Implementation Statement, covering the Plan Year from 1 January 2022 to 31 December 2022

The Trustee of the TRP UK Retirement Plan (the "Plan") is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed its Statement of Investment Principles ("SIP") during the Plan Year, as well as details of any review of the SIP during the Plan Year, subsequent changes made with the reasons for the changes, and the date of the last SIP review. Information is provided on the last review of the SIP in Section 1 and on the implementation of the SIP in Sections 2-7 below.

The Statement is also required to include a description of the voting behaviour during the Plan Year by, and on behalf of, the trustees (including the most significant votes cast by the Trustee or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 8 below.

In preparing the Statement, the Trustee has 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.

This Statement is based on and uses the same headings as the Plan's SIP which was in place during the Plan Year - dated September 2021. This Statement should be read in conjunction with the SIP which can be found here.

1. Introduction

No review of the SIP was undertaken during the Plan Year. The last time the SIP was formally reviewed was after the Plan Year in June 2023, however, the SIP in place during the Plan Year was dated September 2021.

The Trustee has, in its opinion, followed all of the policies in the Plan's SIP which was in place during the Plan Year. The following Sections provide detail and commentary about how and the extent to which it has done so.

2. Division of responsibilities

There are no specific policies in this section of the Plan's SIP.

3. Investment objectives and policy

Default arrangements

The Trustee, with the help of its advisers and in consultation with the sponsoring employer, formally reviewed the strategy and performance of both the default and alternative lifestyle strategies prior to the Plan Year in September and December 2020. As part of this review, the Trustee considered and reviewed the Plan's membership demographics and the variety of ways that members may draw their benefits in retirement from the Plan as part of this review. Over the Plan Year, the Trustee has also reviewed and considered how members have accessed their savings from the Plan.

Based on the outcome of this analysis, the Trustee concluded that the default arrangements; the TRP Drawdown Lifestyle Investment Programme, the TRP Annuity Lifestyle Investment Programme and the BlackRock Sterling Liquidity Fund (a fund that is a technical default arrangement[1]), have been designed to be in the best interests of the majority of the Plan's members and reflects the demographics of those members and the investments are progressively switched into lower risk investment as retirement approaches.

In the review of the default investment lifestyle mentioned above, the Trustee concluded that drawdown remains an appropriate retirement target for most members and therefore continue to use the TRP Drawdown Lifestyle Investment Programme as the primary default investment option for the Plan. A small cohort of members remain defaulted into the lifestyle targeting annuity purchase at retirement (TRP Annuity Lifestyle Investment Programme) because of legacy strategy changes and it was agreed that given the proximity of members to their retirement ages this strategy continued to remain appropriate.

As part of this review the Trustee ensured that the Plan's default arrangements were adequately and appropriately diversified between different asset classes and that the self-select options provide a suitably diversified range to

[1] As noted in the SIP, following the suspension of a property fund in 2021, members' contributions which were to be paid into the property fund, could not be. As such, the Trustee transferred these contributions into the BlackRock Sterling Liquidity Fund without asking them first. As such, this fund is classed as a technical default, it is subject to the same additional governance requirements as the main default arrangement.

choose from. In addition, the Trustee considered a wide range of asset classes for investment, considering the funds' diversification, in terms of objectives, sectors, investment styles and management approach (including active and passive options).

The Trustee is due to begin its next review of the default arrangements in June 2023.

Self-select fund range

The Trustee also provides members with access to a range of pooled, self-select funds across the main asset classes, reflecting the changing requirements of members as they progress towards retirement, which it believes is suitable for this purpose and enable appropriate diversification. During the Plan Year, the Trustee has added the HSBC Islamic Global Equity Index Fund as a self-select fund to further diversify the available options.

The Trustee has also made available an alternative lifestyle strategy which is designed to provide members with access to a different retirement outcome other than annuity purchase and income drawdown, which is lump sum withdrawal. Details of these lifestyles and the extensive self-select fund range is set out in Appendices A and C of the SIP. The Trustee reviews the performance of these funds quarterly. The Trustee monitors the take up of the self-select fund range on a formal basis annually and conduct a review of the investment offering every three years. The last self-select fund range review began on 21 September 2022 and concluded on 22 March 2023. The Trustee will conduct the next review of the investment offering in the second half of 2025. The Trustee recognises the importance of regularly reviewing the self-select offering given the proportion of members invested in these funds is high in comparison to the broader DC pension scheme market.

The Trustee reminded members to review their investment holdings and check they are suitable for each individual's risk tolerances and retirement planning throughout the Plan Year via member presentations, the annual member newsletter and members' annual benefit statements.

4. Considerations in setting the investment arrangements

In the review of the default investment lifestyle arrangements mentioned in Section 3, the Trustee considered the investment risks set out in Section 5 of the SIP. The Trustee also considered a wide range of asset classes for investment, taking account of the funds' diversification characteristics in terms of objectives, sectors, investment styles and management approach (including active and passive options) and the expected returns, and key individual risks associated with those asset classes as well as how these risks can be mitigated.

The Trustees added the HSBC Islamic Global Equity Index Fund, recognising that some members within the Plan may wish to invest in a fund which aims to comply with Shariah Principles.

5. Risk management

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

The Trustee maintains a risk register which is discussed at quarterly Risk and Compliance Sub-committee meetings as well as being discussed at Trustee meetings on an annual basis. The ongoing appropriateness of the risk register is also reviewed on an annual basis.

The Trustee's policy for some risks, given their nature, is to understand them and to address them if it becomes necessary, based upon the advice of the Plan's investment adviser or information provided to the Trustee by the Plan's investment managers.

Some of the risks the Trustee monitors, including the ways in which they are measured and managed are included below:

- capital risk: the Trustee has made available a cash fund for the purpose of managing this risk.
- risk of inadequate returns and inflation risk: the Trustee makes use of equity and equity-based funds, on both an actively and passively managed basis, which are expected to provide positive returns above inflation over the long term. These are used in the growth phase of the default and alternative lifestyles and are also made available within the self-select options. These funds are expected to produce adequate real returns over the longer term.
- pension conversion risk: the Trustee offers an index-linked gilt fund (for those members seeking to purchase an annuity that increases during retirement) and several fixed interest bond and gilt funds, including the bespoke white labelled 'Fixed Income Fund', as well as an annuity targeting lifestyle strategy for the purpose of managing this risk.

- currency risk: as all the funds are converted back into Sterling when members take their retirement there will be an element of currency risk.
- contribution shortfall risk: the Trustee reminded members to review their retirement planning throughout the Plan Year via member presentations, the annual member newsletter and members' annual benefit statements. Average contributions were considered as part of the investment strategy review undertaken in 2020 to better understand member pot projections and the impact on these projections should members not contribute into the Plan.
- political risk: the default arrangements and self-select fund range invest in assets across many countries to mitigate the risk of an adverse influence on investment values from political intervention.
- credit risk: this risk is managed by only investing in pooled funds that have a diversified exposure to different credit issuers.

In addition, the following risks are covered elsewhere in this Statement: diversification risk in Sections 3 and 6, investment manager and excessive charges risk in Section 6, illiquidity/marketability risk in Section 7 and ESG risks in Section 7.

6. Implementation of the investment arrangements and monitoring and reviewing investments

The Trustee added a new investment manager (HSBC) over the Plan Year, adding the HSBC Islamic Global Equity Index Fund on 14 January 2022. This was following the Trustee's decision to introduce a fund which factors Shariah Law into the investment process into the Plan's self-select fund range. The Trustee obtained formal written advice from its investment adviser, LCP, before making this fund available for members to invest in and made sure the investment portfolio of the fund chosen were adequately and appropriately diversified. Before appointing the manager, the Trustee also received advice from its investment adviser in relation to key personnel, fund investment process and philosophy, the broader investment team, responsible investment and past performance. A delegation of Trustee Directors also met with HSBC to discuss the mandate. As part of the appointment process, the Trustee agreed that it was comfortable with all these aspects for the appointed manager.

The Trustee invests for the long term, to provide for the Plan members and beneficiaries. To achieve good outcomes for members and beneficiaries over this investment horizon, the Trustee therefore seeks to appoint managers whose stewardship[2] activities are aligned to the creation of long-term value and the management of long-run systemic risks.

The Plan's investment adviser monitors the investment managers on an ongoing basis, through regular research meetings. The investment adviser further monitors any developments at managers and informs the Trustee promptly about any significant updates or events it becomes aware of 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 funds the Plan invests in, or any material change in the level of diversification in the fund. This is undertaken on both an ad hoc basis but also formally as part of the annual deep-dive performance review, which was undertaken in March 2022.

This process is supplemented by the Investment sub-committee ("ISC") who assign Trustee delegates to monitor each of the funds offered to members. These delegates review fund performance and meet the Plan's investment managers whenever the Trustee has any concerns, queries or discussion points they would like addressed. Over the period, the Trustee met with T. Rowe Price, BlackRock, Baillie Gifford and HSBC to discuss both the Plan's current and prospective funds.

The Trustee formally monitors the performance of the Plan's investment managers on at least a semi-annual basis, using the semi-annual performance monitoring report, one of which is an extensive 'deep dive' report. This report shows the performance of each manager over 6 months, 1 year, 3 years and 5 years. Performance is considered in the context of the manager's benchmark and objectives. During the Plan Year, two performance reports were prepared by the investment adviser and presented at the 23 March 2022 Trustee meeting (an annual review covering periods to 31 December 2021) and on 21 September 2022 (covering periods to 30 June 2022).

The Trustee was comfortable with most of its investment manager arrangements over the Plan Year. If the there are any arrangements where there are concerns, the ISC places the fund on a 'watchlist' to be monitored, this is raised at Trustee's meetings and the ISC also meet with the relevant managers as appropriate. The most recent semi-annual report which was produced after the Plan Year, showing performance to 31 December 2022, shows that most managers have produced performance broadly in line with expectations over the long-term. However, during the Plan Year, the Trustee reviewed the suitability of the allocation to the Baillie Gifford International Fund within the TRP Lifestyle Growth Blend fund following concerns raised as part of the Trustee's ongoing monitoring.

[2] The responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

The Trustee concluded it was appropriate to reduce the reliance on this active fund by reducing the allocation to the Baillie Gifford International Fund by 5% in favour of the BlackRock ACS World ex-UK Equity Index. This change was agreed on 15 June 2022 and implemented across two trades on 26 September 2022 and 23 January 2023 to avoid the impact of adverse market movements on one day.

The Trustee undertook a value for members' assessment for the Plan Year to 31 December 2022 which assessed a range of factors, including the fees payable to managers in respect of the Plan which were found to be reasonably competitive when compared against schemes with similar sizes mandates. The Trustee considers the fees for the active funds in the context of the funds' performance. In this assessment, the Trustee identified that some of the active funds' fees were above the median of the peer group analysis. However, in the majority of these cases, the funds were also delivering strong positive, relative returns and the Trustee believes that these funds continue to offer strong expected returns. Overall, the Trustee believes the investment managers provide good value for money.

The performance of all the professional advisers is considered on an ongoing basis by the Trustee. The Trustee has put in place formal objectives for its investment adviser and will review the adviser's performance against these objectives on a regular basis and at least annually. During the Plan Year in December 2022, the Trustee reviewed the formal objectives it has in place for its investment adviser against these objectives and determined that it was satisfied with its performance.

7. Other matters

Financially material considerations, other non-financial matters and stewardship

The Trustee has, in its opinion, followed the Plan's voting and engagement policies during the Plan Year, by continuing to delegate to its investment managers the exercise of rights and engagement activities in relation to investments, as well as seeking to appoint managers that have strong stewardship policies and processes and to meet managers personally ahead of any selection to better understand their responsible investment policies. The Trustee took a number of steps to review the Plan's new and existing managers and funds over the period, as described in this Section below.

As part of its advice on the selection and ongoing review of the investment managers LCP 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. As such, as part of its due diligence before appointing HSBC in January 2022, the Trustee considered LCP's responsible investment ("RI") scores as well as discussing RI with HSBC.

The Trustee obtained an update from its investment advisers on any changes to the RI gradings for the Plan's existing managers and funds as part of their regular research meetings during the Plan Year. These scores are also reviewed in the annual performance report presented at the March meetings for both the ISC and wider Board. These scores cover the 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 both LCP's manager and fund recommendations. The manager scores and red flags are based on LCP's Responsible Investment Survey 2020. The highest score available is 4 (strong) and the lowest is 1 (weak). For the funds included in the default investment strategy, all funds scored above a 3, except for the T. Rowe Price Emerging Markets Equity Fund which scored 2. The Trustee was happy regarding the reason for the slightly lower score for the Emerging Market Equity Fund, but have asked for their investment advisors to meet the manager in the calendar year 2023 to provide an update on this score.

When meeting with the managers outlined in Section 6 of this Statement, the Trustee asked several questions about the managers' ESG, voting and engagement practices as well as ESG processes and mandate resources and, for those managers either retained or appointed, were satisfied with the responses and integration of ESG into the fund offering. The Trustee also reviewed reports from its managers on voting and engagement activities undertaken on its behalf.

Following the introduction of DWP's guidance, the Trustee agreed to set stewardship priorities to focus monitoring and engagement with their investment managers on specific ESG factors. At the December 2022 meeting, the Trustee discussed and agreed stewardship priorities for the Plan which were: Climate change, Diversity, Equity & Inclusion ("DEI"), and Corporate Transparency.

These priorities were selected because they align with the priorities of T.Rowe Price at a company level as well as being the primary areas of focus agreed by the Trustee. The Trustee communicated these priorities to its managers outside of the Plan Year, in May 2023. The Trustee will review the responses from managers and discuss these priorities with its managers during any manager meetings. The Trustee has also agreed to partner with the Asset Owners Diversity Charter to further support its DEI priority.

The Trustee is conscious that RI, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustee aims to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

In the member presentations in March and April 2022, the Trustee reminded members the ways in which they can give their feedback on the Plan's investment arrangements, ie via contacting one of the Trustee Directors or Plan Secretary directly.

No specific actions have been taken in relation to the selection, retention, and realisation of managers because of member and beneficiary views.

Liquidity and realisation of investments

It is the Trustee's policy to invest in funds that offer frequent dealing to enable members' benefits to be realised on retirement, or earlier on transfer to another pension arrangement or to readily realise and change their investments. All of the Plan's funds which the Trustee makes available to members are daily or weekly priced.

8. Description of voting behaviour during the Plan Year

All of the Trustee's holdings in listed equities are within pooled funds and the Trustee has delegated to its investment managers the exercise of voting rights. Therefore, the Trustee is not able to direct how votes are exercised and the Trustee itself has not used proxy voting services over the Plan Year. However, the Trustee has expressed its stewardship priorities to its investment managers and encourages them to exercise their votes in line with the Trustee's suggestions. As the priorities were communicated in May 2023, the managers could not take these into account in respect of the votes included in this Statement.

In this section the Trustee has included data on the Plan's funds which hold equities and that:

- are used in the default strategies, as these are the strategies which contain the majority of the Plan's assets; and
- have greater than 5% of total Plan assets invested in the fund (shown in *italics* below)

As such, the Trustee has included manager voting data for the following funds:

- Baillie Gifford International Fund
- BlackRock ACS UK Equity Index Fund
- BlackRock ACS World ex-UK Equity Index Fund
- BlackRock ACS Climate Transition World Equity Fund
- T. Rowe Price Emerging Markets Equity Fund
- LGIM Diversified Fund
- *T. Rowe Price Global Focused Growth Equity Fund (6.2% of AuM as at 31 December 2022).*

8.1 Description of the voting processes

For assets with voting rights, the Trustee relies on the voting policies which its managers have in place.

Baillie Gifford

All voting decisions are made by Baillie Gifford's Governance & Sustainability team in conjunction with investment managers. Baillie Gifford do not regularly engage with clients prior to submitting votes, however if a segregated client has a specific view on a vote, then Baillie Gifford will engage with them on this. If a vote is particularly contentious, Baillie Gifford may reach out to clients prior to voting to advise them of this or request them to recall any stock on loan.

Thoughtful voting of its clients' holdings is an integral part of Baillie Gifford's commitment to stewardship. Baillie Gifford believe that voting should be investment led, because how it votes is an important part of the long-term investment process, which is why its preference is to be given this responsibility by its clients. The ability to vote on behalf of its clients strengthen Baillie Gifford's position when engaging with investee companies. Baillie Gifford's Governance and Sustainability team oversees voting analysis and execution in conjunction with its investment managers. Baillie Gifford do not outsource any part of the responsibility for voting to third-party suppliers, but it does utilise research from proxy advisers for information only. Baillie Gifford analyses all meetings in-house in line with its Governance & Sustainability Principles and Guidelines and endeavours to vote every one of its clients' holdings in all markets.

Whilst Baillie Gifford are cognisant of its proxy advisers' voting recommendations (Institutional Shareholder Services ("ISS") and Glass, Lewis & Co ("Glass Lewis")), it does not delegate or outsource any of its stewardship activities or follow or rely upon their recommendations when deciding how to vote on its clients' shares. All client voting decisions are made in-house. As such Baillie Gifford vote in line with its in-house policy and not with the proxy voting providers' policies. Baillie Gifford also has specialist proxy advisers in the Chinese and Indian markets to provide more nuanced market specific information.

BlackRock

Voting decisions are made by members of the BlackRock Investment Stewardship ("BIS") team with input from the wider investment team as required, in accordance with BlackRock's Global Corporate Governance and Engagement Principles and custom market-specific voting guidelines.

The team and its voting and engagement work continuously evolves in response to changing governance related developments and expectations. BlackRock's voting guidelines are market-specific to ensure it takes into account a company's unique circumstances by market, where relevant.

BlackRock's voting guidelines are intended to help clients and companies understand their thinking on key governance matters. They are the benchmark against which it assesses a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. BlackRock applies its guidelines pragmatically, taking into account a company's unique circumstances where relevant. It informs its vote decisions through research and engage as necessary. If a client wants to implement their own voting policy, they will need to be in a segregated account. BlackRock's Investment Stewardship team would not implement the policy themselves, but the client would engage a third-party voting execution platform to cast the votes.

BlackRock aims to vote at all shareholder meetings of companies in which its clients are invested. In certain markets, there might be regulatory constraints or operational issues which can affect BlackRock's ability to vote on certain proxies, as well as the desirability of doing so. BlackRock do not support impediments to the exercise of voting rights and will engage regulators and companies about the need to remedy the constraint. Where BlackRock experiences impediments in relation to a specific shareholder meeting, it will review the resolutions to assess whether the business under consideration warrants voting despite the complications caused by the impediment.

Whilst BlackRock do subscribe to research from the proxy advisory firms, ISS and Glass Lewis, this is just one among many inputs into their voting decision process. BlackRock primarily uses proxy research firms to transform corporate governance information and analysis into a concise, easily reviewable format so that BlackRock's investment stewardship analysts can readily identify and prioritise those companies where their own additional research and engagement would be beneficial. Other sources of information BlackRock use include the company's own reporting (such as the proxy statement and the website), their engagement and voting history with the company, the views of their active investors, public information and ESG research.

Where BlackRock believe it will help to understand the voting decisions at shareholder meetings, BlackRock will publish a Voting Bulletin explaining the rationale for how it or, in this case, the independent fiduciary, has voted on select resolutions, and (where relevant) provide information around its engagement with the issuer. These bulletins are intended to explain their vote decision, including the analysis underpinning it and relevant engagement history when applicable, where the issues involved are likely to be high-profile and therefore of interest to their clients and other stakeholders, and potentially represent a material risk to the investments they undertake on behalf of clients. BlackRock makes this information public shortly after the shareholder meeting, so clients and others can be aware of its vote determination when it is most relevant to them.

T. Rowe Price

T. Rowe Price have stated that it welcomes discussions with clients on ESG topics, either as part of the regular monitoring or on an ad-hoc basis as issues arise. T. Rowe Price use its understanding of how market practice is developing to shape the changes it proposes to the T. Rowe Price ESG Committee as part of its annual voting policy update.

Proxy voting decisions are made internally and are executed with the assistance of an external proxy voting partner. T. Rowe Price view proxy voting as an important component of their ongoing responsibilities as engaged shareowners as it can also provide a unique opportunity to open a dialogue with management or boards of the companies in its portfolios.

The T. Rowe Price ESG Committee maintains guidelines for analysing voting decisions for most corporate governance issues. T. Rowe Price believe a “one size fits all” approach to corporate governance does not adequately address the complexity of some issues. Therefore, T. Rowe Price allow for exceptions and nuance. Consequently, T. Rowe Price’s voting policies are simply guidelines for its portfolio managers to use, and it allows them to apply their professional judgment when voting proxies for their portfolio companies. When a portfolio manager votes opposite the T. Rowe Price guidelines, he or she must document the reason through a customised online system.

T. Rowe Price has retained ISS to provide proxy advisory and voting services. These services include custom vote recommendations, research, vote execution, and reporting. In order to reflect T. Rowe Price's issue-by-issue voting guidelines as approved each year by the ESG Committee, ISS maintains and implements a custom voting policy for the T. Rowe Price Funds and other client accounts.

Legal & General Investment Management (“LGIM”)

LGIM's voting and engagement activities are driven by ESG professionals and its 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 its clients.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of LGIM's Investment Stewardship team. The views expressed by attendees during this 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 its 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. This helps ensure LGIM’s stewardship approach is consistent throughout the engagement and voting process, 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 ISS’ ‘ProxyExchange’ electronic voting platform to electronically vote. All voting decisions are made by LGIM and it does not outsource any part of the strategic decisions. The use of ISS' recommendations is 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 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 has put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what LGIM considers are minimum best practice standards that all companies globally should observe, irrespective of local regulation or practice.

LGIM retains the ability in all markets to override any vote decisions, which are based on its custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows LGIM to apply a qualitative overlay to its voting judgement. LGIM has strict monitoring controls to ensure its votes are fully and effectively executed in accordance with its voting policies by the service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform LGIM of rejected votes which require further action.

8.2 Summary of voting behaviour over the Plan Year

A summary of voting behaviour over the Plan Year is provided in the table below.

	Fund 1	Fund 2	Fund 3	Fund 4	Fund 5	Fund 6	Fund 7
Manager name	Baillie Gifford	BlackRock	BlackRock	BlackRock	T. Rowe Price	LGIM	T. Rowe Price
Fund name	International Fund	ACS UK Equity Index Fund	ACS World ex-UK Equity Index Fund	ACS Climate Transition World Equity Fund	Emerging Markets Equity Fund	Diversified Fund	Global Focused Growth Equity Fund
Total size of fund at end of the Plan Year	£1,307m	£10,278m	£6,361m	£9,122m	£752m	£10,234m	£1,906m
Value of Plan assets at end of the Plan Year	£20.7m	£9.8m	£35.8m	£7.9m	£11.9m	£5.2m	£8.2m
Number of equity holdings at end of the Plan Year	90	572	1,859	573	94	6,496	70
Number of meetings eligible to vote	93	715	1,983	636	159	9,567	87
Number of resolutions eligible to vote	1,109	10,301	25,148	9,707	1,440	98,795	972
% of resolutions voted	98.2%	100.0%	95.2%	93.4%	100.0%	99.8%	100.0%
Of the resolutions on which voted, % voted with management	97.2%	96.2%	93.1%	95.5%	92.7%	77.4%	93.2%
Of the resolutions on which voted, % voted against management	2.5%	3.8%	6.9%	4.5%	6.1%	21.9%	6.0%
Of the resolutions on which voted, % abstained from voting	0.3%	0.5%	0.5%	0.4%	1.2%	0.7%	0.8%
Of the meetings in which the manager voted, % with at least one vote against management	19.4%	21.3%	31.8%	26.6%	32.1%	72.1%	44.8%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy adviser	N/A	0.0%	0.5%	0.2%	N/A[1]	12.5%	N/A[1]

[1] T. Rowe Price vote according to its own policy.
[2]Figures for BlackRock may not always add up to 100% or the total of the % of resolutions on which the managers were eligible to vote. This is due to how the totals for each individual field is calculated for votes with and votes against management in the vote reports. There are two reasons that apply in this instance: 1) the votes cast with and against management includes abstained votes already (abstained votes are counted as votes against management), and 2) if there were multiple vote strings for a given meeting, any proposal voted in a different manner between the vote strings is counted twice.

8.3 Most significant votes over the Plan Year

Commentary on the most significant votes over the period, from the Plan's investment managers who hold listed equities, is set out below.

The Trustee did not inform its managers which votes it considered to be most significant in advance of those votes as these priorities were only agreed in the March 2023 ISC and subsequent Trustee meeting. The Trustee will consider the practicalities of informing managers ahead of the vote and will report on it in next year's Statement. This year, significant votes capturing the priorities agreed in March 2023 have been included, where possible.

Given the large number of votes which are cast by managers during every Annual General Meeting season, the timescales over which voting takes place as well as the resource requirements necessary to allow this, the Trustee did not identify significant voting ahead of the reporting period. Instead, the Trustee has retrospectively created a shortlist of most significant votes by requesting each manager provide a shortlist of votes, which comprises a minimum of ten most significant votes, and suggested the managers could use the PLSA's criteria for creating this shortlist.

We have interpreted "most significant votes" to mean those that:

- align with the Trustee's stewardship priorities of climate change, diversity, equity & inclusion, and corporate transparency;
- might have a material impact on future company performance;
- the investment manager believes to represent a significant escalation in engagement;
- impact a material fund holding, although this would not be considered the only determinant of significance, rather it is an additional factor;
- have a high media profile or are seen as being controversial;
- are shareholder resolutions which received material support;
- the subject of the resolution aligned with the investment manager's engagement priorities or key themes; and
- the Plan or the sponsoring company may have a particular interest in.

The Trustee has reported on two significant votes per fund only. If members wish to obtain more investment manager voting information, this is available upon request from the Trustee.

Baillie Gifford International Fund

1. **Amazon.com Inc., United States, May 2022.**

   Relevant stewardship priority: Diversity, Equity & Inclusion.

   Vote: For. **Outcome of the vote:** Not passed. **Management recommendation:** Against.

   Summary of resolution: Shareholder resolution – gender/racial pay

   Rationale for voting decision: Baillie Gifford has supported this proposal at Amazon.com for the last two years. Baillie Gifford believe that women and minorities are underrepresented in leadership positions compared with the broader workforce, and reporting the unadjusted median gap would help to assess structural bias regarding job opportunity and pay.

   Approximate size of the fund's holding at 31 December 2022: 1.43%

   The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

   Was the vote communicated to the company ahead of the vote: No.

   Outcome and next steps: Following its vote decision, Baillie Gifford has reached out to the company to let them know about its dissent on remuneration and set out its expectation on pay.

   Plan's managers who also voted: BlackRock also voted on this resolution for its ACS World ex-UK Equity Index Fund. BlackRock voted *against* this resolution because it believes that the Company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures.

2. **Netflix Inc., United States. June 2022.**

   Relevant stewardship priority: Corporate Transparency.

   Vote: For. **Outcome of the vote:** Passed. **Management recommendation:** Against.

   Summary of resolution: Shareholder resolution – governance

   Rationale: Baillie Gifford supported the shareholder resolution for a report on lobbying payments and policy as it believes enhanced disclosure on these subjects is in shareholders' best interests.

   Approximate size of the fund's holding at 31 December 2022: 0.53%

   The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

   Was the vote communicated to the company ahead of the vote: No.

   Outcome and next steps: Baillie Gifford supported the resolution and it received 60% support for other shareholders. Given the majority support, Baillie Gifford would expect the company to take account of shareholder concerns and potentially take action on the issue. Baillie Gifford will continue to monitor progress and the company's actions in this area ahead of any further engagement on the issue.

   Plan's managers who also voted: BlackRock also voted on this resolution for its ACS World ex-UK Equity Index Fund. BlackRock voted *for* this resolution because although it recognises the Company's efforts to date, it believes that supporting the proposal may accelerate the Company's progress on material political activities/lobbying issues.

BlackRock ACS UK Equity Index Fund

3. **Rio Tinto Group, United Kingdom, April 2022.**

   Relevant stewardship priority: Climate Change.

   Vote: For. **Outcome of the vote:** Passed. **Management recommendation:** For.

   Summary of resolution: Approve Climate Action Plan

   Rationale: BlackRock voted for the management proposal seeking shareholders' approval of the Rio Tinto Group's Climate Action Plan, which is described in the report "Our Approach to Climate Change 2021." The group's climate action plan, targets, and disclosures are consistent with what BlackRock looks for and, in its assessment, demonstrate management and board responsiveness to shareholder feedback. Accordingly, BlackRock determined that it is in the best interests of its clients as long-term shareholders to support the proposal to approve the Climate Action Plan.

   Approximate size of the fund's holding at 31 December 2022: 2.76%

   The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

   Outcome and next steps: BlackRock is encouraged by the actions the group has taken to date and their improving transparency in this regard. BlackRock will continue to engage to further assess progress, especially in relation to the group's strategy of "combining investments in commodities that enable the energy transition with actions to decarbonise our operations and value chains."

   Plan's managers who also voted: LGIM also voted on this resolution for its Diversified Fund. LGIM voted *against* this resolution. LGIM recognises the considerable progress the company has made in strengthening its operational emissions reduction targets by 2030, together with the commitment for substantial capital allocation linked to the company's decarbonisation efforts. However, while LGIM acknowledge the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, it remains concerned with the absence of quantifiable targets for such a material component of the company’s overall emissions profile, as well as the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.

4. **Glencore Plc, United Kingdom, April 2022.**

   Relevant stewardship priority: Climate Change

   Vote: For. **Outcome of the vote:** Passed. **Management recommendation:** For.

   Summary of resolution: Approve Climate Progress Report

   Rationale: BlackRock supported this proposal in recognition of the company’s disclosed plan to manage climate-related risks and opportunities and the company’s progress against this plan. BlackRock do, however, believe there are areas where the company could enhance its disclosure.

   Approximate size of the fund’s holding at 31 December 2022: 3.11%

   The reason the Trustee considered this vote to be “most significant”: This vote relates to a stewardship priority selected by the Trustee.

   Outcome and next steps: BlackRock will continue to engage with Glencore to monitor progress against the Climate Action Transition Plan and the areas for enhanced reporting on progress, which will be carefully considered in future voting decisions, as well as the consistency between corporate decisions and stated climate ambitions.

   Plan’s managers who also voted: LGIM also voted on this resolution for its Diversified Fund. LGIM voted *against* this resolution because it expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. While LGIM note the progress the company has made in strengthening its medium-term emissions reduction targets to 50% by 2035, it remains concerned over the company's activities around thermal coal and lobbying, which LGIM deems inconsistent with the required ambition to stay within the 1.5°C trajectory.

BlackRock ACS World ex-UK Equity Index Fund

5. **Chevron Corporation, United States, May 2022.**

   Relevant stewardship priority: Climate Change

   Vote: Against**. Outcome of the vote:** Not passed. **Management recommendation:** Against.

   Summary of resolution: Adopt Medium-and Long-term Greenhouse Gas (“GHG”) Reduction Targets

   Rationale: BlackRock did not support this shareholder proposal because it believes that the Company has appropriately responded to shareholder concerns by setting scope 1, 2 and 3 GHG reduction targets. At this time, BlackRock believes the Company has demonstrated through their disclosure the appropriate oversight and mitigation of scope 3 emissions and it recognises the progress Chevron has made on this topic. BlackRock also acknowledge the current complexities surrounding scope 3 emissions targets for the oil and gas industry in particular.

   Approximate size of the fund’s holding as at 31 December 2022: 0.75%

   The reason the Trustee considered this vote to be “most significant”: This vote relates to a stewardship priority selected by the Trustee.

   Outcome and next steps: As noted above, BlackRock believes that Chevron has appropriately responded to shareholder concerns by setting scope 1, 2 and 3 GHG reduction targets, and the Company’s enhanced disclosure provides sufficient information. Therefore, in its view, support for this proposal was not warranted.

6. **McDonald’s Corporation, United States, May 2022.**

   Relevant stewardship priority: Diversity, Equity & Inclusion.

   Vote: Against**. Outcome of the vote:** Passed. **Management recommendation:** Against.

Summary of resolution: Report on Third-Party Civil Rights Audit

Rationale: Whilst BlackRock acknowledge that racial equity audits can be beneficial for companies in addressing material risks and opportunities, it did not support this shareholder proposal because, in its assessment, McDonald's current disclosure provides clear, fulsome information to enable stakeholders to track the effectiveness of the company's DEI efforts, and their stated goals provide insight into the company's ongoing priorities.

Approximate size of the fund's holding at 31 December 2022: 0.43%

The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

Outcome and next steps: Based on BlackRock's assessment, the company's current approach to managing their impacts on people is robust, as discussed in their related disclosure which in BlackRock's view provides sufficient information to track the effectiveness of the company's DEI inclusion efforts. BlackRock will continue to monitor the progress towards their stated goals.

BlackRock ACS Climate Transition World Equity Fund

7. **TotalEnergies SE. France. May 2022.**

   Relevant stewardship priority: Climate Change

   Vote: For **Outcome of the vote:** Passed. **Management recommendation:** For.

   Summary of resolution: Approve Company's Sustainability and Climate Transition Plan

   Rationale: BlackRock supported this proposal in recognition of the company's clearly disclosed climate transition plan to manage climate-related risks and opportunities and the progress made against this strategy.

   Approximate size of the fund's holding at 31 December 2022: 0.32%

   The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

   Outcome and next steps: BlackRock recognises that TotalEnergies is actively addressing the risks and opportunities stemming from the global energy transition through the Sustainability and Climate Transition Plan, and it welcomes the progress the company has made to date against this plan. Therefore, BlackRock believe its support for this proposal is in the best long-term economic interests of its clients.

   Plan's managers who also voted: LGIM also voted on this resolution for its Diversified Fund. LGIM voted *against* this resolution. LGIM recognises the progress the company has made with respect to its net zero commitment, specifically around the level of investments in low carbon solutions and by strengthening its disclosure. However, LGIM remains concerned of the company's planned upstream production growth in the short term, and the absence of further details on how such plans are consistent with the 1.5C trajectory.

8. **Alphabet, Inc., United States, June 2022.**

   Relevant stewardship priority: Climate change

   Vote: For. **Outcome of the vote:** Not passed. **Management recommendation:** Against

   Summary of resolution: Report on metrics and efforts to reduce water related risk

   Rationale for the voting decision: BlackRock supported this shareholder proposal because, in its assessment, shareholders would benefit from more information on the company's approach to water dependencies and impact.

   Approximate size of the fund's holding at 31 December 2022: 2.56%

   The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

Was the vote communicated to the company ahead of the vote: Yes.

Outcome and next steps: BlackRock believes this proposal was in the best economic interests of its clients and will continue to engage with the company on this.

T. Rowe Price Emerging Markets Equity Fund

9. **Saudi National Bank, Saudi Arabia, April 2022.**

   Relevant stewardship priority: Corporate Transparency

   Vote: Against**. Outcome of the vote:** Not passed. **Management recommendation**: For.

   Summary of resolution: Approve Allocation from Surplus Treasury Shares to Employee Executive Plan

   Rationale: T. Rowe Price voted against this proposal due to lack of disclosure regarding the terms and conditions of the share plans relating to the performance conditions.

   Approximate size of the mandate's holding as at 31 December 2022: 0.48%

   The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

   Was the vote communicated to the company ahead of the vote: No.

   Outcome and next steps: T.Rowe Price will has confirmed that it may engage again with the company in the future to discuss details and disclosure regarding the allocation of surplus treasury shares.

10. **Fuyao Glass Industry Group Co., Ltd., China, April 2022.**

    Relevant stewardship priority: Corporate Transparency

    Vote: Against**. Outcome of the vote:** Passed. **Management recommendation**: For.

    Summary of resolution: Amend Articles of Association

    Rationale: T. Rowe Price voted against this resolution because the proposed articles amendments are not considered to adequately provide for accountability and transparency to shareholders.

    Approximate size of the fund's holding as at 31 December 2022: 1.19%

    The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

    Was the vote communicated to the company ahead of the vote: No.

    Outcome and next steps: T.Rowe Price has determined that an engagement with the company isn't necessary at this time but will engage with the company in the offseason, ie outside of Q2.

LGIM Diversified Fund

11. **NextEra Energy, Inc., United States, May 2022.**

    Relevant stewardship priority: Diversity, Equity & Inclusion.

    Vote: Against. **Outcome of the vote:** Passed. **Management recommendation:** For

    Summary of resolution: Elect director Hamid R. Moghadam

    Rationale for the voting decision: LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.

    Approximate size of the fund's holding as at 31 December 2022: 0.43%

The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

Was the vote communicated to the company ahead of the vote: LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.

Outcome and next steps: LGIM will continue to engage with the Company and publicly advocate its position on this issue and monitor Company and market-level progress.

12. **BP Plc, United Kingdom, May 2022.**

    Relevant stewardship priority: Climate change

    Vote: For. **Outcome of the vote:** Passed. **Management recommendation:** For

    Summary of resolution: Approve net zero - from ambition to action report

    Rationale for the voting decision: Whilst LGIM notes the inherent challenges in the decarbonisation efforts of the oil & gas sector it expects companies to set a credible transition strategy, consistent with the Paris goals of limiting the global average temperature increase to 1.5 degrees. It is LGIM's view that the Company has taken significant steps to progress towards a net zero pathway, as demonstrated by its most recent strategic update where key outstanding elements were strengthened. Nevertheless, LGIM remain committed to continuing its constructive engagements with the company on its net zero strategy and implementation, with particular focus on its downstream ambition and approach to exploration.

    Approximate size of the fund's holding at 31 December 2022: 0.25%

    The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

    Outcome and next steps: LGIM will continue to engage with the Company and publicly advocate its position on this issue and monitor Company and market-level progress.

T. Rowe Price Global Focused Growth Equity Fund

13. **Harmonic Drive Systems, Inc, Japan, June 2022.**

    Relevant stewardship priority: Diversity, Equity & Inclusion

    Vote: Against**. Outcome of the vote:** Passed. **Management recommendation**: For

    Summary of resolution: Elect Director Nagai, Akira

    Rationale: T. Rowe Price voted against this resolution as the board of Harmonic Drive Systems is a single gender board.

    Approximate size of the fund's holding at 31 December 2022: 0.93%

    The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

    Was the vote communicated to the company ahead of the vote: Yes.

    Outcome and next steps: T.Rowe Price has determined that an engagement with the company isn't necessary at this time.

14. **Ferrari NV, Italy, April 2022.**

    Relevant stewardship priority: Corporate Transparency.

Vote: Against**. Outcome of the vote:** Passed. **Management recommendation**: For

Summary of resolution: Approve Remuneration Report

Rationale: T. Rowe Price voted against this resolution because the Company will, subject to approval, award a welcome bonus valued at EUR 4 million (consisting of a cash and equity component) to incoming CEO Vigna without a compelling justification or subject to longer term retention or performance conditions; the remuneration report does not provide disclosure on ex-post targets of the 2019-2021 Performance Share Unit plan, which would provide further understanding of the pay for performance alignment.

Approximate size of the fund's holding as at 31 December 2022: 2.70%

The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

Was the vote communicated to the company ahead of the vote: Yes.

Outcome and next steps: T.Rowe Price has confirmed that it may engage with the company in the offseason to discuss its vote and views on the topic.