

State Street UK Pension and Life Assurance Scheme

Annual Implementation Statement for the Year Ended 31 August 2024

1. Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles (“SIP”) produced by the Trustees of the State Street UK Pension and Life Assurance Scheme (“the Trustees”) has been followed during the year running from 1 September 2023 to 31 August 2024 (the “Scheme Year”). This statement has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, the subsequent amendment in The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the statutory guidance on reporting on stewardship in the implementation statement dated 17 June 2022.

Sections 2.1 and 2.2 of this statement sets out the investment objectives of the State Street UK Pension and Life Assurance Scheme (“Scheme”) and the changes which have been made to the SIP during the Scheme Year, respectively.

Section 2.3 of this statement sets out how, and the extent to which, the policies in the Defined Benefit (“DB”) Section and Defined Contribution (“DC”) Section of the SIP have been followed. **The Trustees can confirm that all policies in the SIP have been followed in the Scheme Year.**



A copy of the SIP is available at <https://www.statestreet.com/web/disclosures-and-disclaimers/uk/statement-of-investment-principles-june-2023.pdf>.

Sections 3 and 4 include information on the engagement and key voting activities of the underlying investment managers within each Section of the Scheme.



2. Statement of Investment Principles

2.1. Investment Objectives of the Scheme



The objectives for the DB Section of the Scheme specified in the SIP are as follows:

- To ensure that there are sufficient assets to meet benefit payments as and when they fall due (i.e. meet promised obligations to beneficiaries).
- To maintain a high probability of achieving and maintaining a fully funded position on the Scheme's actuarial valuation basis in accordance with advice received by the Actuary and as agreed with the Company from time to time.



The Trustees recognise that individual members have differing investment needs and that these may change during the course of a member's working life. The Trustees also recognise that members have different attitudes to risk. The Trustees believe that members should be allowed to make their own investment decisions based on their individual circumstances.

In order to encompass these factors, the Trustees have agreed the following investment objectives:

- To offer members who do not wish to actively select their own investment options, a Default Lifestyle Strategy.
- To make available a range of investment options so members can choose an investment strategy tailored to their personal investment needs and attitudes.
- To offer funds which allow diversification of risk and long-term capital growth.
- To encourage members to seek independent financial advice to determine the profile of their own investments.
- To review the suitability of the options offered to members and investment manager arrangements on a regular basis.

The Trustees periodically review the suitability of the investment options provided and from time to time will change or introduce additional investment funds as appropriate.



2.2. Review of the SIP

The SIP was not reviewed in the Scheme year to 31 August 2024, the Trustees reviewed the Scheme's SIP in June 2023, taking formal advice from their Investment Consultant (Mercer Limited ("Mercer")). The SIP was updated post Scheme year end to reflect the Trustees' policy on Illiquid assets in the Default lifestyle strategy.

During the Scheme Year to 31 August 2024, there were no changes to the Scheme's DB investment arrangements.

During the Scheme Year to 31 August 2024, there were no changes to the Scheme's DC investment arrangements.

2.3. Assessment of how the policies in the SIP have been followed for the Scheme Year

The information provided in this section highlights the work undertaken by the Trustees during the Scheme Year, and longer term where relevant, and sets out how this work followed the Trustees' policies in the June 2023 SIP, relating to the Scheme as a whole and the Default lifestyle strategy (for the DC Section only).



In summary, it is the Trustees' view that the policies in the SIP have been followed during the Scheme Year.



Investment Mandates

Securing compliance with the legal requirements about choosing investments

Policy

The Trustees consider the investment objectives and policies when choosing investments either for the DB Section or DC Section of the Scheme. The Trustees receive written advice from their Investment Consultant on any investments prior to them being implemented. The advice received and arrangements implemented are, in the Trustees' opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended).



How has this policy been met over the Scheme Year?

There were no changes to the investment strategy during the year. Any concerns on fund performance were discussed with the Scheme's investment consultant.



How has this policy been met over the Scheme Year?

During the Scheme year there were no changes made in respect of the funds offered to DC members.

In November 2023, the Trustees conducted a triennial investment strategy review focusing on the appropriateness of the default lifestyle strategy as well as the suitability of the self-select range available to members. Following this review, the proposed changes to the investment arrangements were discussed:

- Retain the Drawdown Lifestyle as the default lifestyle strategy for members with defined contribution (DC) only, while DC members with defined benefit (DB) entitlements should transition to the Cash Lifestyle.
- Introduce the Nordea Diversified Fund alongside the LGIM Diversified Fund within the multi-asset allocation of the DC Growth Fund, to be launched as a standalone white-labelled fund but also as a self-select option.

Following the Scheme year end, the Trustees are working with their advisers to implement the agreed changes.



Investment Mandates

Realisation of Investments

Policy

In the DB Section, the Trustees' policy is that the Trustees' administrators will realise assets following member requests on retirement or earlier where required. In the DC Section, assets in the default investment options are invested in daily traded pooled funds which hold highly liquid assets. The pooled funds are commingled investment vehicles which are managed by various investment managers. The selection, retention and realisation of assets within the pooled funds are delegated to the respective investment managers in line with the mandates of the funds.



Policy

Further details are set out in the following sections of the SIP:

- Objectives and Policy (SIP Section 2.1, and 6)
- Day to Day Management (SIP Section 2.4)

How has this policy been met over the Scheme Year?

A working cash balance is held in the SSGA Sterling Liquidity Fund in order to meet payments as they fall due. This balance is topped up as required.



Policy

Further details are set out in the following sections of the SIP:

- Policies in relation to the default strategy (SIP Section 3.4.1)

How has this policy been met over the Scheme Year?

All assets are daily-dealt pooled investment arrangements, with assets mainly invested and listed in regulated markets, and therefore should be realisable at short notice, based on member demand. During the Scheme Year, no known liquidity issues arose in respect of the DC funds used by the Scheme.

During the year, the Trustees have received administration reports from Aptia on a quarterly basis to ensure that core financial transactions were processed within service level agreements and regulatory timelines. As confirmed in the Chair's Statement, the Trustees are satisfied that all requirements were met throughout the year.



Environmental, Social and Governance (“ESG”)

Financial and non-financial considerations and how those considerations are taken into account in the selection, retention and realisation of investments

Policy

The Scheme’s SIP outlines the Trustees’ beliefs on ESG factors (including climate change). Further details are included in Section 8 (Responsible Investment and Corporate Governance) of the SIP, which applies to the DB and DC Sections of the Scheme.

How has this policy been met over the Scheme Year?



The Scheme’s SIP includes the Trustees’ policy on ESG factors, stewardship and Climate Change. This policy sets out the Trustees’ beliefs on ESG and climate change and the processes followed by the Trustees in relation to voting rights and stewardship. The Trustees keep their policies under regular review with the SIP subject to review at least triennially.

The investment performance reports, manager briefings and ESG reviews are reviewed by the Trustees on a regular basis – these include ratings (both general and specific ESG) from the investment consultant. All of the managers remained generally highly rated during the Scheme Year. Where managers may not be highly rated or not rated from an ESG perspective, the Trustees continue to monitor them. The Trustees acknowledge that managers in fixed income (particularly for passive funds) do not have a high ESG rating assigned by the investment consultant due to the nature of the asset class, where it is harder to engage with the issuer of debt.

When implementing a new manager the Trustees consider the ESG rating of the manager.

For the DB section assets, the Trustees reviewed the managers’ information on the carbon intensity of the strategies held and other climate related metrics as part of the annual ESG review, to ensure it is not exposed to undue transition risk.

The Trustees offer members a climate change/sustainable fund within the self-select fund range. The most recent Investment Strategy Review, conducted in November 2023, underscored the potential benefits of incorporating an explicit ESG tilt in a portion of the equity allocation within the Scheme’s lifestyle strategies. However, the Trustees opted to retain the existing equity allocation within the Default lifestyle strategy.

In addition to this, in June 2024 an ESG review was undertaken. Conclusions from this review were that managers have made significant improvements in ESG engagement activities across various funds, with most been highly rated by Mercer. Notable advancements include enhanced stewardship approaches, centralised voting strategies, and the implementation of sustainable investment screens, reflecting a strong commitment to responsible investment practices.



Voting and Engagement Disclosures

The exercise of the rights (including voting rights) attaching to the investments and undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the Trustees would monitor and engage with relevant persons about relevant matters).

Policy

The Trustees conduct an annual review of the investment consultant's evaluation of how each investment manager integrates ESG considerations into their investment processes and how the manager's responsible investment philosophy aligns with the Trustees' responsible investment policy. This assessment also encompasses the investment managers' policies on voting and engagement, where applicable. The Trustees will utilise this evaluation to inform their decisions regarding the selection, retention, and termination of investment managers. The Scheme's voting rights are exercised by its investment managers in accordance with their own corporate governance policies, and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code (the Code). Further details are set out in in Section 8 (Responsible Investment and Corporate Governance) of the SIP, which applies to the DB and DC Sections of the Scheme.

New guidance from the Department of Work and Pensions (DWP) came into effect for schemes with a reporting period on or after 1 October 2022. This guidance requires specific details around why Trustees consider votes to be significant, the size of the holdings and next steps on developing well-informed and precise objectives for engagement. The Trustee has requested key voting activities from their managers during the period under assessment to reflect this new guidance. In particular, focus has been given on the stewardship priorities that the Trustees believe constitutes a "significant" vote. Further details and the information received is summarised in the voting section that follows.

The Trustees will keep this definition under consideration based on emerging themes in internal discussions and from the wider industry.

How has this policy been met over the Scheme Year?



As the assets of the Scheme are invested in pooled funds, the Trustees have delegated their voting rights to the investment managers. As such, this activity is expected to be undertaken on the Trustees' behalf. The Trustees do not use the direct services of a proxy voter, however the investment managers may enlist the service of a proxy voter when required.



During the Scheme Year, the Trustees did not actively challenge the investment managers on their voting activity.

The Trustees' stewardship priorities are focused on good corporate governance, in particular board diversity and independence and diversity and inclusion policies, climate change, for example low carbon transition and votes related to human rights. To be classed as a most significant vote, the Trustees have set a threshold for the approximate size of the fund's holding as at the date of the vote of at least 0.5% of the fund.

Section 3 of this report includes examples of engagement activity undertaken by the Scheme's investment managers with investments in equities and fixed income, and section 4 sets out a summary of voting activity and the most significant votes cast on behalf of the Trustees by these investment managers by the equity's investment managers in line with DWP's latest guidance.



Monitoring the Investment Managers

Incentivising asset managers to align their investment strategies and decisions with the Trustees' policies

Policy

The Trustees' policy is set out in Section 8 (Responsible Investment and Corporate Governance) of the SIP, which applies to the DB and DC Sections of the Scheme.



How has this policy been met over the Scheme Year?

As the Trustees invest predominantly in pooled investment funds, they accept that they cannot specify the risk profile and return targets for these funds. However, the Trustees have continued to review the appropriateness of the funds on a quarterly basis to ensure that they are aligned with the investment strategy being targeted.

Evaluation of asset managers' performance and remuneration for asset management services

Policy

The Trustees' policy is set out in Section 8 (Responsible Investment and Corporate Governance) of the SIP, which applies to the DB and DC Sections of the Scheme.



How has this policy been met over the Scheme Year?

Over the year, the Trustees have reviewed quarterly investment performance reports from the investment consultant which show performance (versus relevant benchmarks and targets) over shorter and longer-term periods.

Over the one year period to 31 August 2024 the Scheme outperformed the benchmark (6.0% gross of fees vs 4.9% the benchmark). The Scheme also outperformed the benchmark over the three and five year periods.



How has this policy been met over the Scheme Year?

The Trustees' focus is on longer-term performance, but shorter-term performance is monitored to ensure any concerns can be identified in a timely manner. The Trustees reviewed both absolute and benchmark-relative performance of the Scheme's DC investment funds through investment performance reports provided on a quarterly basis.

The Scheme's investment manager remuneration is based on assets under management, with fees reviewed during the annual Value for Members assessment considered in November 2023. The Trustees concluded that the Scheme provides good value for money, particularly due to a reduction in the administration charge from 0.30% p.a. to 0.12% p.a., effective from 1 July 2023.

The Scheme's performance for 2 years as of 30 September 2023 was deemed good, with passive funds meeting expectations. Although the active multi-asset funds have underperformed against their absolute-return focused benchmarks, the underlying funds continue to be highly rated by Mercer.

Following the Scheme year end, the Trustees began the annual Value for Members assessment for the current year.



Monitoring the Investment Managers

Monitoring portfolio turnover costs

Policy

The Trustees' policy is set out in Section 8 (Responsible Investment and Corporate Governance) of the SIP, which applies to the DB and DC Sections of the Scheme.



How has this policy been met over the Scheme Year?

During the year under review the Trustees reviewed the portfolio turnover costs of the AXA Global Buy and Maintain Credit fund.



How has this policy been met over the Scheme Year?

The Trustees considered the portfolio turnover costs as part of the transaction cost charges disclosures provided for the Chair's Statement and as part of the Value for Members assessment undertaken during the Scheme Year. As a result of the agreed reduction in the member-borne DC administration charge from 0.30% per annum to 0.12% per annum, effective 1 July 2023, the Scheme's fees continue to remain below the median fee arrangement for most funds since the Value for Members assessment from November 2023.

The Trustees will continue to monitor transaction costs and the developments on effective ways to assess them.

The duration of the arrangements with asset managers

Policy

The Trustees are a long-term investor and are not looking to change the investment arrangements on a frequent basis. Further details of the Trustees' policy are set out in Section 8 (Responsible Investment and Corporate Governance) of the SIP, which applies to the DB and DC Sections of the Scheme.



How has this policy been met over the Scheme Year?

The Trustees remain comfortable with the Scheme's appointed investment managers.

Investment managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage. If the Trustees are dissatisfied, then they will look to replace the manager.



How has this policy been met over the Scheme Year?

The Trustees are long-term investors, all funds are open-ended and therefore there is no set duration for manager appointments. The Trustees monitored the performance of the underlying funds and overall strategy for the Scheme on a quarterly basis during the Scheme Year.

No changes were made to the Scheme's DC investment arrangements during the Scheme year. The fund range is formally reviewed on at least a triennial basis. During the Scheme Year, the latest triennial investment strategy review was considered by the Investment Sub Committee on 27 November 2023; the Trustees are working towards implementing the agreed changes.



Strategic Asset Allocation

Kinds of investments to be held, the balance between different kinds of investments and expected return on investments



Policy

The Trustees' policy on the kinds of investments to be held and the balance between different kinds of investments can be found under the following sections of the SIP:

- Objectives and Policy (SIP Section 2.1)
- Investment Strategy (SIP Section 2.3)

How has this policy been met over the Scheme Year?

Over the year, the Trustees received investment performance reports on a quarterly basis for all the investments in the DB Section of the Scheme. These included fund performance against benchmarks over both short and longer-term periods. Investment performance was reviewed by the Trustees at the quarterly Investment Committee meetings.

Performance has been in line with expectations for the majority of funds over the Scheme Year to 31 August 2024.



Policy

The Trustees' policy on the kind of investments to be held and the balance between different kinds of investments can be found under the following sections of the SIP:

- Investment Objectives (SIP Section 3.1)
- Investment Strategy (SIP Section 3.3)
- The Default Strategy (SIP Section 3.4)

How has this policy been met over the Scheme Year?

Over the year, the Trustees received investment performance reports on a quarterly basis for all of the funds within the Lifestyle strategies in addition to the self-select funds. These included fund performance against benchmarks over both short and longer-term periods. Investment performance was reviewed by the Trustees at both the quarterly Investment Sub Committee and Trustee board meetings.

Performance of the Default lifestyle strategy funds has been mixed, with half of the funds outperforming their benchmark and the other half underperforming, but the self-select funds have been in line with expectations over the Scheme Year to 31 August 2024.

In November 2023, the Trustees conducted a triennial investment strategy review focusing on the appropriateness of the default lifestyle strategy as well as the suitability of the self-select range available to members. Following this review, changes to the investment arrangements following were agreed upon:

- The Drawdown Lifestyle will be retained as the default lifestyle strategy for members with defined contribution (DC) only, while DC members with defined benefit (DB) entitlements will transition to the Cash Lifestyle.
- The introduction of the Nordea Diversified Fund alongside the LGIM Diversified Fund within the multi-asset allocation of the DC Growth Fund, which will also be launched as a standalone white-labelled fund.

The Trustees are currently working with their advisers to implement these changes.



Strategic Asset Allocation

Risks, including the ways in which risks are to be measured and managed



Policy

The Trustees recognise a number of risks involved in the investment of the assets of the DB Section. Details of these risks and how they are measured and managed can be found under the following section of the SIP:

- Risk Management (SIP Section 2.2)

The Trustees consider both quantitative and qualitative measures for a number of risks on an ongoing basis when deciding investment policies, strategic asset allocation, and the choice of asset classes, funds, and asset managers.

How has this policy been met over the Scheme Year?

During the year, the Trustees monitored the investment managers' performance and the Scheme's progress against its funding objectives and the related strategic risks on a quarterly basis, and compared the investment returns with the appropriate performance objectives to ensure continuing acceptable performance.

Other risks were managed during the year as described in the SIP (Section 2.2).



Policy

The Trustees recognise a number of risks involved in the investment of the assets of the DC Section and that the choice and allocation of investments can help to mitigate these risks. Details of these risks and how they are measured and managed can be found under the following section of the SIP:

- Investment Policies (SIP Section 3.4.1)

In designing the default strategy, the Trustees have explicitly considered the trade-off between expected risk and return.

How has this policy been met over the Scheme Year?

During the year, the Trustees monitored the investment managers' performance on a quarterly basis and compared the investment returns with the appropriate performance objectives to ensure continuous positive performance against objectives.

Manager research in respect of the Scheme's funds remains favourable with most of the funds being rated B+ or higher by the investment consultant.



The Trustees maintain a register of key risks, including investment risks, which is reviewed annually by the Trustees or more frequently if new risks are identified, with a risk review taken during the Scheme year. 'Top' risks are also reviewed quarterly. The register of key risks rates the impact and likelihood of the risks and identifies mitigating factors and additional actions taken.

3. Overview of the Approach to Voting and Engagement by the Scheme's Equity Investment Managers



Overview of State Street Global Advisors (SSGA) Approach to Voting and Engagement

In order to facilitate SSGA's proxy voting process, SSGA retains Institutional Shareholder Services Inc. (ISS), a firm with expertise in proxy voting and corporate governance. SSGA utilises ISS's services in five ways. Firstly, as SSGA's proxy voting agent, ISS provides SSGA with vote execution and administration services. Secondly, ISS assists in applying SSGA's voting guidelines. Thirdly, ISS provides the highest level of research and analysis related to general corporate governance issues and specific proxy items. Fourthly, ISS provides proxy voting guidelines for SSGA's Proxy Voting Program, which allows investors to select an ISS proxy voting policy that will be applied to the investor's pro rata shares of a commingled fund. Lastly, ISS provides the service of splitting a ballot for the Proxy Voting Choice program. SSGA's proxy voting guidelines can be found online [here](#) and further information on the Proxy Voting Choice program can be found [here](#).

The Stewardship team reviews its Proxy Voting Guidelines with ISS on an annual basis or on a case- by-case basis as needed. ISS affects the proxy votes in accordance with SSGA's Proxy Voting Guidelines. Voting matters that are nuanced or that require additional analysis are referred to and reviewed by members of the Stewardship team. Members of the Stewardship team evaluate the proxy solicitation to determine how to vote based on facts and circumstances consistent with SSGA's Proxy Voting Guidelines, which seek to maximise the value of client accounts.

SSGA does not publicly communicate their votes in advance.

Where appropriate the manager contacts the company to explain their voting rationale and conduct further engagement.

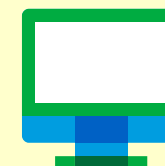
The overall objectives of SSGA's stewardship approach are to identify financially material risks, and to encourage investee companies to adopt best practice disclosures and oversight to enhance long-term value for their clients. SSGA uses engagement as an opportunity to find alignment with their best practice expectations. Where engagement does not achieve the desired outcome, SSGA's escalation strategies may include:

- Writing to the board of the company to formalise SSGA's concerns and requests;
- Supporting relevant shareholder resolutions that further SSGA's expectations;
- In certain instances, voting against relevant board members.

Divestment is excluded from the potential escalation action. SSGA use voting and engagement as a way to manage their holdings for the long-term benefit of clients and will not divest when facing an issue with a portfolio company.

SSGA's escalation process has been designed to promote governance, sustainability disclosure, and oversight of material risks at investee companies, taking into account individual market nuances.

The escalation approach is adjusted for fixed income engagements where there is no ability to vote. Fixed income escalation may take the form of letter writing or direct engagement. While SSGA believe their approach to equities is mature, they are continuing to develop their fixed income approach to ensure they engage across all asset classes they hold in the funds and mandates they manage.





Overview of LGIM Approach to Voting and Engagement

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 LGIM do not outsource any part of the strategic decisions. To ensure LGIM proxy provider votes in accordance with LGIM position on ESG, LGIM have put in place a custom voting policy with specific voting instructions.

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



Overview of BlackRock Approach to Voting and Engagement

BlackRock's team and its voting and engagement work continuously evolves in response to changing governance related developments and expectations. BlackRock's voting guidelines are market-specific to ensure BlackRock take into account a company's unique circumstances by market, where relevant. BlackRock provides information on vote decisions through research and engage as necessary. BlackRock engagement priorities are global in nature and are informed by BlackRock's observations of governance related and market developments, as well as through dialogue with multiple stakeholders, including clients. BlackRock may also update its regional engagement priorities based on issues that BlackRock believes could impact the long-term sustainable financial performance of companies in those markets. BlackRock welcomes discussions with clients on engagement and voting topics and priorities to get their perspective and better understand which issues are important to them. As outlined in BlackRock Global Principles, BlackRock determines which companies to engage directly based on BlackRock's assessment of the materiality of the issue for sustainable long-term financial returns and the likelihood of BlackRock engagement being productive. BlackRock's voting guidelines are intended to help clients and companies understand BlackRock's thinking on key governance matters. They are the benchmark against which BlackRock assesses a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. BlackRock applies guidelines pragmatically, taking into account a company's unique circumstances where relevant. BlackRock provides information on vote decisions through research and engage as necessary. If a client wants to implement their own voting policy, they will need to be in a segregated account. BlackRock's Investment Stewardship team would not implement the policy themselves, but the client would engage a third-party voting execution platform to cast the votes.

Examples of Engagement Activity by the Scheme's Equity and Diversified Growth Investment Managers



LGIM engages with Nippon Steel in climate-related lobbying



LGIM has been engaging with Nippon Steel Corporation, Japan's largest steelmaker, regarding its transition to green steel, which requires a supportive policy environment for low-carbon alternatives. Despite ongoing discussions and a focus on this issue since early 2022, the company's disclosures have not met LGIM's expectations. In collaboration with the Australasian Centre for Corporate Responsibility (ACCR), LGIM co-filed a shareholder proposal requesting that Nippon Steel disclose its climate-related policy positions and lobbying activities, ensuring alignment with its carbon neutrality goal by 2050.

The proposal, known as Resolution 8, received 27.98% support, indicating strong investor demand for greater transparency in climate-related policy engagement. This level of support is one of the highest for a climate-related shareholder resolution in Japan. With Japan set to update its climate and energy policies in 2024, LGIM emphasises the importance of Nippon Steel's role in shaping these policies and will continue to engage with the company to enhance accountability and transparency in its efforts.



SSGA engages with Huntington Ingalls Industries, Inc. on Climate-related risk management

In 2022, SSGA began taking voting action against directors at companies in major global indices that do not provide adequate disclosure on climate-related risks and opportunities in accordance with the TCFD (Task Force on Climate-related Financial Disclosures) framework. As a member of the S&P 500 Index, Huntington Ingalls Industries, Inc. (Huntington Ingalls) fell under this voting policy.

SSGA engaged with Huntington Ingalls prior to the 2022 and 2023 AGMs to discuss the company's climate-related disclosures, providing feedback on ways to enhance transparency in line with their expectations.

Due to insufficient disclosure according to the TCFD framework, SSGA withheld support from an independent director in both years.

In April 2024, Huntington Ingalls published its 2024 Sustainability Report, which included enhanced disclosures aligned with TCFD, such as the Scope 1 and 2 emissions footprint, climate-related targets, and a TCFD disclosure index. As a result of these improvements, SSGA supported all board members at the 2024 AGM.



BlackRock engages with Promigas S.A. E.S.P. on climate-related proposal

Promigas is a Colombian energy company that supplies natural gas to the markets in Colombia and Peru, serving over 24 million people across both countries. The company has launched various initiatives aimed at enhancing the financial, economic, and social conditions of low-income communities in its operational areas. Promigas publicly reports its community relations strategy, which encompasses the hiring of local labour, its approach to government relations, and measures for preventing environmental damage. Additionally, through the Promigas Foundation, the company is dedicated to community development, social inclusion, and environmental stewardship.

In November 2023, BlackRock engaged with Promigas, during which the company provided an update on the implementation of its Multidimensional Energy Poverty Index (IMPE).

This initiative, launched to identify underserved communities lacking adequate access to, quality of, and ownership of energy services, is a key focus for the company. Promigas also shared updates on the Brilla program, which offers loans and financial assistance to existing customers in Colombia's lowest income levels to purchase basic home appliances. BlackRock voted in support of management, and the agenda items were approved with over 90% shareholder support.



SSGA engages with Meta Platforms, Inc. on Human rights and Emerging technologies

Since 2022, SSGA has engaged with Meta Platforms, Inc. on human rights issues such as misinformation, hate speech, content management, and targeted advertising. These discussions have provided insights into how Meta's human rights due diligence and stakeholder engagement have influenced its global content management policies.

Ahead of the 2024 AGM, SSGA discussed human rights-related shareholder proposals with Meta, during which the company acknowledged risks from misinformation and disinformation linked to Generative AI and outlined its safeguards. Meta highlighted its global network of fact-checkers and tools for identifying potentially violating content, as well as its transparency centre, which details its policies on managing misinformation risks. The company also mentioned its industry collaborations for standardising identifiers for

AI-generated content and the board's involvement in overseeing these risks.

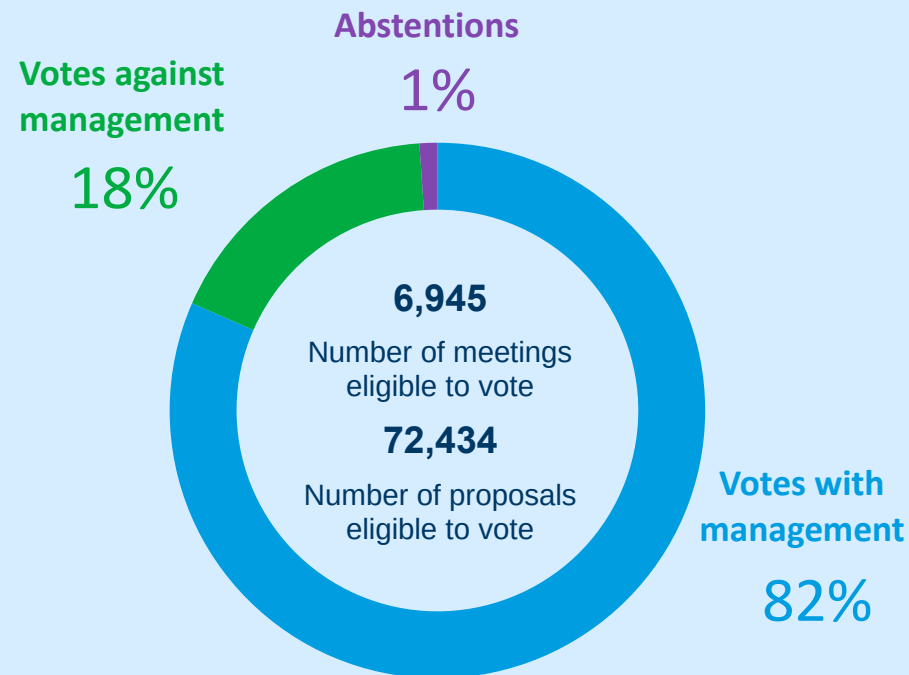
In its September 2023 human rights report, Meta improved its disclosures on managing content risks and detailed its engagement with community stakeholders. The report included findings from human rights due diligence in select non-US markets and enhanced disclosures on its targeted advertising risk management strategy, including privacy-enhancing technologies.

As a result of these advancements, SSGA voted against shareholder proposals requesting reports on risks related to misinformation from AI, human rights risks in non-US markets, and targeted advertising.

4. Voting Activity during the Scheme Year

Set out below is a summary of voting activity for this reporting period relating to the relevant strategies in the DB Section of the Scheme. Voting information is not provided for AXA Buy and Maintain Credit or SSgA LDI given the nature of the underlying investments.

SSGA Strategic Diversified Fund



Source: SSGA. Figures subject to rounding. Voting activity data provided on a quarterly basis and therefore shown over 1 July 2023 to 30 June 2024. Abstentions can be counted both as an abstention but also as a vote against management and hence vote with management, vote against management and abstentions from voting may add up to more than 100%.

Voting Activity during the Scheme Year



Set out below is a summary of voting activity for this reporting period relating to the relevant strategies in the DC Section of the Scheme. Fidelity serves as the Scheme's platform provider, with underlying funds from LGIM, BlackRock, and State Street, in which the Scheme is currently invested. Funds where voting is not applicable (i.e. non-equity funds) are not included in the list below.

Fund	Underlying fund	Vote with Management	Vote Against Management	Abstain Vote	Unvoted	% resolution voted	Eligible Meetings	Eligible Voting Resolutions
State Street UK PLAS DC Diversified Growth Fund	L&G Diversified (Multi-Asset) Fund	76.4%	23.0%	0.6%	0.2%	99.8%	10,172	105,146
State Street UK PLAS DC Passive Global Equity Fund ¹	L&G Global Developed Small Cap Index Fund	73.8%	25.9%	0.3%	0.1%	99.9%	4,452	47,291
	BlackRock Aquila Connect Currency Hedged Global Equity (10:80:10) Fund	91.2%	7.9%	1.4%	0.9%	99.1%	5,476	59,223
State Street UK PLAS DC Passive UK Equity Fund	SSGA UK Screened Index Equity Sub-Fund	82.0%	18.0%	0.1%	20.1%	79.9%	702	12,123
State Street UK PLAS DC Drawdown Fund	L&G Retirement Income Multi Asset Fund	77.0%	22.5%	0.5%	0.2%	99.8%	10,492	107,497
State Street UK PLAS DC Passive Emerging Markets Equity Fund	BlackRock Emerging Market Index Fund	86.0%	13.3%	2.7%	0.7%	99.3%	2,761	23,095
Fidelity State Street UK PLAS DC Sustainable Passive Global Equity Fund	L&G Future World Fund	80.3%	19.4%	0.3%	0.4%	99.6%	1,725	22,184

Source: Legal & General as at 30 June 2024, BlackRock as at 30 June 2024 and SSGA. Figures may not total 100% due to a variety of reasons, such as 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.

¹ This fund is part of the State Street UK PLAS DC Growth Fund.



Most significant votes



Following the DWP's consultation response and outcome regarding Implementation, a significant vote is defined as one that is linked to the Scheme's stewardship priorities/themes.

The Trustees have taken formal advice from its Investment Consultant (Mercer Limited ("Mercer")). A "significant vote" is defined by the Trustees as one that relates to the following stewardship priorities:

ESG	Priority	Description
Environment	Climate Change	Low-carbon transition and physical damages resilience.
Social	Human rights	Modern slavery, pay and safety in workforce and supply chains, and abuses in conflict zones.
Governance	Good corporate governance, in particular, Diversity, Equity and Inclusion (DEI)	Inclusive and diverse decision making.

DB Section

Over the last 12 months to 31 August 2024, the key voting activity on behalf of the Trustees was undertaken by SSGA. The Trustees have not actively challenged the manager on the voting activity. SSGA stewardship priorities in 2023 were effective board oversight, climate risk management, human capital management and diversity, equity and inclusion. The Trustees believe these priorities are broadly aligned with their own stewardship priorities as detailed above. The Trustees did not inform SSGA of what they considered to be the most significant votes in advance of voting and no expression of wish was made regarding voting.

To be classed as a most significant vote, the Trustees have set a threshold for the approximate size of the fund's holding as at the date of the vote of at least 0.5%. By this definition, significant votes can be found below:

 Resolution **not** passed  Resolution passed

Holding details	Date of vote	Resolution	How the manager vote	Rationale for the manager's vote	Trustees stewardship priority the vote is related to	Final outcome following the vote
Company name: Alphabet Inc. Approximate size of holding as at date of vote:	07/06/2024	Report on Climate Risk in Retirement Plan Options	Against	This proposal does not merit support as the company's climate-related disclosures are reasonable.	Climate change	

0.63%

Company name: Amazon.com, Inc. Approximate size of holding as at date of vote: 1.05%	22/05/2024	Advisory Vote to Ratify Named Executive Officers' Compensation	For	SSGA has no concerns with the company's pay structure and disclosure at this time. The pay structure and levels are aligned with business performance.	Good corporate governance	
		Establish a Public Policy Committee	Against	This item does not merit support due to concerns with the terms of the proposal.	Good corporate governance	
		Establish a Board Committee on Corporate Financial Sustainability	Against	This item does not merit support due to concerns with the terms of the proposal.	Good corporate governance	
		Establish a Board Committee on Artificial Intelligence	Against	This item does not merit support due to concerns with the terms of the proposal.	Human rights	
		Commission a Third Party Audit on Working Conditions	For	This proposal merits support as the company's disclosures related to facility safety can be improved. Given SSGA's understanding of potential risks the company was facing related to worker safety, and the lack of responsiveness from the company, SSGA decided to support this proposal given the 'failure of oversight' of the board related to human capital management.	Human rights	
		Disclose All Material Scope 3 GHG Emissions	Against	This proposal does not merit support as the company's climate-related disclosures are reasonable.	Climate change	
Company name: Microsoft Corporation Approximate size of holding as at date of vote: 1.99%	7/12/2023	Report on Efforts to Reduce Plastic Use	Against	This proposal does not merit support as the company's disclosures related to this item are reasonable.	Climate change	
		Report on Climate Risk in Retirement Plan Options	Against	This proposal does not merit support as the company's climate-related disclosures are reasonable. SSGA voted against this proposal because Microsoft was aligned with SSGA's expectations for disclosures on climate-related risks, and SSGA did not think that the additional requested report would be additive.	Climate change	

DC Section

To be classed as a most significant vote, the Trustees have set a threshold for the approximate size of the fund's holding as at the date of the vote of at least 0.5% within the funds used in the Default lifestyle strategy (where available). The votes selected in the table below represent holdings that are less than 0.5% of the fund's total assets. This is because as at 30 June 2024, there are no votes associated with holdings that are equal to or greater than 0.5% of the fund's total holdings. Therefore, we have included detailed of company votes within the default funds where the vote was noteworthy.

 Resolution **not** passed  Resolution passed

Fund	Company (%size of holding)	Date of vote	Resolution	How the Manager voted	Rationale of Manager vote	Why vote is significant	Final outcome following the vote
State Street UK PLAS DC Growth Fund (LGIM Diversified)	Apple Inc. (0.39%)	28/02/2024	Resolution to Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy	Against	A vote against this proposal is warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and nondiscrimination policies, and including viewpoint and ideology in EEO (Equal Employment Opportunity) policies does not appear to be a standard industry practice. Against management recommendation.	The Trustees view climate-related as a financially material issue, with implications for the assets.	
	Shell Plc (0.33%)	21/05/2024	Resolution to Approve of the Shell Energy Transition Strategy	Against	A vote against is being applied, despite acknowledging the significant progress the company has made in climate-related disclosures and its commitments to reduce emissions, tackle methane, and halt frontier exploration beyond 2025. However, due to revisions to the Net Carbon Intensity (NCI) targets and plans to expand its gas and LNG business, there is a need for the company to clarify how these strategies align with a transition to net-zero emissions by 2050. Specifically, more information is sought on the expected lifespan of developed assets, flexibility in production adjustments, and actions for customer decarbonisation. Additionally, greater transparency is requested regarding lobbying activities in hydrocarbon-producing regions, guidance on capital expenditure for low carbon initiatives post-2025, and the principles of responsible divestment in asset sales, as these are crucial to Shell's decarbonisation strategy. Against management recommendation.	The Trustees consider this vote to be significant as it is in application of an escalation of our vote policy on governance and climate-related matters.	

State Street UK PLAS DC Growth Fund (L&G Global Developed Small Cap Index Fund)	Saia, Inc.(0.20%)	25/04/2024	Resolution about the Elect Director Kellye L. Walker	Against	A vote against is being cast because LGIM expects companies to have a minimum of one-third women on their boards. Additionally, a vote against is applied as LGIM believes the Chair of the Committee should have served on the board for no more than 15 years to ensure independence and maintain a balance of relevant skills, experience, tenure, and background. Against management recommendation.	The Trustees view gender diversity as a financially material issue, with implications for the assets.	
State Street UK PLAS DC Growth Fund (BlackRock Aquila Connect Currency Hedged Global Equity (10:80:10) Fund)	ChemoMetec A/S *	12/10/2023	Resolution to Amend the Remuneration Policy	Against	BlackRock did not support the company's remuneration-related proposal, due to poorly structured remuneration arrangements, as well as poor use of remuneration committee discretion regarding the grant of a one-off award. Against management recommendation.	The Trustees consider this vote to be significant as it is an escalation of governance engagement activity .	
State Street UK PLAS DC Drawdown Fund (LGIM RIMA)	Toyota Motor Corp. (0.25%)	18/06/2024	Resolution to Elect Director Toyoda, Akio	Against	A vote against is being cast due to the absence of independent directors on the board, which is essential for providing an external perspective and ensuring a diverse mix of skills. BlackRock advocates for all companies to have at least one-third of their board comprised of truly independent outside directors. Additionally, a vote against is warranted because of the lack of meaningful diversity on the board. Regarding the Climate Impact Pledge, a vote against is justified due to a disconnect between Toyota's stated climate ambitions and its current multi-pathway strategy. BlackRock encourages Toyota to enhance its disclosures on how it plans to support the transition to zero-emission vehicles and achieve net-zero emissions. Against management recommendation.	The Trustees view gender diversity and climate change as a financially material issue, with implications for the assets.	

Source: BlackRock, LGIM & SSgA

* %size of holding not available