

HSBC Globetrotter Retirement Benefits Plan

**Annual Implementation
Statement – Plan year
ending 31 December 2023**

**HSBC GLOBETROTTER RETIREMENT BENEFITS PLAN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

Section 1: Introduction

This document is the Annual Implementation Statement (“the statement”) in relation to the HSBC Globetrotter Retirement Benefits Plan (“the Plan”). It has been prepared by the Trustee and covers the Plan year ending 31 December 2023 (“the year”).

Purpose of this statement

The purpose of this statement is to set out:

- Any review and changes made to the Statement of Investment Principles (“SIP”) over the year and when these changes were made (see Section 2);
- Details of how and the extent to which, in the opinion of the Trustee, the Trustee’s policies (as set out in the SIP) have been followed during the year (see Section 3); and
- A description of voting behaviour by, or on behalf of, the Trustee (including the most significant votes made by or on behalf of the Trustee) and any use of a proxy voter during the year (see Section 4).

A copy of this statement will be posted on the Plan’s website at: <https://www.zioinfosite.com/en/hsbc2020>. The latest version of the Plan’s SIP can also be found there too, and this statement should be read alongside the SIP.

The Trustee confirms that the investments which the Plan holds were chosen in line with the requirements of s36 of the Pensions Act 1995.

Overall, the Trustee believes that the policies and principles outlined in the SIP have been followed over the Plan year.

The Trustee will continue to monitor the investment managers’ stewardship practices on an ongoing basis.

Independent Trustee Services Limited acting as sole trustee for the HSBC Globetrotter Retirement Benefits Plan

Date: 25.07.2024

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Section 2: Review and changes to the SIP


The SIP is a legally required document prepared by the Trustee having consulted with the Plan's sponsoring employer. The SIP sets out the principles the Trustee follows in order to provide a suitable range of investment funds for the Plan's members.

There were no changes made to the Plan's SIP over the year. The SIP linked in Section 1 above reflects the latest version of the SIP which is dated 9 November 2021 as marks the completion of the last review of the investment strategy and SIP.



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Section 3: The Statement of Investment Principles



The table outlines the policies in the SIP (dated 9 November 2021) for the Plan and explains how these have been implemented for the Plan year ending 31 December 2023.

	Policy	In the year to 31 December 2023
<p>Investment objectives</p> 	<p>The following encapsulates the Trustee’s objectives:</p> <ul style="list-style-type: none"> • To provide a range of investment funds that should enable members to tailor their own investment strategy to meet their own individual retirement needs and risk and return requirements. • To offer funds which facilitate diversification and long-term capital growth. • To offer funds that enable members to reduce risk in their investments as they approach retirement. • To provide a default investment option for members who do not make their own investment decisions or would prefer using an investment strategy designed by the Trustee rather than setting their own investment strategy from the self-select menu. A lifestyle option has therefore been designed to consider membership demographics and risk tolerance as this changes throughout a member’s time in the Plan. • A second default fund – the LGIM Diversified Fund (GBP) – was created in December 2021 through the mapping of member balances from a legacy diversified growth fund. The objective of the LGIM Diversified Fund 	<p>Based on the Plan’s investments as at 31 December 2023, the Trustee believes the objectives for the Plan and in respect of the investments in the default arrangement have been met over the Plan year in line with the policies set out in the SIP.</p> <p>The Trustee believes that an appropriate range of investment funds are offered to enable plan members to tailor their investment strategy to their retirement needs. The funds are offered across major asset classes to allow diversification and enable members to tailor to their individual risk/return preferences.</p> <p>The Plan offers a default lifestyle to plan members who prefer not to make their own investment decisions. The lifestyle design provides the following characteristics:</p> <ul style="list-style-type: none"> • Full exposure to global equities (developed and emerging markets) for younger members, when they have a stronger risk tolerance and therefore can better tolerate volatility; • Introduction of a multi-asset fund in the accumulation phase to reduce volatility as members get closer to retirement and start to need more capital protection; • Using a combination of cash and diversifying assets at retirement that will provide capital protection and some exposure to investment growth to members when they reach retirement. As part of the review of the Plan membership in 2020, it was agreed that following the Pension Freedoms most members are likely to wish to either drawdown their savings progressively and/or target a cash lump sum at retirement rather than targeting an annuity purchase.


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	Policy	In the year to 31 December 2023
<p>Investment strategy</p> 	<p>(GBP) is to achieve long-term capital growth with lower risk than investing in global equities.</p> <p>The Trustee aims to provide members with a reasonable degree of freedom over the investment policy of their account. This allows members to tailor their own investment strategy in line with their own preferences and/or individual needs. The range of funds is across the major asset classes, and the differing characteristics of the asset classes ensures that members have broad access to market returns which cater for the evolving risks members face, including both active and passively managed options.</p>	<p>The Trustee believes that the investment objectives above have been met over the Plan year.</p> <p>The Trustee believes that a suitable range of funds has been offered to members over the Plan year. The range of funds is offered across major asset classes, including a multi-asset fund which enables members to access a range of asset classes within a single fund solution.</p> <p>The funds available are expected to provide an investment return relative to an appropriate level of risk and the Trustee believes that the range of funds offered provide the range of returns suitable for the membership as a whole. The investment options available to members cover asset classes such as equities, diversified assets, bonds and cash. These asset classes offer differing levels of risk and return characteristics to suit member needs.</p> <p>Within the Plan, members' accounts are held in funds which can be realised to provide pension benefits on retirement, or earlier on transfer to another pension arrangement.</p>
<p>Diversification</p> 	<p>The Trustee believes that the range of funds offers adequate diversification and is appropriate for the Plan given there is a wide range of fund options that show internal diversification and meet different member needs (e.g. by offering a range of growth seeking, mixed-asset and capital protection asset classes). The Trustee has taken advice from its Investment Consultant to ensure the investment options are suitable and will regularly review the suitability of the funds. From time to time the Trustee may change the investment managers or investment options, where appropriate.</p>	<p>The range of investment options is diversified from an asset class perspective and each investment fund is diversified at a security level. All investments are pooled funds; therefore, security selection decisions are delegated to the investment managers. The default lifestyle strategy provides a well diversified portfolio at different stages of members' retirement journey, investing in developed and emerging market equities, a multi-asset fund and cash at different stages of the lifestyle. The inclusion of the multi-asset fund helps members gain exposure to alternative asset classes and reduce volatility relative to equities as they get closer to retirement.</p> <p>The Plan's self-select range also offers a multi-asset fund and a wide range of options that members can use to build a diversified portfolio according to their needs. As part of the latest investment strategy review completed in 2021, the Trustee received written advice from the Investment Consultant on the suitability of the</p>

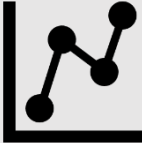
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	Policy	In the year to 31 December 2023
		investment options available to members and continues to review the suitability of funds on an ongoing basis as part of its semi- annual reporting. Additionally, the Plan receives updates from its Investment Consultant's manager research team with notable updates on managers and any changes of investment rating
Risk management 	<p>The Trustee recognises a range of specific investment risks with reference to the Plan's arrangements which are summarised in the SIP.</p>	<p>The Trustee monitors and manages these risks through:</p> <ul style="list-style-type: none"> • The regular reporting received by its Investment Consultant and platform provider; • The lifestyle strategy offered to members, which is designed to help members address different investment risks they face throughout their retirement journey; • The range of self-select options offered, which enable members to consider the risks that are most relevant to them and to invest to mitigate these. <p>The Trustee considers that the balance of investments held and the approach to managing risk is in the best interests of members to help them manage the range of risks applicable to their circumstances, but recognising that it is not possible to mitigate all of these risks at the same time. For members invested in the lifestyle strategy, the Trustee considers that the design of the glidepath is appropriate for managing risk over the member journey to retirement.</p>
Environment, Social and Governance (ESG) factors and stewardship 	<p>The Trustee recognises that sustainable investment factors, such as (but not limited to) environmental (including climate change related risks) social and governance (ESG) matters are financially material over the long-term. The Trustee has delegated the responsibility for the selection, retention and realisation of investments to the investment managers</p> <p>Non-financial ESG considerations are also reflected in the investment strategy. Through surveying the membership, it is clear the members view these matters as important. These views are taken into consideration in the self-select fund range.</p>	<p>The Trustee's view is that ESG factors can have a significant impact on investment returns, particularly over the long-term. As a result, the Trustee believes that the incorporation of ESG factors is in the best long-term financial impacts of its members. The responsibility for the selection, retention and realisation of securities has been delegated by the Trustee to the investment managers, including the consideration of ESG issues. Whilst ultimately the Trustee's responsibility, the Trustee delegates the implementation of stewardship activities (including voting rights and engagement activities) to the investment managers. The Trustee monitors the investment managers' approach to sustainable investment through research from its investment consultant, which considers the integration of ESG factors in the investment process and stewardship capabilities.</p>

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	Policy	In the year to 31 December 2023
	<p>The Trustee expects the Plan’s investment managers to have effective stewardship, both through voting and engagement. The Trustee delegates the responsibility for the stewardship activities attaching to the investments to the Plan’s investment managers. Annually, the Plan’s investment managers are requested to provide information to the Trustee including voting policies, voting statistics and most significant votes on behalf of the Trustee. Investment managers are asked to define which criteria has been assessed to choose the most significant votes.</p> <p>When considering the appointment of a new investment manager (via the Fund Provider), the Trustee, with input from the Plan’s Investment Consultant, will consider the manager’s approach to stewardship as one of the selection criteria, where relevant.</p>	<p>The Trustee integrates ESG considerations into its selection of the fund range. ESG considerations in the investment process and stewardship capabilities were considered in the most recent investment strategy review when assessing possible changes to the strategy. As part of the investment strategy review completed in 2021, a global equity fund with strong ESG integration was included in the default lifestyle strategy and made available to members on a self-select basis.</p> <p>Additionally, the Trustee will further consider the ongoing monitoring of the sustainable investment considerations and stewardship practices of the Plan’s investment managers.</p>
<p>Relationship with investment managers</p> 	<p>The Trustee ensures that, in aggregate, the investment options are consistent with the policies set out in the SIP.</p> <p>For most of the investment options, the Trustee expects the investment managers to invest with a medium to long time horizon, and the Trustee appoints its investment managers with an expectation of a long-term partnership.</p> <p>The Trustee reviews the costs incurred in managing the Plan’s assets on at least an annual basis.</p> <p>The Trustee will select or deselect investment managers (via the Fund Provider’s investment platform) based on the Trustee’s view of the investment managers’ ability to achieve performance objectives. In making this assessment, the Trustee will consider a number of qualitative and quantitative factors, as well as the views of the Investment Consultant.</p>	<p>During the Plan year, the current SIP (dated November 2021) was sent to all the Plan’s current investment managers, who were asked to highlight if there is any misalignment between the Trustee’s policies and how they manage the Plan’s assets. No concerns were raised by any managers. With the exception of BlackRock, LGIM, and PIMCO, all of the Plan’s investment managers confirmed that there is no misalignment between their management of assets and the policies in the SIP as relevant to the fund in question. BlackRock and LGIM provided supporting information on their own policies in response to the request rather than explicitly providing this confirmation, whilst PIMCO advised that they were not able to directly respond to this request.</p> <p>As part of the Value for Members assessment carried out for the Plan year, the total expense ratio (TER) for the Plan’s default investment strategy (at varying membership ages) was benchmarked against three comparator schemes. In addition, the TERs for the largest self-select funds (based on assets under management as at 31 December 2023) were also benchmarked against appropriate funds available in the comparator schemes. The results of the assessment showed that the Plan’s TER represent good value.</p>

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	Policy	In the year to 31 December 2023
		<p>In addition, the Plan’s transaction costs were benchmarked against those from the three comparator schemes. The result of this assessment concluded that the transaction costs incurred from the Plan represent fair value to members.</p> <p>Considering the assessment of the total expense ratios and transaction costs together, WTW concluded that the Plan’s costs and charges as a whole provide good value for members which is in line with last year’s assessment.</p> <p>The Investment Consultant provided the Trustee with a scorecard to assist in reviewing portfolio turnover levels. Whilst the turnover data for the BlackRock indexation funds was outstanding at the date of signing this document, the Trustee understands from its investment consultant that, due to the index tracking nature of these funds, they do not expect the outstanding turnover figures to materially affect their view of the reasonableness in the range of funds available to members. It was viewed that the portfolio turnover figures provided by the investment managers over the Plan year for the Plan’s investment funds as of 31 December 2023 are broadly within a reasonable range based on the nature of each of the investment funds.</p> <p>The Trustee monitors fund investment performance and ongoing charges every six months through the receipt of reporting provided by the Investment Consultant.</p>
<p>Investment Monitoring and Reporting</p> 	<p>The Plan’s investments will be regularly monitored by the Trustee (with the assistance of its Investment Consultant) over an appropriate time horizon, to consider the extent to which the investment strategy and decisions of the fund managers are aligned with the Trustee’s beliefs.</p> <p>The SIP also outlines the investment monitoring and reporting process, including the considerations for investment option removal.</p>	<p>The Trustee reviews the funds’ performance on a six-monthly basis through reporting prepared by its Investment Consultant. The Investment Consultant also provided updates to the Trustee regarding its forward-looking views on the Plan’s investment managers and the investment market outlook. The performance reporting also includes more granular monitoring of the performance of the Plan’s ESG integrated global equity fund and multi-asset funds that are used in both the lifestyle strategy and the self-select range.</p> <p>Most of the investment funds are managed passively and aim to broadly match the performance of their underlying benchmark indices. Most funds have delivered performance in line with expectations over the Plan year and longer term.</p>

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Section 4: Voting information and significant votes

The Plan offers a diverse range of asset classes through the lifestyle strategy and the self-select fund range. This section focusses on the equity and multi-asset investments which have voting rights attached.

As set out in the SIP dated 9 November 2021, the Trustee’s policy for the implementation of stewardship activities is to delegate the exercising of rights (including voting and stewardship) and the integration of ESG considerations in day-to-day decisions to the Plan’s investment managers. This section sets out the voting activities of the Plan’s equity and multi-asset investment managers over the year, where the holdings include a right to vote as an ultimate owner of a stock, including details of the investment managers’ use of proxy voting services.

All of the Plan’s investments are through pooled fund vehicles. The Plan’s investment managers have their own voting policies which determine their approach to voting, and the principles they follow when voting on investors’ behalf. All investment managers also use voting proxy advisors which aid in their decision-making when voting. Details are summarised in the table below. The Trustee considers the investment manager voting policies to be appropriate, and consistent with the Trustee’s policies and objectives and ultimately, therefore in the best financial interests of the members.

The stewardship capabilities of the Plan’s investment managers, including voting and engagement with investee companies, are assessed by the Plan’s Investment Consultant as part of the ongoing monitoring of the investment managers.

<u>Manager</u>	<u>Investment Funds</u>	<u>Use of proxy voting service / brief description of voting process</u>	<u>Voting activity</u>
BlackRock	iShares Developed World Equity Index Fund	BlackRock uses the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis to provide research. They then use ISS’s electronic platform to execute their votes.	<p><u>Number of resolutions on which manager was eligible to vote: 22,349</u></p> <p><u>Percentage of eligible votes cast: 98%</u></p> <p><u>Percentage of votes with management: 95%</u></p> <p><u>Percentage of votes against management: 4%</u></p> <p><u>Percentage of votes abstained or withheld: 0%</u></p>

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<u>Manager</u>	<u>Investment Funds</u>	<u>Use of proxy voting service / brief description of voting process</u>	<u>Voting activity</u>
	iShares US Equity Index Fund		<p><u>Number of resolutions on which manager was eligible to vote: 8,083</u></p> <p><u>Percentage of eligible votes cast: 99%</u></p> <p><u>Percentage of votes with management: 97%</u></p> <p><u>Percentage of votes against management: 2%</u></p> <p><u>Percentage of votes abstained or withheld: 0%</u></p>
	iShares Continental European Equity Index Fund		<p><u>Number of resolutions on which manager was eligible to vote: 9,930</u></p> <p><u>Percentage of eligible votes cast: 79%</u></p> <p><u>Percentage of votes with management: 87%</u></p> <p><u>Percentage of votes against management: 12%</u></p> <p><u>Percentage of votes abstained or withheld: 1%</u></p>
	iShares Pacific ex Japan Equity Index Fund		<p><u>Number of resolutions on which manager was eligible to vote: 4,661</u></p> <p><u>Percentage of eligible votes cast: 100%</u></p> <p><u>Percentage of votes with management: 89%</u></p> <p><u>Percentage of votes against management: 10%</u></p> <p><u>Percentage of votes abstained or withheld: 0%</u></p>

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<u>Manager</u>	<u>Investment Funds</u>	<u>Use of proxy voting service / brief description of voting process</u>	<u>Voting activity</u>
Vanguard	<u>Japan Stock Index Fund</u>	<p>Vanguard Investment Stewardship team votes on behalf of Vanguard's internally managed equity holdings. Vanguard casts proxy votes via dedicated voting providers. They consult a wide variety of third party research providers and their own internal proprietary databases. They then analyse the various issues and ballot measures in conjunction with their Proxy Voting Guidelines and other relevant data to reach our own independent decisions. The Investment Stewardship team uses a variety of research from well-known providers, such as ISS, Glass Lewis, and Equilar, as well as a number of smaller research providers. They do not rely on recommendations from proxy advisors for their voting decisions. They believe it is valuable to understand all sides of an issue before casting a vote on behalf of a Vanguard fund. As such, proxy advisors can be a useful data aggregator which serves as one of the many inputs that Vanguard's Investment Stewardship team uses to reach independent voting decisions on each fund's behalf.</p>	<p><u>Number of resolutions on which manager was eligible to vote: 2,886</u></p> <p><u>Percentage of eligible votes cast: 100%</u></p> <p><u>Percentage of votes with management: 96%</u></p> <p><u>Percentage of votes against management: 3%</u></p> <p><u>Percentage of votes abstained or withheld: 0%</u></p>
	<u>FTSE UK All Share Index Unit Trust Fund</u>		<p><u>Number of resolutions on which manager was eligible to vote: 10,235</u></p> <p><u>Percentage of eligible votes cast: 99%</u></p> <p><u>Percentage of votes with management: 99%</u></p> <p><u>Percentage of votes against management: 0%</u></p> <p><u>Percentage of votes abstained or withheld: 0%</u></p>
	<u>Emerging Markets Stock Index Fund</u>		<p><u>Number of resolutions on which manager was eligible to vote: 25,786</u></p> <p><u>Percentage of eligible votes cast: 98%</u></p> <p><u>Percentage of votes with management: 92%</u></p> <p><u>Percentage of votes against management: 7%</u></p> <p><u>Percentage of votes abstained or withheld: 1%</u></p>

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<u>Manager</u>	<u>Investment Funds</u>	<u>Use of proxy voting service / brief description of voting process</u>	<u>Voting activity</u>
<u>HSBC</u>	<u>Islamic Global Equity Index Fund</u>	HSBC use the voting research and platform provider Institutional Shareholder Services (ISS) to assist with the global application of their own bespoke voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene HSBC's guidelines.	<u>Number of resolutions on which manager was eligible to vote: 1,726</u> <u>Percentage of eligible votes cast: 95%</u> <u>Percentage of votes with management: 76%</u> <u>Percentage of votes against management: 23%</u> <u>Percentage of votes abstained or withheld: 0%</u>
<u>JP Morgan</u>	<u>Global Natural Resources</u>	Although JP Morgan use the ISS ProxyExchange platform and see their voting recommendations, this forms only the starting point for their proprietary thinking, and all their voting decisions are made on a case by case basis by in-house specialists in conjunction with the Analyst and/or Fund Manager in reference to the JPMAM Corporate Governance Policy and Voting Guidelines.	<u>Number of resolutions on which manager was eligible to vote: 789</u> <u>Percentage of eligible votes cast: 96%</u> <u>Percentage of votes with management: 95%</u> <u>Percentage of votes against management: 4%</u> <u>Percentage of votes abstained or withheld: 0%</u>
<u>LGIM</u>	<u>Future World Climate Change Equity Factors Index</u>	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure the proxy provider votes in accordance with LGIM's position on ESG, they have put in place a custom voting policy with specific voting instructions.	<u>Number of resolutions on which manager was eligible to vote: 22,109</u> <u>Percentage of eligible votes cast: 99.9%</u> <u>Percentage of votes with management: 80.1%</u> <u>Percentage of votes against management: 19.7%</u> <u>Percentage of votes abstained or withheld: 0.2%</u>
	<u>Diversified Fund (GBP)</u>		<u>Number of resolutions on which manager was eligible to vote: 94,290</u> <u>Percentage of eligible votes cast: 99.8%</u> <u>Percentage of votes with management: 76.4%</u>

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<u>Manager</u>	<u>Investment Funds</u>	<u>Use of proxy voting service / brief description of voting process</u>	<u>Voting activity</u>
			<u>Percentage of votes against management: 23.4%</u> <u>Percentage of votes abstained or withheld: 0.3%</u>
<u>LGIM</u>	<u>Diversified Fund (USD)</u>		<u>Number of resolutions on which manager was eligible to vote: 53,206</u> <u>Percentage of eligible votes cast: 99.9%</u> <u>Percentage of votes with management: 78.9%</u> <u>Percentage of votes against management: 20.7%</u> <u>Percentage of votes abstained or withheld: 0.4%</u>

Note: Figures are provided by the investment managers and may not sum to 100% due to a variety of reasons, such as rounding, lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote against management. Voting activity for the whole of the Plan year has been shown above.

For the funds managed by BlackRock, the voting figures may not sum to 100% due to the with/against management votes also including the count of abstained votes. If there were multiple vote strings for a given meeting, any proposal voted different ways between the vote strings would have been counted twice.

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The following tables outline the most significant votes cast by the respective investment managers on the Trustee's behalf for each of the funds outlined above. This is based on the criteria set by each investment manager:

<u>Most significant votes cast</u>	<u>Coverage in portfolio</u>
<p><u>Company:</u> <u>Chevron Corporation</u></p> <p><u>Meeting Date:</u> <u>31 May 2023</u></p> <p><u>Resolution:</u> <u>Rescind Scope 3 GHG Reduction Proposal</u></p> <p><u>Company Management Recommendation:</u> <u>Against</u></p> <p><u>How the manager voted:</u> <u>Against</u></p> <p><u>Rationale:</u> <u>BIS did not support this shareholder proposal which requested that the company rescind a 2021 shareholder proposal to reduce scope 3 emissions. The original proposal received 61% support in 2021, and the company subsequently took action to include scope 3 GHG emissions in certain of their metrics to help investors understand the company's value chain risk.</u></p> <p><u>Outcome of the vote:</u> <u>Fail</u></p> <p><u>Criteria on which the manager assessed this vote to be "most significant":</u> <u>BlackRock prioritises its work around themes that they believe will encourage sound governance practices and deliver sustainable long-term financial performance at the companies in which they invest on behalf of clients. The themes for 2023 are reflected in their global principles - this vote has been assessed as significant under the 'Material sustainability-related risks and opportunities' key theme.</u></p>	<p><u>iShares Developed World Equity Index Fund</u></p> <p><u>iShares US Equity Index Fund</u></p>
<p><u>Company:</u> <u>Siemens AG</u></p> <p><u>Meeting Date:</u> <u>09 February 2023</u></p> <p><u>Resolution:</u> <u>Approve Virtual-Only Shareholder Meetings Until 2025</u></p> <p><u>Company Management Recommendation:</u> <u>For</u></p> <p><u>How the manager voted:</u> <u>For</u></p> <p><u>Rationale:</u> <u>BlackRock supported this management proposal because it is aligned with regulatory requirements and, in their assessment, the company was taking the necessary steps to ensure that shareholder rights were respected.</u></p> <p><u>Outcome of the vote:</u> <u>N/A</u></p> <p><u>Criteria on which the manager assessed this vote to be "most significant":</u> <u>BlackRock prioritises its work around themes that they believe will encourage sound governance practices and deliver sustainable long-term financial</u></p>	<p><u>iShares Continental European Equity Index Fund</u></p>

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<p><u>performance at the companies in which they invest on behalf of clients. The themes for 2023 are reflected in their global principles - this vote has been assessed as significant under the 'Other corporate governance matters and shareholder protections' key theme.</u></p>	
<p><u>Company:</u> Santos Limited <u>Meeting Date:</u> 03 May 2022 <u>Resolutions:</u> Advisory vote on climate change <u>Company Management Recommendation:</u> For <u>How the manager voted:</u> Against <u>Rationale:</u> BlackRock supported the management proposal seeking shareholder support for the company's approach to the energy transition, which is described in the company's 2022 Climate Change Report. The company's climate action plan, targets, and disclosures are consistent with what they look for and, in their assessment, demonstrate management and board responsiveness to shareholder feedback. Accordingly, BlackRock believes it is in the interests of long-term shareholders, to support the proposal to approve the Climate Change Report. <u>Outcome of the vote:</u> N/A <u>Criteria on which the manager assessed this vote to be "most significant":</u> BlackRock prioritises its work around themes that they believe will encourage sound governance practices and deliver sustainable long-term financial performance at the companies in which they invest on behalf of clients. The themes for 2022 are reflected in their global principles - this vote has been assessed as significant under the 'Material sustainability-related risks and opportunities' key theme.</p>	<p><u>iShares Pacific ex Japan Equity Index Fund</u></p>
<p><u>Company:</u> BP Plc <u>Meeting Date:</u> 27 April 2023 <u>Resolution:</u> Approve Shareholder Resolution on Climate Change Targets <u>Company Management Recommendation:</u> Against <u>How the manager voted:</u> Against <u>Rationale:</u> Vanguard determined that the proposal addressed material risk(s) and company had taken sufficient actions and/or had related actions pending to address the proponent request. <u>Outcome of the vote:</u> Fail <u>Criteria on which the manager assessed this vote to be "most significant":</u> Not provided</p>	<p><u>Vanguard FTSE UK All Share Index Unit Trust Fund</u></p>

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<p><u>Company:</u> Al Rajhi Bank</p> <p><u>Meeting Date:</u> 08 November 2023</p> <p><u>Resolution:</u> Elect Members of Audit Committee and Approve its Responsibilities, Work Procedures, and Remuneration of its Members</p> <p><u>Company Management Recommendation:</u> Against</p> <p><u>How the manager voted:</u> Against</p> <p><u>Rationale:</u> Support not warranted.</p> <p><u>Outcome of the vote:</u> Not provided</p> <p><u>Criteria on which the manager assessed this vote to be "most significant":</u> Not provided</p>	<p><u>Vanguard Emerging Markets Stock Index Fund</u></p>
<p><u>Company:</u> Toyota Motor Corp.</p> <p><u>Meeting Date:</u> 14 June 2023</p> <p><u>Resolution:</u> Elect Director Toyoda, Akio</p> <p><u>Company Management Recommendation:</u> Against</p> <p><u>How the manager voted:</u> Against</p> <p><u>Rationale:</u> Concern regarding director independence.</p> <p><u>Outcome of the vote:</u> Pass</p> <p><u>Criteria on which the manager assessed this vote to be "most significant":</u> Not provided</p>	<p><u>Vanguard Japan Stock Index Fund</u></p>
<p><u>Company:</u> Toyota Motor Corp.</p> <p><u>Meeting Date:</u> 16 June 2023</p> <p><u>Resolutions:</u> Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement</p> <p><u>Company Management Recommendation:</u> Against</p> <p><u>How the manager voted:</u> For</p> <p><u>Rationale:</u> LGIM voted in favour as they view climate lobbying as a crucial part of enabling the transition to a net zero economy. LGIM believes that companies should advocate for public policies that support global climate ambitions and not stall progress on a Paris-aligned regulatory environment. LGIM acknowledge the progress that Toyota Motor Corp has made in relation to its climate lobbying disclosure in recent years. However, they believe that additional transparency is necessary with regards to the process used by the company to assess how its direct and indirect</p>	<p><u>LGIM Future World Climate Change Equity Factors Index</u></p> <p><u>LGIM Diversified Fund (GBP)</u></p> <p><u>LGIM Diversified Fund (USD)</u></p>

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<p><u>lobbying activity aligns with its own climate ambitions, and what actions are taken when misalignment is identified. Furthermore, LGIM expect Toyota Motor Corp to improve its governance structure to oversee this climate lobbying review. They believe the company must also explain more clearly how its multi-pathway electrification strategy translates into meeting its decarbonisation targets, and how its climate lobbying practices are in keeping with this.</u></p> <p><u>Outcome of the vote:</u> Fail</p> <p><u>Criteria on which the manager assessed this vote to be "most significant":</u> Pre-declaration and Thematic - Lobbying: LGIM believes that companies should use their influence positively and advocate for public policies that support broader improvements of ESG factors including, for example, climate accountability and public health. In addition, LGIM expect companies to be transparent in their disclosures of their lobbying activities and internal review processes involved.</p>	
<p><u>Company:</u> NIKE, Inc.</p> <p><u>Meeting Date:</u> 09 December 2023</p> <p><u>Resolution:</u> Report on Median Gender/Racial Pay Gap (shareholder proposal)</p> <p><u>Company Management Recommendation:</u> Against</p> <p><u>How the manager voted:</u> For</p> <p><u>Rationale:</u> HSBC believes that the proposal would contribute to improving gender inequality.</p> <p><u>Outcome of the vote:</u> Did not pass</p> <p><u>Criteria on which the manager assessed this vote to be "most significant":</u> The company has a significant weight in the portfolio and HSBC voted against management.</p>	<p><u>HSBC Islamic Global Equity Index Fund</u></p>
<p><u>Company:</u> Chevron Corporation</p> <p><u>Meeting Date:</u> 31 May 2023</p> <p><u>Resolution:</u> Report on Social Impact From Plant Closure or Energy Transition</p> <p><u>Company Management Recommendation:</u> Against</p> <p><u>How the manager voted:</u> For</p> <p><u>Rationale:</u> JPM believes the proposal was in their clients' best interest based on considerations related to the incremental value of the information or action requested by the proposal.</p> <p><u>Outcome of the vote:</u> Fail</p> <p><u>Criteria on which the manager assessed this vote to be "most significant":</u> Vote against management</p>	<p><u>JP Morgan Global Natural Resources</u></p>