

This **Implementation Statement** has been prepared by the Trustee of the **BAE Systems Pension Scheme** (the Scheme) and it covers the year to **31 March 2024**.

The Implementation Statement sets out how the Trustee has followed and acted on the principles outlined in the Scheme's Statement of Investment Principles (SIP), with a focus on stewardship activities, implementation of the main investment principles and Environmental, Social and Governance (ESG) factors.

The Implementation Statement focuses on

- The role of the Trustee
- The changes that have been made to the Scheme's SIPs
- How, and the extent to which, the policies contained in the SIPs have been followed during the Scheme Year
- The stewardship of the Scheme's investments, including the most significant voting decisions made by, or on behalf of, the Trustee.

The Scheme has two segregated sections, the BAE Systems Section and the Airbus Section. The Scheme has a separate SIP in relation to the investment of assets held for the defined benefit liabilities for each of the BAE Systems Section and the Airbus Section (referred to in this Statement as the DB SIPs).

For statutory purposes, the two DB Section SIPs (and the DC SIP, for the part of the Scheme Year during which defined contribution assets remained in the Scheme) together constitute the Scheme's Statement of Investment Principles.

The DC Section was transferred to the Mercer Master Trust on 1<sup>st</sup> July 2023, with the exception of a small number of members that were bought-out in early 2024 and the with-profit assets which remain within the Scheme.

## Introduction - The role of the Trustee

The role of the Trustee is to ensure that the Defined Benefit (DB) Sections are well run in accordance with the Scheme's Rules, relevant legislation and regulation, and in the best interest of the members of the Scheme within the constraints of relevant rules, laws, and regulations. The Employer-nominated Trustee Directors are directly selected and appointed by the Employers and the Member-nominated Trustee Directors are selected by the Consultative Committee (a committee designed to provide a formal channel to raise pension matters, improve communication links between members, BAE Systems, the Trustee, and Scheme Administrators, and to answer member queries), having first been nominated by the Scheme's active and pensioner membership.

The Trustee Directors have relevant skills and experience ranging across pensions, finance, law and audit, amongst other disciplines. One is a professional independent Trustee who has extensive wider pension industry expertise and knowledge.

The Board meets on a formal basis each quarter to discuss the management of the Scheme, also meeting on an ad-hoc basis when necessary. Meetings are held in person or by video, as appropriate, with members sometimes joining by phone if necessary.

All members of the Trustee Board sit on one or more sub-committees so that particular focus can be given to such matters as audit and governance, funding and investment (including responsible investment), and administration and communications.

The Board recognises the vital importance of good governance and great emphasis is placed on the expertise and skills that are required to ensure the effective oversight of the Scheme. On appointment all members of the Trustee Directors complete the 'Trustee tool kit', developed by the Pensions Regulator and the entire Board is involved in a regime of continual professional development.

### **What changes have been made to the SIPs and/or strategy over the year to 31 March 2024?**

By way of background, the SIPs detail the policies and principles governing how decisions about investments are made. The Scheme operates separate SIPs in relation to the investment of assets held in relation to the defined benefit liabilities in each of the BAE Systems Section and the Airbus Section of the Scheme. For a portion of the year the Scheme also operated a separate SIP in relation to assets held in relation to defined contribution members, whereafter the DC assets were transferred-out of the Scheme meaning the DC SIP no longer remained applicable.

This Implementation Statement covers the BAE Systems Section and the Airbus Section SIPs and includes only the voting data for the DC Section for the period in which it was in place.

You will find the different SIPs on the BAE Systems pensions website at:

***[baesystems.com/disclosableinformation](https://baesystems.com/disclosableinformation)***

#### *DB Section SIPs*

During the reporting period, the Trustee has appointed Goldman Sachs Asset Management International (GSAM) to be its Outsourced Chief Investment Officer (OCIO), transitioning from the in-house investment management arrangement with BAE Systems Pension Fund Investment Management (BAPFIM). Additionally, GSAM was also appointed to undertake both Section's stewardship and engagement activities on behalf of the Trustee, which was undertaken by Hermes EOS previously. Both DB Section SIPs were updated to reflect these changes in December 2023.

Over the Scheme Year, the Airbus Section of the Scheme went through a transition phase given a material change in both investment strategy and investment manager. The investment strategy change was to move to a cashflow driven approach from the previously adopted maturity driven approach. Over the majority of the Scheme Year, the Trustee was compliant with the policies contained within the SIP (as detailed in the section titled "Evidence of the DB Sections investment principles being met over the Scheme Year to 31 March 2024"). Towards the end of the Scheme Year in question, the Trustee began the process of moving to policies more appropriate for a cashflow matching strategy (similarly to that in the BAE Systems Section SIP). The process of updating the SIP to reflect this began in Q1 2024, with the new Airbus Section SIP being signed in July 2024.

#### *DC Section SIP*

In July 2023, all of the remaining DC assets of the BAE Systems Pension Scheme were transferred to the BAE Systems Retirement Savings Plan, a section of the Mercer Master Trust, with the exception of a small portion of members that were bought-out in early 2024 and the with-profit assets which remain within the Scheme. Following this, the DC Section is now covered by the Mercer Master Trust SIP. The Trustee has therefore taken a proportionate approach to reporting in relation to the DC SIP and can confirm that all of the policies in the DC SIP were followed by the Trustee while the funds were still held by the Scheme.

### **Review of the Scheme's SIPs**

To help ensure that the Schemes meet with their respective SIP policies on risk, a risk review is undertaken on a quarterly basis. All of the risks are overseen by the FIC to identify whether the controls in place were sufficient and whether the risk control scoring needed to be changed.

## **What is the Trustee's investment policy for the Defined Benefit (DB) Sections of the Scheme?**

### DB SIP policies on governance

The Trustee has responsibility for strategic decision making on investment matters, including the oversight and management of responsible investment (RI) and the risks and opportunities related to climate change. The Trustee has agreed that all strategic policy decisions on investments will be taken by the Trustee Board after in-depth consideration by the Funding & Investment Committee (FIC) and following receipt of appropriate advice.

The Trustee reviews the appropriateness of the Section's investment strategy on an ongoing basis. This review includes consideration of the performance of all strategies across listed and unquoted assets against any guidelines or benchmarks set. The Trustee must also consult the Principal Employer before amending the investment strategy.

The Trustee has appointed GSAM to be its principal investment manager. Day-to-day investment decisions have been delegated to GSAM and a number of external investment managers, managed through GSAM, in accordance with guidelines agreed with the Trustee. The investment managers are authorised and regulated by the Financial Conduct Authority or an equivalent regulatory authority and are responsible for the management of the underlying investments. The arrangements require GSAM (and any external investment manager to whom investment discretion is delegated) to have regard to the requirements contained in Regulation 4 of the Occupational Pension Schemes (Investment) Regulations 2005 and the requirements of the SIP (where applicable) when selecting investments.

Each of the investment managers' fees are related to the value of assets managed within their portfolio and in certain cases, the amount of performance generated relative to a benchmark. Minimum fees may also apply in some cases.

The Custodian, an institution acting as guardian of the Section's assets, is responsible for the safekeeping of these assets.

The Scheme's Investment Adviser provides a full range of outcome-oriented advice on portfolio construction, risk management and responsible investing. Their role is to provide the Trustee with strategic investment advice, helping the Trustee to meet their investment objectives, including the integration of responsible investment into the investment process.

An actuarial valuation of the Section is performed at least every three years, in accordance with statutory requirements. The main purpose of the actuarial valuation is to assess the extent to which the assets cover the accrued liabilities and agree an appropriate funding strategy for the Section. Full details of the current funding strategy and contributions payable can be found in the Statement of Funding Principles and Schedule of Contributions respectively.

### DB SIP policies on objectives and strategy

The Trustee has a clear plan to ensure that the Scheme can deliver on the DB promise to pay all member benefits on time and in full. This includes a current allocation to growth assets. As the Scheme's investments mature, the Trustee will switch further equity investments into less volatile assets that generate a steady income.

The Scheme ensures there is sufficient cash available to meet immediate cash requirements, including the payment of pensions. In doing this, the Scheme seeks to avoid the need to sell any assets at an

inopportune time. For example, holding sufficient collateral to avoid becoming a forced seller of return seeking assets during periods of interest rate volatility, as seen over 2022 and 2023.

As mentioned previously, during the Scheme Year, the Airbus Section of the Scheme went through a transition phase given a material change in both investment strategy and investment manager. The investment strategy change was to move to a cashflow driven approach from the previously adopted maturity driven approach.

#### DB SIP policies on risk

Risk is an important factor that is considered carefully. The Trustee regards risk as any factor that may render the Section unable to meet its obligation to pay benefits as they fall due and/or its ongoing statutory funding obligations.

The Trustee may use derivatives if they contribute to a reduction of risks or facilitate efficient portfolio management. The Trustee consults with its advisors when assessing the strategic use of derivatives to manage the Scheme's risk profile.

The Trustee also has to take into account the strength of the underlying sponsors and as part of the regular triennial valuation, the Trustee reviewed the BAE Systems covenant (as at 31 March 2024). The last full review of the Airbus Section sponsor took place in 2023 as part of the valuation as at 31 March 2023. In the interim period between full reviews, the Trustee continues to have regular updates on the underlying sponsoring employers' performance.

#### DB SIP policies on Socially Responsible Investment and Corporate Governance

Within the context of its overall objective, the Trustee considers the extent to which Environmental (including climate change), Social and Governance ("ESG") factors should be considered in the selection, retention and realisation of investments.

The Trustee has integrated climate-related risks and opportunities within the Section's risk management process. These include ensuring compliance with the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 based upon disclosures in line with the current recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

The Trustee recognises that the consideration of financially material factors, including ESG factors, needs to be assessed in the context of the long-term nature of the Section's investments and is relevant at different stages of the investment process. Furthermore, the Trustee expects that GSAM and external Investment Managers take account of all the relevant financially material factors, including the potential impact of ESG factors, in the implementation of the investment mandate and in the selection, retention and realisation of investments.

The Trustee has delegated responsibility for the management of the Section's assets, both public and private, to GSAM. In selecting new investment managers for the Section, GSAM, on the Trustee's behalf, considers potential managers' approaches to responsible investment and the extent to which managers integrate ESG issues in the investment process as a factor in their decision making.

The Trustee recognises that stewardship encompasses the exercise of voting rights and engagement with investee companies (directly or via investment managers) in relation to various matters relevant to the long-term performance of an investment, including their performance, strategy, capital structure, and consideration of how they manage actual and potential conflicts of interest, as well as the monitoring of compliance with agreed policies. It has examined the issues in relation to corporate governance and on the exercise of voting rights. It recognises that good corporate governance creates the framework within which a company should be managed. The ultimate purpose of the Trustee's duty of stewardship is to preserve and enhance the long-term investor value and to reduce the risks underlying these investments. The Trustee's belief is that actively engaging on financially material factors, which include ESG issues, contributes to identifying both investment opportunities and risks.

The Trustee understands that in order to best channel its stewardship efforts it should focus on a selection of key themes. As set out in its stewardship policy, the Trustee has therefore chosen to identify one key stewardship theme from each category within ESG. These are:

- **Environmental:** Climate change
- **Social:** Human rights
- **Governance:** Business ethics

The Trustee has, in relation to quoted equity, delegated to GSAM the exercise of voting rights. Their role is to vote in accordance with GSAM’s stated policy.

The Trustee delegates all engagement activities to GSAM where appropriate and expects managers to engage with issuers to maintain or enhance the long-term value of its investments and thus limit negative externalities on the planet and society. The Trustee recognises that there is no ‘one-size-fits-all’ stewardship approach and instead encourages its managers to prioritise stewardship opportunities and apply the most suitable/influential engagement strategies based on their in-depth knowledge of a given asset class, sector, geography and/or specific company or other asset.

Leading direct engagement with issuers is a minimum stewardship expectation of the Trustee. The Trustee expects its managers to use letter writing, phone calls, participation and attendance at annual and other shareholder meetings, and focused engagement dialogues with both management teams and non-executive directors. The Trustee monitors at what level GSAM engages to ensure that they are able to access the right engagement counterparts and influence company behaviour where appropriate. The Trustee challenges GSAM when it feels their engagements are not sufficiently focused on decision-makers such as management or board-level executives.

**Evidence of the DB Sections investment principles being met over the Scheme Year to 31 March 2024:**

Please note, unless otherwise specified, the evidence applies to both Sections.

Policy	Has the policy been followed?	Evidence
<b>Governance</b>		
The Trustee is satisfied that its governance structure and committees are appropriate for ensuring that the objectives of the Scheme are met, with suitable risk processes.		
<b>Objectives</b>		
The objective of the Sections is to hold sufficient and appropriate assets to meet the Scheme’s liabilities as and when they fall due.	Yes, the Trustee is satisfied that this policy has been followed.	<p><b>BAE Systems Section:</b> The Trustee has adopted a cashflow driven approach to investments to maximise the probability that pension payments will be met in full and on time.</p> <p><b>Airbus Section:</b> The Trustee has adopted a maturity driven approach, aiming to achieve a return on the assets which, taken in conjunction with contributions, is sufficient over time to meet the Section’s liabilities. During the Scheme Year, the Section began the transition to a cashflow driven approach.</p>
The Trustee uses Asset Liability Modelling (“ALM”) and considers expected returns to assist in setting investment policy.		ALM has continued to be used to deliver any investment advice, and to aid the decision-making of the Trustee. The Trustee undertook a restructure of the Airbus Section hedging strategy in the transition to a

		cashflow matching strategy, this is due to be completed by 30 September 2024. ALM was and continues to be used throughout any such review
<b>Strategy</b>		
The Trustee agreed a cashflow matching framework to match the BAE System Section’s liability cashflows, and a maturity driven approach to manage the Airbus Section’s investments.		The Trustee continues to be ahead of each Section’s respective targets. Funding and investment progress for both Sections is monitored by the Trustee through a quarterly Key Performance Indicator (KPI) report.
<b>BAE Systems Section only:</b> The flow of assets from the Future Pensioner Portfolio (“FPP”) to the Current Pensioner Portfolio (“CPP”) over time, as members retire (and also opportunistically) is vital to the strategy’s success.	Yes, the Trustee is satisfied that this policy has been followed, noting the Airbus Section transitioned to a cashflow matching strategy during the Scheme Year.	Through the quarterly reporting, the Trustee monitors the quantum and target asset class breakdowns for CPP purchases, return targets for each underlying asset class, and hedging the interest rate and inflation risk associated with future CPP purchases. All of these metrics remained within the agreed ranges, noting that the Airbus Section restructure to the cashflow matching strategy is due to be completed no later than 30 September 2024.
<b>BAE Systems Section:</b> The Trustee’s principle is that, where practicable, there will be sufficient investments in liquid or readily realisable assets to meet cash flow requirements in foreseeable circumstances.  <b>Airbus Section:</b> To invest the assets so that taking capital, income and contributions together the Section’s assets are sufficient to meet its liabilities and statutory funding obligations.		The Trustee, together with GSAM and the Scheme administrators, have a cash flow management policy in place and will also hold a balance of cash to help meet unanticipated benefit and other payment obligations.  <b>The Airbus Section</b> asset performance is in line with expectations and monitored by the Trustee quarterly. During the Scheme Year, the Section began the transition to a cashflow driven approach.
The Trustee reviews the appropriateness of the Scheme’s investment strategy on an ongoing basis. This review includes consideration of the performance of all strategies.	Yes, the Trustee is satisfied that this policy has been followed	The Trustee receives reporting at each quarterly meeting which details each Section’s performance across a range of return and risk metrics. This ensures the Trustee understands the latest position of the Scheme against its objectives and is able to discuss the strategy’s appropriateness. This reporting was received at each quarterly meeting over the period in question.
<b>Risk</b>		
<b>BAE Systems Section:</b> <ul style="list-style-type: none"> <li>The risk that FPP return is lower than that assumed by the Actuary, resulting in insufficient funds to purchase future CPP assets.</li> <li>The risk that the cost of future CPP purchases is higher than assumed by the Actuary, not all cashflows can be matched.</li> <li>The risk that asset cashflows are lower than expected due to issuer defaults.</li> </ul> <b>Airbus Section:</b> The Trustee considers the risk that the Scheme	Yes, the Trustee is satisfied that this policy has been followed.	<b>BAE Systems Section:</b> The quarterly reporting received by the Trustee includes FPP performance split by asset class compared to their benchmarks to monitor over or under performance. Cashflow projections are also monitored each quarter to note any shortfalls.  <b>Airbus Section:</b> The Trustee has set risk tolerances around the strategic asset allocation to provide sufficient flexibility to the investment manager/(s).  The Trustee receives quarterly reporting at each meeting they attend which provides updates on the DB Section’s risk metrics.

<p>assets fail to deliver the returns expected.</p>		
<p>The Trustee considers the risk that longevity improves and other demographic factor change increasing the costs of the Scheme benefits.</p>		<p>Mortality and other demographic assumptions are kept under review and considered/ revised as appropriate and explicitly at each formal valuation.</p> <p>These were reviewed as part of the 2023 Airbus Section actuarial valuation and are due to be reviewed as part of the 2024 BAES Section actuarial valuation.</p>
<p>The Trustee considers the risk that the Scheme will not have sufficient liquid assets to meet benefit payments as they fall due.</p>		<p>All benefit payments were made on time throughout the Scheme Year.</p> <p>The quarterly reporting allows the Trustee to consider the level of transfer value and other benefit activities that may impact cashflow levels. The reporting also includes a liability and asset cashflow projection to ensure any shortfalls are addressed in good time. Additionally, the BAE Systems Section has a minimum level of cash and gilts that must be held which was met throughout the Scheme Year. The Airbus Section will also have this once the transition to a cashflow driven approach is completed by 30 September 2024.</p> <p>Collateral levels are also monitored by the Trustee in the regular reporting for both Sections. This includes monitoring against a minimum of 350 basis points of collateral headroom held in the liability hedging portfolio, as well as monitoring additional collateral available from the sale of “waterfall assets” should the liability hedging collateral fall below 350 basis points. Both Sections currently hold collateral in excess of this limit.</p>
<p>The Trustee considers the risk of mismanagement of the Scheme assets either with intent or due to lack of knowledge.</p>		<p>The Trustee uses global custodians for the physical custody of assets and is not the manager of assets.</p> <p>The Trustee also takes professional advice and is protected against losses resulting from third party errors, via wording included in GSAM’s Investment Management Agreement (IMA).</p>
<p>The Trustee considers the risk of the Principal Employer being unable to make the necessary level of contributions in future.</p>		<p>The Trustee uses a specialist covenant adviser to carry out regular reviews of the Principal Employer. The Principal Employer reports on its financial results to the Trustee Board twice a year.</p> <p>A full review of the Airbus covenant strength was carried out as part of the 2023 valuation.</p>
<p>The Trustee considers the risk that ESG factors can have a significant effect on the long-term performance of the assets held.</p>		<p>The Trustee expects GSAM and any external fund managers to take account of RI and ESG, including climate-related risks, as financially material considerations. GSAM is employed as the Scheme’s specialist stewardship service provider to help ensure that voting and active engagement are delivered with professionalism and due care across the Sections’ assets. Details of this are included in the Appendix to this statement.</p> <p>During the Scheme Year, the Trustee received the first Stewardship Monitoring Report designed by</p>

		<p>their investment advisor and populated by GSAM. This report monitors GSAM’s engagement activities against the Trustee’s chosen Stewardship Themes and ensures GSAM meet the requirements set out in the Trustee’s Stewardship Policy. The report will be updated over time and presented at least annually, with meaningful updates provided at more regular intervals as required.</p> <p>The Trustee published its second annual TCFD report during the Scheme Year and will publish its third report in October 2024, which aids the Trustee in reviewing how the Scheme is exposed to climate risk and opportunities.</p>
<p><b>Socially Responsible Investment and Corporate Governance</b></p>		
<p>The Trustee recognises that the consideration of financially material factors, including ESG factors, needs to be assessed in the context of the long-term nature of the DB Sections’ investments and is relevant at different stages of the investment process.</p>		<p>The Trustee has begun to incorporate climate-risk and other ESG factors into its processes. The Trustee undertook significant work on climate related risk metrics as part of the production of the TCFD report, published in October 2023.</p> <p>The Trustee does not consider non-financial matters in the selection, retention, and realisation of investments.</p>
<p>To aid the Trustee’s assessment of the resilience of the Section against climate-related risks, climate scenario analysis will be performed in relation to the Section’s assets, liabilities, and covenant by the Trustee’s advisors and GSAM.</p>		<p>As mentioned, the Trustee has also set short, medium, and long-time horizons over which client risks and opportunities are considered. Scenario analysis has been performed to understand the DB Section’s exposure to a range of climate risks. The TCFD report aids discussion around climate related risks and opportunities in the Scheme’s funding and investment strategies.</p>
<p>Climate change related factors may also create investment opportunities that may be considered. Outside of investment risks, the Trustee believes there are other considerations associated with climate risk management integration that they should be aware of and manage, for example the impact of climate on the mortality assumptions for the Section.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Scheme has set a long-term net zero target, in line with the sponsor objectives, and considers how climate related factors present potential opportunities when making investment decisions.</p> <p>The Trustee also reviewed the interim net zero target during the Scheme Year and updated it to be focused on carbon footprint, as opposed to absolute emissions given that it is less impacted by changes in asset value.</p> <p>The impact of climate on the mortality assumptions were reviewed as part of the 2023 Airbus Section actuarial valuation and are due to be reviewed as part of the 2024 BAES Section actuarial valuation.</p>
<p>The ultimate purpose of the Trustee’s duty of stewardship is to preserve and enhance the long-term investor value and to reduce the risks underlying these investments. The Trustee’s belief is that actively engaging on financially material factors, which include ESG issues, contributes to identifying both investment opportunities and risks.</p>		<p>GSAM, on behalf of the Trustee, has engaged with the managers of the Scheme’s investments over the year, and examples of this are provided in the Appendix to this statement.</p> <p>As mentioned above, during the Scheme Year, the Trustee received the first Stewardship Monitoring Report designed by their investment advisor and populated by GSAM. The report will be updated over time and presented at least annually, with meaningful updates provided at more regular intervals as required.</p>
<p>Where possible, the Trustee will use its influence to encourage responsible long-term behaviour through its own activities and its</p>		

<p>asset managers’ compliance with its RI policy and the Stewardship Code principles.</p>		
<p>The Trustee meets with GSAM on a periodic basis. Where considered appropriate, GSAM is challenged directly by the Trustee and their advisers on the impact of any significant issues that may affect the prospects for return from the portfolio.</p>		<p>GSAM regularly attend and join discussions at FIC and Trustee meetings.</p>
<p>To aid the Trustee’s assessment of the resilience of the Section against climate-related risks, climate scenario analysis will be performed in relation to the Section’s assets, liabilities, and covenant by the Trustee’s advisors and GSAM. This analysis will be performed triennially; interim updates may be performed, for example if there are material changes to the Section’s strategy or if there are significant changes to the methodology and industry practice relating to the analysis. To this end, the Trustee will consider annually whether a refresh of the analysis is required.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>Climate Scenario Analysis was performed for the production of the Scheme’s TCFD report. The Trustee decided not to re-run the scenario analysis across the DB assets and liabilities for the third report given there were no significant changes in strategy or climate methodology.</p>
<p>The FIC, on behalf of the Trustee, are also monitoring relevant climate metrics as set out under DWP’s adoption of the recommendations of the TCFD (the results of which are disclosed in the Section’s annual TCFD report). As part of this ongoing monitoring the FIC will consider what targets are appropriate in relation to these metrics.</p>		<p>The result of all selected climate metrics were included in the TCFD report.</p> <p>The Trustee also reported the updated interim net zero target, which was set during the Scheme Year.</p>
<p><b>Arrangements with investment managers</b></p>		
<p>The Trustee, using detailed quarterly control panels, regularly monitors and reviews the effectiveness of GSAM against these objectives, ensuring that GSAM is incentivised to comply with the Investment Guidelines and the Trustee’s objectives.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Trustee reviews quarterly reporting which details the asset performance over the quarter and longer periods which help the Trustee track GSAM’s performance.</p>
<p>GSAM has processes in place to review external managers on behalf of the Trustee, including performance reviews, manager oversight meetings and operational due diligence reviews.</p>		<p>As part of GSAM’s onboarding of the Scheme assets, GSAM performed detailed work in order to understand in detail the assets within the external mandates.</p> <p>Members of GSAM’s External Investing Group periodically attend relevant FIC meetings to discuss elements of these deep dives. Post year-end, this included a deep-dive into the private markets portfolio.</p>

**Stewardship of investments for the DB Sections of the Scheme**

As stated previously, the day-to-day management of the Scheme’s DB investments is currently carried out by GSAM, the Scheme’s OCIO. The Trustee, through GSAM, assesses the delivery of effective

engagement by its fund managers and looks to hold them to account for the effective delivery of engagement with assets in which the Trustee, through GSAM, invests.

The Trustee also delegates stewardship matters to GSAM who utilise their internal services for the stewardship and voting activities for some of the DB assets. However, some external investment managers do also vote on behalf of the Trustee. Where this occurs, the Trustee makes sure that their policies are consistent with the Trustee's own.

Details of the voting, including the most significant votes cast by or on behalf of the Trustee and stewardship activity during the year are shown in the appendix.

### **Stewardship of investments for the DC Sections of the Scheme**

As mentioned previously, the DC Section was transferred to the Mercer Master Trust on 1st July 2023, meaning the stewardship of investments is now the responsibility of the Mercer Master Trust. However, the Trustee has provided details of voting data relevant to the DC Section for the period in which the DC SIP was in place, noting that this was a heightened period of voting activity where many impactful votes were cast.

### **Conclusion on compliance with the SIPs**

GSAM has the responsibility to make sure that GSAM and its external managers invest the assets of the DB Sections in line with the Trustee's policies and the relevant SIPs. Redington, as the appointed investment adviser for the DB Sections, advise and support the Trustee in making sure that the policies and the SIPs are appropriate and up to date. These advisors provide regular feedback, allowing the Trustee to review how the investments have met the policies detailed in the respective SIPs during the Scheme Year.

In the Trustee's opinion, based on this document, the Scheme has followed the investment policies set out in the DB SIPs during the Scheme Year.

## Appendix: Detailed Stewardship Activities

The most significant votes shown below, both for the DB and DC sections, were selected from a large sample of votes provided by each of the Scheme's managers. The Trustee has disclosed the information available in relation to the votes. The Trustee has made its own assessment of what constituted a most significant vote in line with its stewardship policy, which classifies a vote as most significant where it represents a large portion of the holdings in a particular fund or relates to one of the Trustee's chosen stewardship themes. Due to the voting arrangements, it was not considered appropriate to share the Trustee's criteria regarding most significant votes with individual managers in advance.

### DB Fund Managers

#### DB Fund Managers – Voting Figures

Investment Manager	% of resolutions voted on	% of resolutions voted with management	% of resolutions voted against management	% of resolutions voted against proxy adviser recommendation
<b>BAPFIM</b>	95.7	89.2	10.8	1.5
<b>LGIM</b>	100.0	91.7	8.3	12.5

*Artemis and AXA both only reported two votes each during the Scheme Year prior to being sold. The manager's abstained from voting on all four occasions.*

*BlackRock were eligible to vote on 25 occasions, however abstained from voting on all 25 of these votes.*

All of the Scheme's holdings with voting rights were sold during the Scheme Year. GSAM have confirmed that there are no holdings or voting rights associated with any of the Scheme's remaining investments. As such, GSAM did not report any voting figures for the period but included examples of engagements with investee companies which have been included below.

#### Artemis

Artemis managed a UK equity fund for the DB Sections of the Scheme. It has received a copy of the DB SIPs (Airbus and BAE).

GSAM manages the stewardship and voting activities on behalf of the Trustee for this fund.

The Trustee can confirm that in its opinion, Artemis acted in line with the Trustee's policies up until the point of disinvestment. During the Scheme Year, the Scheme redeemed from the Artemis mandate.

#### AXA

AXA managed a UK equity fund for the DB Sections of the Scheme. It has received a copy of the DB SIPs (Airbus and BAE).

GSAM manage the stewardship and voting activities on behalf of the Trustee for this fund.

The Trustee can confirm that in its opinion, AXA acted in line with the Trustee's policies up until the point of disinvestment. During the Scheme Year, the Scheme redeemed from the AXA mandate.

#### BlackRock

BlackRock managed a UK equity fund for the DB Sections of the Scheme. It has received a copy of the DB SIPs (Airbus and BAE).

Further details of BlackRock's approach to Responsible Investing can be found here:

***BlackRock Stewardship***

And its voting guidelines can be found here:

***BlackRock voting guidelines***

The Trustee can confirm that in its opinion, BlackRock has acted in line with the Trustee’s policies. During the Scheme Year, the Scheme redeemed from the BlackRock mandate.

**BAPFIM**

At the start of the Scheme Year, BAPFIM was a wholly owned subsidiary of BAE Systems. During the Scheme Year, the Scheme appointed GSAM for investment management services. This transition resulted in GSAM assuming the responsibility of managing the Scheme’s assets and relationships with external managers on behalf of the Trustee. Therefore, the Trustee has provided engagement and voting data for BAPFIM for the periods in which it was appointed during the Scheme Year.

BAPFIM, on behalf of the Trustee, utilised the services of Federated Hermes EOS for the Stewardship and engagement activities for some quoted equities and corporate bonds prior to the transition to GSAM which took place on 4<sup>th</sup> December 2023. Following the transition, GSAM adopted these responsibilities and as such, the Trustee has provided the voting and engagement data for Hermes EOS for the period in which it was appointed during the Scheme Year.

For the separately managed accounts with whom the Trustee has a discretionary management agreement, giving effect to the SIP is a requirement under pensions law, and is built into the agreements the Trustee has with each manager.

Further details of Hermes EOS’s approach to Responsible investing can be found here:

***Hermes EOS Stewardship***

The voting guidelines can be found here:

***Hermes EOS voting guidelines***

***Private Market investments***

BAPFIM on behalf of the Trustee managed stewardship activities in Private Markets, Private Equity and Alternative investments.

The overall Private Market portfolio consists of over 200 individual investments across a diverse range of investment strategies and geographies (UK, Continental Europe, North America and Asia). Scheme investments are predominantly in funds, managed by a General Partner (“GP”), where the Trustee is a Limited Partner (“LP”) alongside many other LP’s. Taking into account the materiality of the individual holdings, the controls in place ensure good governance and stewardship.

***Private Markets, Private Equity and Alternative investments***

***At the Pre-investment stage***

As part of BAPFIM’s investment due diligence, it concentrated on evaluating how strong the alignment of interest between a LP/GP is, including but not limited to, the level of GP co-investment made to a fund to ensure the investment team has “skin-in-the-game” alongside investors, key terms and in particular around termination and key-man clauses, and investment scope and limitations.

Additionally, managers typically had a conflict-of-interest policy which was reviewed as part of the investment due diligence. Before completing any investment, the Private Markets team would ensure that the GP had been made aware of the BAE Systems Code of Conduct and was asked to confirm that the Code of Conduct did not differ from their own methods and philosophy of doing business.

Cambridge Associates (“CA”) (another one of the Trustee’s investment advisors) conducted operational due diligence for all Private Equity investments and covered a number of areas such as management team, organisation structure, compliance oversight and governance, fund administration and accounting, third-party service providers support, systems and technology. CA also assisted with

operational due diligence on some Alternative investments – where they did not, a proprietary questionnaire was utilised to evaluate these areas.

#### *Post-investment*

Once the Trustee entered into a contractual relationship in a fund, the Scheme, as a LP, cannot participate in day-to-day operations of that fund. LPs ensured that there are mechanisms in place to protect against and manage conflicts of interest or any other deviation from the proposed investment strategy.

If and when conflicts of interest arose, they were disclosed, discussed and consented at the Limited Partner Advisory Committee ("LPAC"). LPACs are typically composed of representatives of the LP community. Senior BAPFIM executives with specific knowledge and expertise of these types of investments were typically members of the LPACs for both Alternative Asset investments and Private Equity Investments.

As part of the regular updates with managers, they provided updates on ESG matters.

#### *Property Investment*

BAPFIM, on behalf of the Trustee, would oversee and manage stewardship activities in the Property investments. Property portfolio management was mostly outsourced to specialist investment managers. Each has its own ESG policy. When appointing a new manager these ESG policies were reviewed, interrogated, and form part of any decision-making process, and were then reviewed annually thereafter. BAPFIM also reviewed ESG practices during formal manager meetings, held at least quarterly, and supplemented by regular less formal communication. ESG is an increasingly dominant theme of discussion, due to the rapidly evolving regulatory backdrop and increasing costs of best practice.

#### *BAPFIM: Conflicts of Interest*

The Trustee believes that on the basis that BAPFIM did not provide services to external clients, it did not conflict with the duties or arrangements in place. The investment strategy and decisions made by BAPFIM aligned with the Trustee's investment policies for the period in which BAPFIM were appointed during the Scheme Year. The Trustee can confirm that in its opinion, BAPFIM acted in line with the Trustee's policies for the period in which they were in place.

### **Hermes EOS engagement from March 2023 to December 2023 (the period for which Hermes EOS was employed)**

From March to December 2023, Hermes EOS engaged with 176 companies on 945 ESG issues. Environmental topics accounted for c.62% of engagements, c.19% of which were specifically on climate change issues.

Hermes EOS measures engagement progress using a four-stage milestone system:

1. the concern is raised with the company;
2. the company acknowledges the issue;
3. the company develops a credible strategy, and
4. the company implements the strategy.

Each milestone comprises company-specific objectives, which can be qualitative and quantitative. The evaluation against those milestones informs the overall progress of the engagement plan. The status by engagement milestone as at December 2023 is presented below:

DB engagement activity in 2023 with milestones – listed equity and corporate credit

Listed Equity Theme	Total engagement objectives identified	M2- Concerns acknowledged	M3- Plan established	M4 – Plan Implemented	Complete	Engagement discontinued
Environmental	3	0	2	1	0	0
Social and Ethical	1	0	1	0	0	0
Governance	0	0	0	0	0	0
Strategy, Risk, Communication	0	0	0	0	0	0
Total engagements	4	0	3	1	0	0

Source: Hermes EOS as at 01 December 2023. 'M' refers to the milestone.

Corporate Credit Theme	Total engagement objectives identified	M2- Concerns acknowledged	M3- Plan established	M4 – Plan Implemented	Complete	Engagement discontinued
Environmental	107	26	45	27	8	1
Social and Ethical	39	10	14	12	3	0
Governance	20	7	6	3	1	3
Strategy, Risk, Communication	6	2	1	2	0	1
Total engagements	172	45	66	44	12	5

Source: Hermes EOS as at 01 December 2023. 'M' refers to the milestone.

**Hermes EOS Engagement case study: a major energy company**

Hermes EOS led the Climate Action 100+ collaborative engagement group in a meeting with the CEO, CFO and the executive president of sustainability and strategy. They asked whether it was possible to increase the ambition of the company’s Scope 1 and 2 emissions reduction targets. They were pleased to hear that new budget has been allocated to this, with a focus on energy efficiency. However, making significant improvements to the ambition of its Scope 1 and 2 targets was challenging, it said, because this often requires fundamental changes to the asset portfolio, which can have a big impact on local stakeholders.

Hermes EOS then discussed with the energy company how the current period of high profits was impacting the company’s climate strategy. The CEO said the increased cashflow was creating optimal conditions to drive the company’s transition, and the board had determined that the first priority for extra cashflow was the energy transition strategy.

The most significant votes over the period are shown below

Date	Company	Resolution Summary	Vote	Rationale	% holdings	Significance rationale
April 2023	Volvo AB	Approve remuneration report	Against (against management)	Pay is misaligned with EOS remuneration principles	N/A	Relates to chosen stewardship theme: business ethics
April 2023	Stellantis NV	Approve Discharge of Directors	Against (against management)	Inadequate management of climate-related risks	N/A	Relates to chosen stewardship theme: climate change

## Legal & General Investment Management

LGIM managed an Equity fund for the DB Sections of the Scheme. They vote on behalf of the Scheme and they have received a copy of the DB SIPs (Airbus and BAE).

Further details of LGIM approach to Responsible Investing can be found here:

### *LGIM Stewardship*

And its voting guidelines can be found here:

### *LGIM voting guidelines*

LGIM have significant resources dedicated to Stewardship and the Trustee can confirm that in its opinion, after taking advice from GSAM, Legal & General has acted in line with the Trustee's policies. During the Scheme Year, the Scheme redeemed from the LGIM mandate.

The most significant votes over the period are shown below:

Date	Company	Resolution Summary	Vote	Rationale	% holdings	Significance rationale
April 2023	The Toronto-Dominion Bank	Disclose Assessment on Human Rights Risk in Connection with Clients Owning Canadian Multi-Family Rental REITs in Canada	Against (in line with management)	Shareholder proposal promotes better management of SEE opportunities and risks	N/A	Relates to chosen stewardship theme: human rights
May 2023	Yandex NV	Accept Binding Nomination by the Holder of the Priority Share, Andrey Betin as Non-Executive Member of the Board of Directors	For (in line with management)	N/A	N/A	Relates to chosen stewardship theme: business ethics

## GSAM

As mentioned previously, day-to-day investment decisions have been delegated to GSAM and a number of external investment managers, managed through GSAM, in accordance with guidelines agreed with the Trustee.

The data provided covers the period between 4<sup>th</sup> December 2023 and 29<sup>th</sup> March 2024 (rather than the whole Scheme Year), given GSAMs appointment in late 2023. No voting data has been provided as following the transition to GSAM, all of the Scheme's equity holdings were changed from physical to synthetic equity (which have no voting rights) as part of the Scheme's wider investment strategy.

### **Engagement:**

During the period, GSAM have set 40 thematic engagement goals across 32 issuers, representing 16% of the Scheme's portfolio. Additionally, GSAM engaged 32 times with 26 issuers during this same period. A summary of GSAM's engagements in relation to the Trustee's chosen themes are included below:

- Climate change – 19 engagements
- Human rights – 12 engagements
- Business ethics – 5 engagements

Examples of GSAM's engagement with investee companies in relation to the Trustee's chosen stewardship themes is provided below:

### **Engagement example 1 – Anheuser Busch Inbev (Climate Change)**

In December 2023, members of GSAM's Global Stewardship Team and Fixed Income Investment team engaged with the Investor Relations team of this Belgium consumer staples company. GSAM had identified the company for engagement under our Biodiversity and Nature – Plastics engagement initiative in which they seek to engage with consumer goods companies to encourage disclosure of packaging metrics in line with Sustainability Accounting Standards Board (SASB).

GSAM had engaged with the company in December 2021 to discuss its plans for reducing the use of plastics within its packaging. During the engagement, they encouraged the company to provide greater clarity on its plastics reduction strategy and associated targets.

In December 2023, the company confirmed it has now set a target to have 100% of packaging to be returnable or made from majority recycled content by 2025. The company advised it remains on track to meet this target.

GSAM encouraged the company to disclose its metrics around packaging within its operations, in line with SASB, so that they can clearly track this information and measure progress over the long-term. The company confirmed it is in the process of calculating and aim to be able to disclose this in 2024.

GSAM will seek to continue engaging with the company to monitor progress on disclosing all three SASB metrics, as well as progress against its 2025 target.

### **Engagement example 2 – Walmart (Human Rights)**

In December 2023, members of GSAM's Global Stewardship Team engaged with the chief sustainability officer of this US consumer staples company to discuss the company's approach to human capital management. GSAM had identified the company for engagement under their controversial incidents engagement initiative due to concerns of human capital management.

The company has been implicated in controversies related to lawsuits claiming violations of employee labour rights, including allegations of discrimination and wrongful termination. The company noted that it is actively engaging with stakeholders on this topic.

While the issue pertains to several National Labor Relation Board cases the company is committed to a holistic solution and ensuring a safe work environment for all associates the company employs around the world. The company has developed a Global Discrimination and Harassment Prevention Policy with strict procedures and is considering other ways to increase disclosure in this area, such as adding a standalone web page to address these issues and provide more data. GSAM encouraged additional transparency and the company noted that overall requests for this data have decreased but believes that a combination of additional engagement and disclosure is appropriate.

### **Engagement example 3 – Volkswagen (Business Ethics)**

In December 2023, members of GSAM's Global Stewardship Team and Fixed Income team engaged with the Investor Relations team at this German consumer discretionary company to discuss allegations of forced labour practices within its factories in the Xinjiang region. We had identified the company for engagement under our Global Norms framework due to concerns around human and labour rights issues.

GSAM had engaged with the company in August 2023 and encouraged it to undertake an independent third-party audit of labour practices and publish the results as a priority, as well as to enhance whistleblower policies and monitoring of allegations made by third parties.

In December, the company published the results of its third-party audit. The audit did not find evidence of forced labour practices. During their engagement, GSAM discussed the process undertaken, including the selection of the auditor, and how the findings would be used. While the company is part of a Joint Venture in the region, and therefore limited in whether it can exit the region entirely, GSAM encouraged the company to conduct audits annually and to ensure the results are made public.

GSAM will seek to continue engaging to understand ongoing remediation and further discuss the results of any audits.

### Conflicts of interest (GSAM)

To mitigate perceived or potential conflicts of interest when a proxy is for shares of The Goldman Sachs Group Inc. or a Goldman Sachs Asset Management managed fund, GSAM will generally instruct that such shares be voted in the same proportion as other shares are voted with respect to a proposal, subject to applicable legal, regulatory and operational requirements. In 2023 GSAM voted in line with this policy.

GSAM has not encountered any other material conflicts of interest in relation to stewardship activities over the period.

### DC Fund Managers

As mentioned previously, the DC Section was transferred to the Mercer Master Trust on 1<sup>st</sup> July 2023. The Trustee's belief is that engagement is a long-term exercise, and therefore it has taken a proportionate approach to reporting as the DC holdings were transferred 3 months into the Scheme Year. The Trustee has provided details of voting data relevant to the DC Section for the period before the transfer to the Master Trust.

### DC Fund Managers – Voting Figures

Investment Manager	% of resolutions voted on	% of resolutions voted with management	% of resolutions voted against management	% of resolutions voted against proxy adviser recommendation
<b>HSBC</b>	96.0	75.0	24.0	0.0
<b>Invesco</b>	99.0	95.9	4.1	2.8
<b>Liontrust</b>	100.0	98.1	1.9	0.6
<b>Vanguard</b>	98.0	95.0	4.0	0.0
<b>Veritas</b>	95.0	87.0	12.0	14.0
<b>abrdn</b>	44.3	73.5	15.3	3.1
<b>BlackRock</b>	96.2	93.2	5.8	0.1

*\*Figures may not sum to 100% due to rounding*

Below we have provided the significant votes shared by some of the Scheme's DC Fund Managers that were appointed for a portion of the Scheme Year.

### abrdn

abrdn provided asset management services for the Scheme's DC members via a number of funds: Annuity Targeting Pension Fund, Corporate Bond Pension Fund, Global Corporate Bond Fund and the Deposit and Treasury Pension Fund. abrdn received a copy of the DC SIP. Due to the nature of investments, the manager did not have voting rights attached to the holdings.

Further details of abrdn's approach to Responsible Investing can be found here:

### **abrdn Stewardship**

The Trustee is able to confirm that in its opinion, abrdn acted in line with the Trustee's policies.

**HSBC**

HSBC ran a self-select Sharia compliant fund for the DC Section. It received a copy of the DC Section SIP.

Further details of HSBC's approach to Responsible Investing can be found here:

**HSBC Stewardship****HSBC voting guidelines**

The most significant votes over the period are shown below:

<b>Date</b>	<b>Company</b>	<b>Resolution Summary</b>	<b>Vote</b>	<b>Rationale</b>	<b>% holdings</b>	<b>Significance rationale</b>
May 2023	Amazon	Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining	For (against management)	They believe that the proposal would enhance accountability.	3.0%	Relates to chosen stewardship theme: business ethics
June 2023	Alphabet Inc	Report on Risks of Doing Business in Countries with Significant Human Rights Concerns	For (against management)	They believe that the proposal would contribute to the better management of human rights issues.	3.0%	Relates to chosen stewardship theme: human rights
April 2023	Nestle	Approve Remuneration Report	Against (against management)	They consider the quantum of the total pay excessive.	1.2%	Relates to chosen stewardship theme: business ethics

The Trustee can confirm that in its opinion, HSBC acted in line with the Trustee's policies.

**Invesco**

Invesco managed assets within the DC Section's Diversified Growth Fund and Multi-Asset Fund. It received a copy of the DC Section SIP.

Further details of Invesco's approach to Responsible Investing can be found here:

***UK Stewardship Code Report***

And its ESG and proxy voting framework can be found here:

***Invesco ESG voting and engagement policies***

<b>Date</b>	<b>Company</b>	<b>Resolution Summary</b>	<b>Vote</b>	<b>Rationale</b>	<b>% holdings</b>	<b>Significance rationale</b>
May 2023	Dollarama Inc.	Report on Emissions and Gender Target and its Overall	Against (in line with management)	Under the SLL, the company will reap the full pricing benefit for exceeding the key cooperate	N/A	Relates to chosen stewardship theme: climate change

		Significance on the Company's ESG Strategy		ESG targets set out in the 2022 ESG Report; and will suffer a penalty on the loan spread for not meeting the "base scenario". While the company has not disclosed information on the grid-based approach or the base scenario set for each financial year during the term of the Credit Facility, Dollarama has provided clear disclosure of its gender diversity targets and its GHG emissions targets that are related to its SLL, allowing shareholders to assess the robustness of the targets.		
May 2023	Ming Yang Smart Energy Group Co., Ltd.	Approve External Guarantee	Against (and against managements)	A vote against is warranted because there is lack of disclosure on the pertinent details of this loan guarantee request.	N/A	Relates to chosen stewardship theme: climate change

The Trustee can confirm that in its opinion, Invesco acted in line with the Trustee's policies.

### Liontrust

Liontrust ran a self-select UK focussed fund for the DC Sections and it received a copy of the DC SIP. Further details of Liontrust's approach to Responsible Investing can be found here:

#### *Liontrust Stewardship*

The most significant votes for the period are shown below:

Date	Company	Resolution Summary	Vote	Rationale	% holdings	Significance rationale
April 2023	BP Plc	Approve Shareholder Resolution on Climate Change Targets	Against (in line with management)	Liontrust believed that the proposal would represent a change in strategy from the one developed by the Board, which implies a potential constraint on the Board to develop and implement strategy. This	1.4%	Relates to chosen stewardship theme: climate change

				should not detract from the merits of the proposal, in particular that the requisitions' argument that intensity metrics are not a substitute for absolute metrics is entirely valid.		
May 2023	Shell Plc	Request Shell to Align its Existing 2030 Reduction Target Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement	Against (in line with management)	The proponents' argument that intensity metrics are not a substitute for absolute metrics is entirely valid and is raised as a concern in our analysis of Shell's progress report above. In this regard, the IIGCC states that "measuring absolute emissions provides a necessary baseline for Paris Alignment." However, the proposal would represent a change in strategy from the one that Shell has adopted. It is also noted that a new transition strategy plan will be presented at the next AGM in 2024, under the stewardship of a new CEO and executive team.	5.7%	Relates to chosen stewardship theme: climate change, and large % of assets

The Trustee can confirm that in its opinion, Liontrust acted in line with the Trustee’s policies.

**Vanguard**

Vanguard ran a self-select ESG focussed fund for the DC Section, and it has received a copy of the DC SIP.

Further details of Vanguard’s approach to Responsible Investing can be found here:

***Vanguard Stewardship***

***Vanguard Investment Stewardship Report***

The most significant votes for the period are shown below:

Date	Company	Resolution Summary	Vote	Rationale	% holdings	Significance rationale
June 2023	New York Community	Report on Climate Lobbying	For (management vote)	Determined the proposal addressed material risk(s), a	N/A	Relates to chosen stewardship

	Bancorp Inc.		not disclosed)	gap in oversight or disclosure, and supported long-term investment returns. Proposal not determined to be overly prescriptive.		theme: climate change
March 2023	Starbucks Corp	Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining Rights	Against (management vote not disclosed)	Addresses material risk, but company has already taken sufficient actions and/or has related actions pending to address proponent request.	N/A	Relates to chosen stewardship theme: human rights

The Trustee can confirm that in its opinion, Vanguard acted in line with the Trustee's policies.

### Veritas

Veritas ran a self-select global equity fund for the DC Section and it received a copy of the DC Section SIP.

Further details of Veritas' approach to Responsible Investing can be found here:

#### *Veritas stewardship*

And its voting guidelines can be found here:

#### *Veritas voting guidelines*

The most significant votes for the period are shown below:

Date	Company	Resolution Summary	Vote	Rationale	% holdings	Significance rationale
May 2023	Unilever Plc	Authorise Issue of Equity without Pre-emptive Rights	Against (against management)	Red Line G15 The resolution requests the disapplication of pre-emptive rights.	3.9%	Relates to chosen stewardship theme: business ethics
May 2023	Amazon.com, Inc.	Report on Climate Lobbying	For (against management)	The request is not considered overly onerous or prescriptive, and shareholders would benefit from greater transparency of the company's direct and indirect climate.	4.7%	Relates to chosen stewardship theme: climate change, and large % of assets

The Trustee can confirm that in its opinion, Veritas acted in line with the Trustee's policies.