenario Analysis Consistent with International Energy Agency's Net Zero by 2050	For	52%
TotalEnergies	25/05/2022	France	Management	Approve Company's Sustainability and Climate Transition Plan	Against	16%
Travelers	25/05/2022	US	Shareholder	Report on Efforts to Measure, Disclose and Reduce GHG Emissions Associated with Underwriting	For	56%
Morgan Stanley	26/05/2022	US	Shareholder	Adopt Fossil Fuel Lending and Underwriting Policy Consistent with IEA's Net Zero 2050 Scenario	For	10%
Alphabet	01/06/2022	US	Shareholder	Report on Climate Lobbying	For	39%
Alphabet	01/06/2022	US	Shareholder	Report on Physical Risks of Climate Change	For	37%
Caterpillar	08/06/2022	US	Shareholder	Report on Long-Term Greenhouse Gas Targets	For	96%

				Aligned with Paris Agreement		
Monster Beverage	14/06/2022	US	Shareholder	Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	For	44%
Mitsubishi Corp	24/06/2022	Japan	Shareholder	Amend Articles to Disclose Greenhouse Gas Emission Reduction Targets Aligned with Goals of Paris Agreement	For	22%
Mitsubishi Corp	24/06/2022	Japan	Shareholder	Amend Articles to Disclose Evaluation concerning Consistency between Capital Expenditures and Net Zero Greenhouse Gas Emissions by 2050 Commitment	For	18%
Sumitomo Mitsui Financial	24/06/2022	Japan	Shareholder	Amend Articles to Disclose Plan Outlining Company's Business Strategy to Align Investments with Goals of Paris Agreement	For	Undisclosed[2]
Sumitomo Mitsui Financial	24/06/2022	Japan	Shareholder	Amend Articles to Disclose Measures to be Taken to Make Sure that the Company's Lending and Underwriting are not Used for Expansion of Fossil Fuel Supply or Associated Infrastructure	For	Undisclosed[2]
Tokyo Electric Power	28/06/2022	Japan	Shareholder	Amend Articles to Maintain Electricity Demand and Supply Balance, and Promote Renewable Energies	Against	Undisclosed[2]
Dollar Tree	30/06/2022	US	Shareholder	Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	For	55%
National Grid	11/07/2022	UK	Management	Approve Climate Transition Plan	For	4%
SSE	21/07/2022	UK	Management	Approve Net Zero Transition Report	For	2%
Commonwealth Bank of Australia	12/10/2022	Australia	Shareholder	Approve Climate Risk Safeguarding	Against	6%
BHP	10/11/2022	Australia	Shareholder	Approve Policy Advocacy	For	13%

Australia & New Zealand Bank (ANZ)	15/12/2022	Australia	Shareholder	Approve Climate Risk Safeguarding	For/Against[1]	9%

[1] resolutions have been voted on inconsistently by the Trustee's managers.
[2] it is relatively common practice in Japan to not disclose the outcome of votes.

Biodiversity

Company	Date	Country	Proponent	Resolution nature	Vote	Votes vs mgmt
Home Depot	19/05/2022	US	Shareholder	Report on Efforts to Eliminate Deforestation in Supply Chain	For	65%
Amazon	25/05/2022	US	Shareholder	Report on Efforts to Reduce Plastic Use	For	56%
McDonalds	26/05/2023	US	Shareholder	Report on Efforts to Reduce Plastic Use	For	42%
General Mills	27/09/2022	US	Shareholder	Report on Absolute Plastic Packaging Use Reduction	For	57%

Anti-Microbial Resistance

Company	Date	Country	Proponent	Resolution nature	Vote	Votes vs mgmt
McDonalds	26/05/2023	US	Shareholder	Report on Public Health Costs of Antibiotic Use and Impact on Diversified Shareholders	For	15%
Abbott Laboratories	29/04/2022	US	Shareholder	Shareholder Proposal on Antimicrobial Resistance Report	For/Against[1]	10%

[1] resolutions have been votes on inconsistently by the Trustee's managers.

Diversity & Inclusion

Company	Date	Country	Proponent	Resolution nature	Vote	Votes vs mgmt
Apple	04/03/2022	US	Shareholder	Report on Civil Rights Audit	For	54%
Waste Management	10/05/2022	US	Shareholder	Report on Civil Rights Audit	For	55%
Republic Services	16/05/2022	US	Shareholder	Report on Third-Party Civil Rights Audit	For	39%
Chipotle Mexican	18/05/2022	US	Shareholder	Oversee and Report a Racial Equity Audit	For	36%
Altria	19/05/2022	US	Shareholder	Report on Third-Party Civil Rights Audit	For	63%

AT&T	19/05/2022	US	Shareholder	Report on Civil Rights and Non-Discrimination Audit	Against	5%
Home Depot	19/05/2022	US	Shareholder	Oversee and Report a Racial Equity Audit	For	63%
Amazon	25/05/2022	US	Shareholder	Report on Median Gender/Racial Pay Gap	For	33%
Chevron	25/05/2022	US	Shareholder	Oversee and Report a Racial Equity Audit	For	48%
Travelers	25/05/2022	US	Shareholder	Oversee and Report a Racial Equity Audit	For	48%
McDonalds	26/05/2023	US	Shareholder	Report on Third-Party Civil Rights Audit	For	56%
Lowes	27/05/2022	US	Shareholder	Report on Median Gender/Racial Pay Gap	For	56%
Alphabet	01/06/2022	US	Shareholder	Oversee and Report a Third-Party Racial Equity Audit	For	45%
Comcast	01/06/2022	US	Shareholder	Oversee and Report a Racial Equity Audit	For	18%
FedEx	19/09/2022	US	Shareholder	Report on Racism in Corporate Culture	For	13%