Implementation Statement ("IS")

The Procter & Gamble Pension Fund (the "Fund")

Fund Year End – 30 June 2023

The purpose of the Implementation Statement is for us, the Trustees of the Procter & Gamble Pension Fund, to explain what we have done during the year ending 30 June 2023 to achieve certain policies and objectives set out in the Statement of Investment Principles ("SIP"). It includes:

1. A summary of any review and changes made to the SIP over the year;
2. How our policies in the SIP have been followed during the year; and
3. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

In our view, the Fund's investment managers were able to disclose good evidence of voting and/or engagement activity, that the activities completed by the managers align with our expectations regarding stewardship of the Fund's assets, and that our voting rights have been exercised effectively on our behalf.

Where managers have been unable to provide the full amount of information or did not provide the information in the format requested, we, along with our investment adviser, are engaging with these managers to set expectations regarding the provision of this data in the future and encourage improvement in future reporting.

Changes to the SIP during the year

We reviewed the SIP during the year and updated it in May 2023.

The changes made included:

- Updates to the target weightings and allocation ranges to reflect changes in the strategy;
- Inclusion of new fixed interest gilt and index-linked gilt funds within the Implementation section.

The Fund's latest SIP can be found here:

https://portal.hartlinkonline.co.uk/procterandgamble/hopl.chi/wui/schinfui.html?hopsess=rc9ptroqtpt9dqpt45alvojkxd4zpm0y

How the policies in the SIP have been followed

The Trustees outline in the SIP several key objectives and policies. These are noted in *blue* in this report, together with an explanation of how these objectives and policies have been met and adhered to over the course of the year.

Defined Benefit Section Policies

Ongoing Monitoring

The Trustees receive regular investment updates from their investment adviser and receive quarterly monitoring reports from the individual investment managers. The Trustees' ongoing monitoring takes different forms, including investment performance monitoring, ad-hoc investment market updates and annual investment risk disclosures.

To measure funding risks, the Trustees receive a quarterly update from their actuarial adviser highlighting the value of the Fund's assets and liabilities. To measure asset risks, the Trustees also receive a quarterly monitoring report from their investment adviser outlining the valuation of all investments held at the end of each quarter. The report provides the performance of these investments over the quarter, on an annual basis and on a 3-year basis. Investment returns are compared with appropriate performance objectives to monitor the relative performance of these investments. The asset allocation is also monitored and compared to the strategic asset allocation set out in the SIP. If the bandwidths outlined in the SIP are breached, then the Trustees discuss and agree whether or not to rebalance the assets to the Fund's central strategic asset allocation.

Strategy

As detailed in the SIP, the Fund's investment objective is as follows:

The Trustees aim to invest the assets of the Fund to ensure that the benefits promised to members are provided. In setting investment strategy, the Trustees considered a range of different asset allocation strategies aimed at achieving a balance between the risk of deterioration in the funding level and the costs and funding requirements of the Fund. The asset allocation strategy has been selected after detailed consultation with the employer.

An Asset Liability Modelling (ALM) study was presented by the sponsoring employer in late 2020 considering a range of alternative investment strategies. Based upon this study, in the near-term, the Trustees agreed to restructure the bond portfolio by switching some of the fixed government bonds to high quality corporate bonds. The first phase of the implementation of this restructure was completed in early 2022. The implementation continued this year with further allocations to high quality corporate bonds completed in Q4 2022 and Q1 2023, with the Q4 trades partly funded through rebalancing an overweight to equity within the strategy at that time.

In light of funding improvement over 2022, the sponsoring employer updated their ALM study in early 2023 to assess the current strategy. Based upon the updated results, the Trustees agreed to reduce the equity allocation and make a first allocation to index-linked gilts. This action was in line with the previously agreed a longer-term strategy glidepath for the Fund, that will see the Fund's strategy gradually de-risk over time by reducing the allocation to equities and corporate bonds and increasing the allocation to index-linked gilts. The move to a more bonds-based strategy in time reflects the expected maturing of the Fund and a desire to gradually move to a lower risk strategy. Following further funding improvements, shortly after year-end, the Trustees agreed to further de-risking to improve the interest rate and inflation hedging of the asset strategy through switching assets to longer dated corporate bonds and more index-linked gilts.

Additionally, throughout the year there have also been discussions between the Trustees' investment advisers and sponsoring employer, regarding how alternative investments could help improve the Fund's risk and return profile and lessen the potential impact of inflation risks, whilst providing an attractive level of return. Based upon this and advice from the Trustees' investment advisers and sponsoring employer, the Trustees agreed to reduce the strategic allocation to equities and use the proceeds to make an initial investment in Infrastructure assets which is expected to be funded in H1 2024.

Risk

The Trustees recognise that the key risk to the Fund is insufficiency of assets to make provisions for 100% of its liabilities ("funding risk"). The Trustees have identified a number of risks which have the potential to cause a deterioration in the Defined Benefit Section's funding level and therefore contribute to funding risk. […]

Having set an investment objective which relates directly to the Fund's liabilities and implemented it using a range of fund managers, the Trustees' policy is to monitor, where possible, these risks quarterly.

The Trustees report on the risks associated with the Fund's investments annually in the investment risk disclosure report which accompanies the annual reports and accounts. In this report, the Trustees monitor the risks associated within the Fund's defined benefit investments, concentrating on market risks, credit risk, interest rate risk, and other price risks. Please refer to the "Ongoing Monitoring" section for further details on how risks within the Fund are monitored and reported.

Implementation Statement

Defined Contribution Section Policies

Investment Objective

In investing the assets, the Trustees' key aim is to provide a range of investments that are suitable for meeting members' long and short-term investment objectives.

They have taken into account members' likely circumstances, in particular members' attitudes to risk and a range of terms to retirement.

The key objective for the default investment strategy, so far as is reasonably practicable, is to provide a strategy that is suitable for meeting members' long and short-term investment objectives, taking into account members' circumstances.

The Trustees have provided members over the course of the year with a range of investment fund choices. For members who do not wish to make an active investment decision, a default lifestyle arrangement which targets a portfolio suitable for income drawdown in retirement is in place. This lifestyle gradually moves members from predominantly equities to a more diversified portfolio as they approach retirement. In addition, there are two further lifestyle arrangements (targeting annuity purchase and full cash lump sum respectively) and six self-select funds available which members can choose from depending on their risk appetite and if they are comfortable making their own investment decisions.

The Trustees conducted a thorough review of the Fund's membership in 2021, which forms the basis of their understanding of members' attitudes to risk and likely at-retirement aims. This considered the membership's age, salary, contribution levels and term to retirement.

Importantly, this analysis formed the basis of the Trustees' decision to utilise the income drawdown vehicle as the default investment strategy.

The Trustees have provided members over the course of the year with suitable information so that they can make the appropriate investment decisions, including a member guide, access to their account online and members' annual benefit statement.

Risk Measurement and Management

The Trustees recognise the key risk is that members will have insufficient income in retirement or an income that does not meet their expectations.

The Trustees also consider the following sources of risk:

- *Risk of not meeting the reasonable expectations of members, bearing in mind members' contributions and fund choices.*
- *Risk of fund managers not meeting their objectives ("manager risk").*
- *Risk of the default fund being unsuitable for the requirements of some members*
- *The risk of fraud, poor advice or acts of negligence ("operational risk")*

The Trustees concluded their triennial investment strategy review during the course of the Fund year. As part of this review, consideration was given to each of the risks set out above and concluded that the investment strategy continues to appropriately mitigate these risks.

Trustee's Report

Implementation Statement

On an ongoing basis, the Trustees are comfortable that the complex and interrelated risks associated with running the Fund were monitored and mitigated to a satisfactory degree via:

- The provision of annual benefits statements to members which set out their projected retirement outcomes (based on current fund value and assumptions about future investment returns and inflation.
- Monitoring provided by the investment adviser in relation to assets held in the investment strategy – including results of assessments of the investment manager's forward-looking credentials.
- The diversified nature of the default investment strategy and wider lifestyle and self-select range of vehicles available to members.
- The use of advisers and third-party service providers who are suitably qualified and experienced – and contracts in place with these advisers that include appropriate liability and compensation clauses.

During the year, Aon provided regular updates to the Trustees on areas for potentially increased risk, including difficult market conditions and ongoing geopolitical tensions. This allowed to the Trustees to monitor risks over the year and make decisions as to the management of the DC investments.

DB and DC Section Policies

Environmental, Social, and Governance ("ESG") Considerations

In setting both the Defined Benefit Section's investment strategy and the Defined Contribution Section's default investment strategy, the Trustees' primary concern is to act in the best financial interests of the Fund and its beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk.

In this context, 'risk' includes the risk that environmental, social and governance ('ESG') factors (including climate change) negatively impact the value of investments held if not understood and evaluated properly.

The Trustees take the following steps to monitor and assess ESG related risks and opportunities:

- *Periodic training on Responsible Investment to understand how ESG factors, including climate change, could impact the Fund's assets and liabilities.*
- *Ask their investment advisers to model the Fund's climate change related financial risks and assess the options available to reduce those risks.*
- *Use ESG ratings information provided by their investment adviser, where relevant and available, to monitor the level of the Fund's investment managers' integration of ESG on a quarterly basis.*
- *Meet annually with each of the Fund's investment managers to understand and challenge the level of ESG integration within the managers' investment processes.*

In light of the increased regulations within the pensions industry relating to ESG considerations, the Trustees have established an ESG Sub Committee. The role of the ESG Sub Committee is to own matters directly relating to ESG considerations and assist the Trustees, to ensure the Fund is compliant with regulatory requirements, such as the Task-force on Climate-related Financial Disclosures (TCFD) framework, as well as support on other framework and guidance.

The ESG Sub Committee has been progressing throughout the year towards meeting the TCFD requirements and has published the Fund's first report as part of this year's annual reporting process. The TCFD establishes a set of eleven clear, comparable and consistent recommended disclosures about the risks and opportunities presented by climate change. The increased transparency encouraged through the TCFD recommendations is intended to lead to decision-useful information and therefore better-informed decision-making on climate-related financial risks.

The ESG Sub Committee developed a detailed action plan to meet the TCFD reporting requirements by the relevant deadline.

Over the year, the Trustees and the ESG Sub-Committee arranged for Aon to conduct climate change scenario analysis and produce climate Value at Risk metrics. These exercises help the Trustees to better understand the potential impact of climate related risks on the Fund and has also been utilised in the first TCFD reporting.

As part of the ongoing monitoring, the Trustees also receive quarterly monitoring reports from their investment adviser, which includes an update on the rating of the manager on a variety of criteria. This includes a specific ESG rating to indicate the extent to which the investment adviser's research team believe ESG matters are integrated into the investment manager's investment process. The investment adviser evaluates levels of ESG integration by one of three descriptors: Limited, Integrated and Advanced. The equity and fixed income portfolios managed by the Fund's investment managers have been assessed as 'Integrated', suggesting that the fund management teams have taken appropriate steps to identify, evaluate and mitigate potential financially material ESG risks within the portfolios. Considering this view, the Trustees are satisfied with the extent of ESG integration in the Fund's investments.

The ESG Sub Committee is responsible, on behalf of the Trustees, for the development of the Trustees' stewardship and engagement action plan. In short, this concerns how the Fund can best use its influence from its investments to engage with the companies the Fund is invested in. On an annual basis as a minimum, the Trustees meet with the investment managers to review their stewardship and engagement activities. Additionally, these meetings are used for the Trustees to discuss their beliefs and priorities on ESG, with the aim to ensure that where possible in the pooled investment funds held by the Fund, the Trustees' priorities are reflected in the investment managers' actions.

With regards to voting and engagement for the Fund's investment managers, both managers identify climate change as one of their key focus areas, which aligns with the views of the Trustees.

The State Street World ESG Equity Index Fund is available to DC members. This fund, referred to within member documentation as the ESG Equity Fund, seeks to track the performance of the MSCI World ESG Universal Index. It has been made available for those members who wish to invest their pensions in a sustainable or responsible manner.

Arrangements with asset managers

Before appointment of a new investment manager (or fund), the Trustees review the governing documentation associated with the investment and will consider the extent to which it aligns with the Trustees' policies. As the Fund is expected to predominantly invest in passive, pooled vehicles, the Trustees have limited direct influence on the investment holdings, processes and policies in place. Whilst the Trustees will encourage investment managers to improve their practises where possible, they acknowledge that, in practice, managers cannot fully align their strategy and decisions to the (potentially conflicting) policies of all their pooled fund investors.

Where investment managers are considered to make decisions that are not in line with the Trustees' policies, expectations, or the other considerations set out above, the Trustees will typically first engage with the investment manager but could ultimately replace the fund(s) in question where this is deemed necessary.

There is typically no set duration for arrangements with investment managers, although the continued appointment for all investment managers will be reviewed periodically, and at least every three years.

Aon's Investment Manager Research ("IMR") Team are responsible for researching, rating and monitoring investment managers across all asset classes. This includes some aspects of the manager's alignment with the Trustees' policies generally, for example, whether the manager is expected to

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which ESG issues to focus on, **engaging** with investees/issuers, and **exercising voting rights**.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

achieve the performance objective and a review of their approach to ESG issues. The IMR Team meet with the managers regularly and receive a quarterly update on the portfolio, performance and any major developments (such as changes to the business).

The awareness regarding potential ESG risks in the investment strategy is also considered as part of monitoring and assigning the overall rating to the fund.

Cost transparency

The Trustees are aware of the importance of monitoring their investment managers' total costs and the impact these costs can have on the overall value of the Fund assets. The Trustees recognise that in addition to annual management charges, there are a number of other costs incurred by their investment managers that can increase the overall cost.

The Trustees collect annual cost transparency reports covering all of their investments and ask that the investment managers provide this data in line with the appropriate Cost Transparency Initiative ("CTI") template. This allows the Trustees to understand exactly what they are paying their investment managers.

The Trustees have appointed ClearGlass to provide annual Cost Transparency report to record and analyse the costs incurred by their investment managers for the management of the Fund's assets. The calendar year 2021 cost report was reviewed by the Trustees during the year, with the 2022 report reviewed shortly after year-end.

For the DC Section, the Trustees provide cost information on their investments annually within the Chair's Statement in the Trustee Report & Accounts. The Trustees reviewed the data which included both explicit and implicit costs and charges. As part of a standalone Value for Members assessment, Aon, on behalf of the Trustees, also reviewed the member borne costs against expected charges for a similar sized arrangement, and none appeared to be unreasonable in their view.

Across both DB and DC sections, costs and charges were very low relative to similar pension scheme arrangements. These lower fees are partially driven by Procter & Gamble ("the company") using its global scale to negotiate competitive investment charges with all investment managers used by the Fund.

Particularly with regard to the DC section, fees within the default arrangement (as measured by the Total Expense Ratio) range from 0.080% to 0.089% p.a., depending on members term to retirement – significantly below the 0.75% charge cap for schemes that are used for auto-enrolling their employees.

Our Engagement Action Plan

Based on the work we have done for the IS, we have decided to take the following steps over the next 12 months:

1. State Street Global Advisors ("SSGA") did not provide any information requested for the Fund's non-equity funds. Additionally, the manager informed us that it does not track engagement examples at the fund-level when engagement information was requested in respect of the non-equity funds, although this was provided for the equity funds. SSGA also highlighted that it does not track the "Outcome of Vote" information required in the PLSA voting template.

   Given that Climate Change is one of the critical factors we consider while analysing the risks of ESG factors, our investment adviser, Aon, engaged with SSGA, requesting climate-related voting examples. However, the manager noted that it was not able to provide '*bespoke material for one unitholder not shared or released to all*' as this '*would make it foul to selective disclosures*'.

   SSGA did note that this had been flagged internally for review. Our investment adviser will continue to engage with SSGA through its Engagement Programme, and has added this, in addition to the points noted above, as specific points of engagement.

2. BlackRock initially did not provide the full level of detail requested in relation to significant votes cast at a strategy level through the Pensions and Lifetime Savings Association's ("PLSA") best-practice template.

   Our investment adviser engaged with BlackRock, requesting climate-related voting examples with full details as set out in the PLSA template. Following this engagement, the manager did provide the necessary voting examples, which we appreciate. However, the details of the examples were advised as available via the manager's voting bulletins only and were not provided directly in respect of our investments held with the manager.

   Additionally, while the manager provided a comprehensive list of fund-level engagement, which we find encouraging, these examples did not give as much detail as required by the Investment Consultants Sustainability Working Group ("ICSWG") best-practice industry standard.

3. We will continue to undertake regular, detailed ESG monitoring of our managers.

4. We will undertake an annual review of our investment managers' Responsible Investment policies to ensure they are in line with our own.

Our managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. We believe that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Fund's investments is an important factor in deciding whether a manager remains the right choice for the Fund.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Fund's equity-owning investment managers to responsibly exercise their voting rights.

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues

Source: UN PRI

Voting statistics

The table below shows the voting statistics for each of the Fund's underlying investment strategies with voting rights for the year to 30 June 2023.

Section	Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
DB	SSGA – All World (ESG Screened) Equity Index Sub-Fund	63,967	96.2%	14.4%	1.2%
	BlackRock – ACWI Equity Index Fund	46,866	98.0%	8.0%	1.0%
DC	SSGA – All World Developed (ESG Screened) Equity Index Fund	29,674	94.5%	10.8%	0.3%
	SSGA – Emerging Markets (ESG Screened) Equity Index Fund	34,293	97.7%	17.5%	2.1%
	SSGA – World ESG Equity Index Fund	21,455	99.5%	8.5%	0.3%

Source: Managers

Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Fund's managers use proxy voting advisers.

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

	Description of use of proxy voting advisers *Wording provided directly by each manager*
State Street Global Advisors ("SSGA")	"We use a variety of third-party service providers to support our stewardship activities. Data and analysis from service providers are used as inputs to help inform our position and assist with prioritization. However, all voting decisions and engagement activities are undertaken in accordance with our in-house policies and views, ensuring the interests of our clients remain the sole consideration when discharging our stewardship responsibilities. We have contracted Institutional Shareholder Services (ISS) to assist us with managing the voting process at shareholder meetings. We use ISS to: (1) act as our proxy voting agent (providing State Street Global Advisors with vote execution and administration services), (2) assist in applying our voting guidelines, (3) provide research and analysis relating to general corporate governance issues and specific proxy items, and (4) provide proxy voting guidelines in limited circumstances. In addition, we also have access to Glass Lewis and region specific meeting analysis provided by the Institutional Voting Information Service. Research and data provided by these third parties complement our in-house analysis of companies and individual ballot items. All final voting decisions are based on our proxy voting policies and in-house operational guidelines."
BlackRock	"BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams – Americas ("AMRS"), Asia-Pacific ("APAC"), and Europe, Middle East and Africa ("EMEA") - located in seven offices around the world. The analysts with each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines. While we subscribe to research from the proxy advisory firms ISS and Glass Lewis, it is just one among many inputs into our vote analysis process, and we do not blindly follow their recommendations on how to vote. We primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial. Other sources of information we use include the company's own reporting (such as the proxy statement and the website), our engagement and voting history with the company, and the views of our active investors, public information and ESG research."

Source: Managers

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Fund's investment managers to provide a selection of what they consider to be the most significant votes in relation to the Fund's investment strategies. Given the large number of examples provided for each strategy, we have disclosed samples of these significant votes that align with what we view to be the critical ESG factors affecting the Scheme i.e. climate and engagements where the voting decision made aligns with the outcome, and potential follow-on engagements which can be found in the appendix.

Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Fund's material managers. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e., is not necessarily specific to the strategy invested in by the Fund.

Section	Funds	Number of engagements		Themes engaged on at a strategy-level
		Fund specific	Firm level	
DB	BlackRock – ACWI Equity Index Fund	2,421		Environmental - Climate Risk Management Governance - Board Composition and Effectiveness, Business Oversight/Risk Management, Corporate Strategy, Remuneration, Sustainability Reporting, Governance Structure Social - Diversity and Inclusion, Human Capital Management
DB	BlackRock – Aquila Life All Stocks Corporate Bond Index Fund	238		Environmental - Climate Risk Management Governance - Board Composition and Effectiveness, Business Oversight/Risk Management, Corporate Strategy, Remuneration, Sustainability Reporting Social - Human Capital Management, Social Risks and Opportunities
DB	BlackRock – Aquila Life Over 15 Year Corporate Bond Index Fund	72	3,886	Environment - Biodiversity, Other company impacts on the environment Governance - Board Composition and Effectiveness, Business Oversight/Risk Management, Corporate Strategy, Remuneration, Sustainability Reporting Social - Human Capital Management, Social Risks and Opportunities
DB	BlackRock – High Quality Long Duration Corporate Bonds (Segregated Mandate)	26		Environment - Climate Risk Management, Operational Sustainability Governance - Corporate Strategy, Business Oversight/Risk Management, Remuneration, Board Composition and Effectiveness Social - Human Capital Management, Social Risks and Opportunities
DB	SSGA – All World (ESG Screened) Equity Index Sub-Fund	606		Stewardship Priorities - Climate-related Reporting, Gender Diversity, Human Capital, Racial Equity Compensation - Overall compensation matters Governance - Board Leadership, Board Refreshment Social - Shareholder Proposal Strategy - Strategy, Risk and Internal Controls
DB	SSGA – Sterling Non-Gilts Bond All Stocks (ESG Screened) Index Sub-Fund	*Not provided*	980	*Not provided*
DC	SSGA – All World Developed (ESG Screened) Equity Index Fund	599		Environmental - Climate Transition Plan Stewardship Priorities - Climate-related Reporting, Gender Diversity, Human Capital, Racial Equity Social - Shareholder Proposal Compensation - Overall compensation matters Governance - Board Refreshment Strategy - Strategy & Risk & Internal Controls

Section	Funds	Number of engagements		Themes engaged on at a strategy-level
		Fund specific	Firm level	
DC	SSGA – Emerging Markets (ESG Screened) Equity Index Fund	8		Environmental - Deforestation and Land Use, General Social - Human Rights Strategy - Capital Related, Strategy Risk and Internal Controls
DC	SSGA – World ESG Equity Index Fund	566	980	Stewardship Priorities - Climate-related Reporting, Gender Diversity, Human Capital, Racial Equity Compensation - Overall compensation matters Governance - Board Refreshment Social - Shareholder Proposal Strategy - Strategy, Risk and Internal Controls
DC	SSGA – Sterling Non-Gilts Bond All Stocks (ESG Screened) Index Fund	*Not provided*		*Not provided*

Source: Managers

Data limitations

At the time of writing, the following managers did not provide all the information we requested:

- SSGA did not provide any information requested for the Fund's investment in its non-equity funds. Additionally, the manager informed us that it does not track engagement case examples at a fund-level when this information was requested in respect of non-equity funds. The manager also highlighted that it does not track the "Outcome of Vote" information required in the PLSA voting questionnaire.

- BlackRock provided voting examples in line with what we view to be critical ESG factors, however, the details of the examples were available via the manager's voting bulletins only and were not provided directly by BlackRock in respect of our investments held with the manager.

  Additionally, the engagement examples provided by BlackRock did not give as much detail as required by the ICSWG best-practice industry standard.

This report does not include commentary on certain asset classes such as gilts or cash because of the limited materiality of stewardship to these asset classes. Further this report does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Fund's assets that are held as AVCs.

Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Fund's manager. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below.

Wording provided directly by managers.

DB	SSGA – All World (ESG Screened) Equity Index Sub-Fund	**Company name**	Microsoft Corporation
		Date of vote	13-Dec-2022
		Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	~4.2%
		Summary of the resolution	Assess and Report on the Company's Retirement Funds' Management of Systemic Climate Risk.
		How you voted	Against
		Where you voted against management, did you communicate your intent to the company ahead of the vote?	We do not publicly communicate our vote in advance.
		Rationale for the voting decision	This proposal merits support as the company's disclosure and/or practices related to climate change are reasonable.
		Outcome of the vote	*Not provided*
		Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	Where appropriate we will contact the company to explain our voting rationale and conduct further engagement.
		On which criteria have you assessed this vote to be "most significant"?	SH - Environmental Proposal
DB	BlackRock – ACWI Equity Index Fund	**Company name**	Chevron Corporation
		Date of vote	31-May-2023
		Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	*Not provided*
		Summary of the resolution	Shareholder Proposal Regarding Issuance of a Report on Efforts to Reduce Plastics Use.
		How you voted	Against shareholder proposal
		Where you voted against management, did you communicate your intent to the company ahead of the vote?	BIS has had multiyear engagements with Chevron during which we have discussed a range of corporate governance topics that, in our assessment, are important for long-term financial value creation, including board composition, corporate strategy, human capital management as well as the board's oversight of and management's approach to climate-related risk and opportunities.
		Rationale for the voting decision	BIS did not support this shareholder proposal because the company has already taken actions that address the proponent's request given that they incorporate scope 3 emissions into their aforementioned PCI metric. Further, complying with the specific ask of the shareholder proposal

			may be unduly constraining on management's ability to set the company's long-term business strategy.
		Outcome of the vote	Fail
		Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	Chevron's 2022 corporate sustainability report clearly highlights the company's strategic approach to its risk management and low-carbon transition opportunities, including investing $2 billion in carbon reduction projects and $8 billion in lower carbon investments by 2028. Accordingly, we did not support the shareholder proposal as it was not aligned with our clients' financial interests as long-term investors.
		On which criteria have you assessed this vote to be "most significant"?	As investors we find it helpful to be able to evaluate companies' assessments of their emissions across their value chain, or scope 3 emissions, where appropriate, and efforts to reduce them over time. A growing number of companies have started disclosing scope 3 emissions estimates, which provide important insight into the full carbon component of companies' goods and services. This further allows investors to evaluate the long-term risks and resilience of companies' value chains. However, we recognize that the methodology, accounting, assurance, and regulatory landscape for scope 3 emissions is complex, varied, and evolving, and understand that the scope 3 disclosures that companies are able to make will necessarily be on a good faith and best-efforts basis.
DC	**SSGA – All World Developed (ESG Screened) Equity Index Fund**	**Company name**	Amazon.com, Inc.
		Date of vote	24-May-2023
		Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	~2.1%
		Summary of the resolution	Establish a Public Policy Committee
		How you voted	Against
		Where you voted against management, did you communicate your intent to the company ahead of the vote?	We do not publicly communicate our vote in advance.
		Rationale for the voting decision	This item does not merit support due to concerns with the terms of the proposal.
		Outcome of the vote	*Not provided*
		Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	Where appropriate we will contact the company to explain our voting rationale and conduct further engagement.
		On which criteria have you assessed this vote to be "most significant"?	SH - E&S Proposal
DC	**SSGA – Emerging Markets (ESG Screened) Equity Index Fund**	**Company name**	Naspers Ltd.
		Date of vote	25-Aug-2022
		Approximate size of fund's/mandate's holding as at	~0.6%

		the date of the vote (as % of portfolio)	
		Summary of the resolution	Approve Implementation Report of the Remuneration Report.
		How you voted	Against
		Where you voted against management, did you communicate your intent to the company ahead of the vote?	We do not publicly communicate our vote in advance.
		Rationale for the voting decision	This item does not merit support as SSGA has concerns with the proposed remuneration structure for senior executives at the company.
		Outcome of the vote	*Not provided*
		Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	Where appropriate we will contact the company to explain our voting rationale and conduct further engagement.
		On which criteria have you assessed this vote to be "most significant"?	Compensation
DC	**SSGA – World ESG Equity Index Fund**	**Company name**	Tesla, Inc.
		Date of vote	4-Aug-2022
		Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	~0.9%
		Summary of the resolution	Report on Corporate Climate Lobbying in line with Paris Agreement.
		How you voted	For
		Where you voted against management, did you communicate your intent to the company ahead of the vote?	We do not publicly communicate our vote in advance.
		Rationale for the voting decision	This proposal merits support as the company's disclosure and/or practices related to climate change can be improved.
		Outcome of the vote	*Not provided*
		Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	Where appropriate we will contact the company to explain our voting rationale and conduct further engagement.
		On which criteria have you assessed this vote to be "most significant"?	SH - Environmental Proposal

Source: Managers