Bechtel Limited Pension Plan (the "Plan")

Implementation Statement (31 March 2024)

Introduction

This Implementation Statement (the "Statement") sets out the Trustees' views on how, and the extent to which the Trustees' investment objectives and policies, as set out in their Statements of Investment Principles ("SIP") (one for the Final Salary Section and one for the Money Purchase Section) have been followed during the year to 31 March 2024.

This Statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and the subsequent amendment in The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019, which transposes the EU Shareholder Rights Directive (SRD II) into UK law. The Directive aims to strengthen the position of shareholders and to reduce short termism and excessive risk taking within companies traded on regulated markets.

The SIPs in respect of both the Final Salary Section and the Money Purchase Section are enclosed within the Annual Report and are available online at https://www.bechtel.com/about/life-at-bechtel/total-rewards, and they set out the policies referenced here.

Note that Mercer Limited ("Mercer") has been appointed as discretionary investment manager in respect of the Final Salary Section investments. Pursuant to Mercer's appointment, Plan monies are invested in Mercer funds, which are collective investment vehicles managed by Mercer Global Investments Europe Limited ("MGIE"). MGIE are responsible for implementing, and reporting on compliance with, the Trustees' Engagement Policy.

Trustees' Investment Objectives for the Plan

The Trustees believes it is important to consider their investment policies in the context of the objectives they have set.

The Trustees' objectives for the Plan are as follows:

<u>Final Salary Section</u>

The Trustees understand that taking some investment risk, with the support of the Sponsor, is necessary to improve the Plan's funding position and then "lock-in", as far as is practically possible, a target level of funding under a conservative funding basis.

The Trustees' primary objective is to act in the best interest of the Plan's members. The Trustees' investment objective is to protect the Plan's strong funding position under a conservative funding basis by following a low-risk and liquid investment strategy with a view to, ultimately, using the Plan's assets to fully fund a buy-out of its liabilities with an insurance company.

<u>Money Purchase Section</u>

The Trustees recognise that individual members have differing investment needs and that these may change during the course of their working lives. It also recognises that members have differing attitudes to risk. The Trustees' objectives are therefore:

i. *To provide members with a range of investment options to enable them to tailor investment strategy to their needs, specifically in controlling the risks inherent in their savings. In particular, to make available vehicles which aim:*

a. *To maximise the value of members’ assets at retirement.*

b. *To maintain the purchasing power of members’ savings.*

c. *To provide protection for members’ accumulated assets in the years approaching retirement against:*

   - *Sudden (downward) volatility in the capital value;*

   - *Fluctuations in the (implicit and explicit) cost of retirement benefits.*

ii. *To maintain a default investment option that is broadly reasonable for any member not wishing to make their own investment decisions. The Plan is now closed to new members but a number of existing members are invested in a default investment option.*

iii. *To avoid over-complexity in investment in order to keep administration costs and employee understanding to a reasonable level.*

iv. *To inform members, through a policy of clear communication and education, about their investment options in relation to the potential risks and anticipated rewards of, and charges associated with, each option.*

Review of the Money Purchase Section SIP

During the year covered by this Statement, the Trustees reviewed and updated the Money Purchase SIP. The principal change was to add a policy on illiquid assets, as now required by regulation.

Assessment of how the Trustees’ policies have been followed for the year to 31 March 2024

The information provided in the following tables highlights the work undertaken by the Trustees during the year, and longer term where relevant, and sets out how this work was in line with their policies.

In summary, it is the Trustees’ view that their policies in the SIPs have been followed during the Plan year to 31 March 2024.

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	Requirement	Policy/paragraph of SIP	In the year to 31 March 2024
1	Securing compliance with the legal requirements about choosing investments	Final Salary: Paragraph 1 Money Purchase: Paragraph 1	Final Salary Section In considering appropriate investments for the Plan, the Trustees have obtained and considered the written advice of Mercer, whom the Trustees believe to be suitably qualified to provide such advice. 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). Money Purchase Section: The Trustees did not choose any new investments for the Plan during the year.
2 & 3	Kinds of investments to be held and the balance between different kinds of investments	Final Salary: Paragraph 5 Money Purchase: Paragraph 4	Final Salary Section As a result of the most recent review, the Trustees have further de-risked their investment strategy by moving to a fully liquid portfolio of bond assets that is designed to minimise asset and liability mismatch risk. The strategy is designed to match (or "hedge) 110% of the interest and inflation rate risk inherent in the Plan's Liabilities. In doing so, the target expected return on the portfolio is 0.4% p.a., net of all fees, above the portfolio of gilts that matches the Plan's projected liability cashflows. Money Purchase Section: The investments (fund type, management style and asset allocations) used within the Money Purchase Section did not change during the year, and were in line with the policies set out in the SIP.
4	Risks, including the ways in which risks are to be measured and managed	Final Salary: Paragraph 4 Money Purchase: Paragraph 3	The Trustees maintained a Risk Register during the year that outlines risks by category, and considers the impact, likelihood, and responses / mitigations for each risk. Final Salary Section The Trustees reviewed the measurement of a number of the risks in the SIP on a quarterly basis as part of regular investment performance reporting. These quarterly reports were provided by Mercer. The Trustees, with the assistance of Mercer, also undertook a detailed annual review of the Trustees' target allocations to various assets classes ("investment strategy") to understand the sources of risk in the strategy and to remove those that the Trustees consider having no associated return expectation.

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	Requirement	Policy/paragraph of SIP	In the year to 31 March 2024
			Money Purchase Section: The Trustees reviewed the measurement of a number of the risks in the SIP on a quarterly basis as part of regular investment performance reporting. These quarterly reports were provided by the Plan’s main Money Purchase Section investment manager, Legal & General Investment Management (“L&G”). The risks in the SIP were considered during the year when the Trustees reviewed and updated the SIP (as documented in the introduction to this Statement), with a particular focus on risk 3 iv regarding liquidity. A new policy on illiquid assets was added to the SIP as part of the review, which is now a regulatory requirement. This review was discussed at the 19 December 2023 Trustee meeting. The Trustee is satisfied that the SIP policies have been followed during the period.
5	Expected return on investments	Final Salary: Paragraph 5 Money Purchase: Paragraph 4 (regarding the default strategy) and 8 (which confirms that benchmark returns are in place and are monitored).	Final Salary Section The target expected return on the portfolio is 0.4% p.a., net of all fees, above the portfolio of gilts that matches the Plan’s projected liability cashflows. Money Purchase Section: There were no changes to the benchmarks or expected return targets set for the Plan’s mandates, which continued to be consistent with the SIP policies.
6	Realisation of investments	Final Salary: Paragraph 6 Money Purchase: Paragraph 4 (regarding the default arrangement) and 6.	The Trustees receive a report each quarter from the Plan administrator that details the extent to which benefit payments and other core financial transactions have been processed within service level agreements and regulatory timelines. There were no issues experienced with realisation of investments during the period. Final Salary Section No issues were experienced with the realisation of investments during the Plan year. To assist with funding cashflow requirements, income generated on some of the assets held by the Plan is passed to the Plans’ bank account rather than being reinvested. Money Purchase Section: All funds are daily dealt and priced pooled investment vehicles, with the exception of one fund which is weekly priced. The funds are accessed through an insurance contract. No issues were experienced with the realisation of investments during the Plan year.

	Requirement	Policy/paragraph of SIP	In the year to 31 March 2024
7	Financially material considerations over the appropriate time horizon, including in selection, retention & realisation of investments	The risks identified in the SIPs are considered by the Trustee to be 'material financial considerations'.	Final Salary Section At the year end, the Plan's strategy was designed to fully hedge the interest and inflation rate risk inherent in the Section's liabilities and also contribute to the hedging of the same risks that the Money Purchase Section is exposed to as a result of a defined benefit underpin that applies to some members' benefits. Money Purchase Section There were no changes to this policy during the year, but the financially material risks identified and how they are measured and managed form part of risk monitoring carried out during the year.
8	The extent to which non-financial matters are taken into account in the selection, retention and realisation of investments	Final Salary: Paragraph 9 Money Purchase: Paragraph 7 and 8.	Both Sections The Trustees believe that good stewardship and the incorporation of environmental, social, and corporate governance (ESG) factors into their investment decision-making processes can have a material impact on the financial and non-financial performance of the Plan's assets over the medium and longer term. The Trustees have considered, and will continue to consider, including specific sustainability themed investment opportunities within their investment arrangements. No member views on investment matters (financial or non-financial) were received by the Trustees during the year. Money Purchase Section The Plan makes available to members a Stewardship Fund which has explicit sustainability-related guidelines including exclusions for certain sectors, such as thermal coal and weaponry. ESG factors are also taken into account in the way in which the default investment option is managed.
9	The exercise of rights (including voting rights) of the investments	Final Salary: Paragraph 9 Money Purchase: Paragraph 7.	Final Salary Section The Plan invested solely in pooled funds during the year, where voting and engagement activities are delegated to the investment managers. As part of their regular meetings with Mercer, consideration is given to reports produced by Mercer that discuss how voting rights have been exercised, and to provide examples of engagement activities.
10	Undertaking engagement activities in respect of the investments		

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	Requirement	Policy/paragraph of SIP	In the year to 31 March 2024
			The Trustees consider that their SIP policies relating to engagement and the exercise of voting rights had been followed appropriately over the year. <u>Money Purchase Section:</u> During the year, the Plan continued to invest only in pooled funds, where voting and engagement is delegated to investment managers. The main Money Purchase investment manager provides reporting on stewardship within its quarterly reports. This assists the Trustees with ensuring that the exercise of voting rights, and the engagement activities undertaken on the Plan's behalf, are consistent with our policies. The Trustees also request and review annually voting and engagement activities in respect of the investment managers (see later in this Statement).
11	How the arrangement(s) incentivise the manager to align its strategy / decisions with trustees' policies.	<u>Final Salary:</u> Paragraph 9 <u>Money Purchase:</u> Paragraph 8.	<u>Final Salary Section</u> Disclosures on the Trustees' policies are included in the SIP dated December 2023 which reflect current practice. <u>Money Purchase Section:</u> No changes in policy (last reviewed December 2023 as part of SIP review).
12	How the arrangement incentivises the manager to make decisions based on assessments of medium to long-term financial/non-financial performance and engage with issuers to improve performance.	<u>Final Salary:</u> Paragraph 9 <u>Money Purchase:</u> Paragraph 8.	<u>Final Salary Section</u> Disclosures on the Trustees' policies are included in the SIP dated December 2023 which reflect current practice. Short and long term investment performance was reviewed through quarterly investment reports, as noted in earlier commentary. <u>Money Purchase Section:</u> No changes in policy (last reviewed December 2023 as part of SIP review).
13	How the method and time horizon of evaluation of manager performance and the remuneration for asset management services are in line with the trustees' policies.	<u>Final Salary:</u> Paragraph 9 <u>Money Purchase:</u> Paragraph 8.	<u>Final Salary Section</u> Disclosures on the Trustees' policies are included in the SIP dated December 2023 which reflect current practice. Short and long-term investment performance was reviewed through quarterly investment reports, as noted in earlier commentary. <u>Money Purchase Section:</u>

	Requirement	Policy/paragraph of SIP	In the year to 31 March 2024
			The Trustees review annually (as part of preparation of the Chair's Statement) the extent to which the Plan provides value for members. This includes reviewing the fees paid to the investment managers, which allows us to ensure that the remuneration of the managers is in line with our policies. No issues were identified during the year.
14	How trustees monitor portfolio turnover costs incurred by the manager, and how they define and monitor targeted portfolio turnover or turnover range.	Final Salary: Paragraph 9 Money Purchase: Paragraph 8.	Final Salary Section Disclosures on the Trustees' policies are included in the SIP dated December 2023 which reflect current practice. Money Purchase Section No changes to policy (last reviewed December 2023 as part of the SIP review). Transaction costs are monitored annually as part of preparation of the annual Chair's Statement which is published on a public website. The Trustees will continue to monitor transaction costs but has not set portfolio turnover targets; the Trustees instead assess performance net of the impact of the costs of turnover.
15	The duration of the arrangement with the asset manager	Final Salary: Paragraph 9 Money Purchase: Paragraph 8.	Final Salary Section Disclosures on the Trustees' policies are included in the SIP dated December 2023 which reflect current practice. Money Purchase Section No changes to policy (last reviewed December 2023 as part of the SIP review).

Engagement policy statement

The SIPs sets out the Trustees' policies on environmental, social and governance (ESG) considerations, including stewardship and climate change.

Engagement Activity During the Year

The Trustees dedicate time at their meetings to consider ESG matters. The following work was undertaken during the Plan year relating to the activity on such matters. This summary also documents how the Plan's engagement and voting policies were implemented during the year.

Final Salary Section

Asset managers appointed by MGIE to manage Mercer funds are expected by the Trustees and MGIE to evaluate ESG factors, including climate change, and exercise voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code. Mercer and MGIE provided reporting to the Trustees during the year on how ESG, climate change and stewardship is integrated within Mercer's, MGIE's and the underlying asset managers' investment processes.

Engagement Policy Updates

The Trustees consider how ESG, climate change and stewardship is integrated within Mercer's, and MGIE's, investment processes and those of the underlying asset managers in the monitoring process. Mercer, and MGIE, provide reporting to the Trustees on a regular basis.

The Mercer Sustainability Policy is reviewed regularly. In August 2023 the governance section was updated, and the climate scenario modelling section is now detailed in the standalone Task Force on Climate Related Financial Disclosures (TCFD) report.

In line with the requirements of the EU Shareholder Rights Directive II (SRD II), Mercer have implemented a standalone Stewardship Policy to specifically address the requirements of the Directive. SRD II is a regulatory framework aimed at enhancing shareholder rights and improving corporate governance within the European Union.

The most recent UN Principles of Responsible Investment results (based on 2022 activity) awarded Mercer with 4 out of 5 stars for Policy Governance and Strategy. The United Nations Principles for Responsible Investment (UN PRI) is a global initiative that provides a framework for incorporating environmental, social, and governance (ESG) factors into investment practices.

The Financial Reporting Council confirmed in February 2024 that MGIE continues to meet the expected standard of reporting and will remain a signatory to the UK Stewardship Code, which represents best practice in stewardship.

Climate Change Reporting and Carbon Footprinting

The Trustees believe climate change poses a systemic risk and recognise that limiting global average temperature increases this century to "well below two degrees Celsius", as per the 2015 Paris Agreement, is aligned with the best economic outcome for long-term diversified investors. The Paris Agreement is an international treaty on climate change. Adopted in 2015, the agreement covers climate change mitigation, adaptation, and finance. Mercer supports this end goal and is committed to Achieving net-zero absolute carbon emissions by 2050 for UK, European and Asian clients with discretionary portfolios, and for the majority of its multi-client, multi-asset funds domiciled in Ireland. To achieve this, Mercer plans to reduce portfolio relative carbon emissions by at least 45% from 2019 baseline levels by 2030. This decision was supported by insights gained from Mercer’s Investing in a Time of Climate Change (2015 and 2019) reports, Mercer’s Analytics for Climate Transition (ACT) tool and advice framework, and through undertaking climate scenario analysis and stress testing modelling.

<u>Final Salary Section (continued)</u>

Mercer’s approach to managing climate change risks is consistent with the framework underpinning the Financial Stability Board’s Task Force on Climate related Financial Disclosures (TCFD). As at 31 December 2023, the Trustees noted that Mercer are on track to reach its long-term net zero portfolio carbon emissions target. There has been a notable 33% reduction over the 4 years since 2019 baseline levels, resulting in the 45% baseline-relative reduction by 2030 being within range.

ESG Rating Review

Where available, ESG ratings assigned by Mercer are included in the investment performance reports produced by Mercer on a quarterly basis and reviewed by the Trustees. ESG ratings are reviewed by MGIE during quarterly monitoring processes, with a more comprehensive review performed annually, which seeks evidence of positive momentum on ESG integration and compares the Mercer funds overall ESG rating with the appropriate universe of strategies in Mercer’s Global Investment Manager Database. Engagements are prioritised with managers where their strategy’s ESG rating is behind that of their peer universe.

Update to Exclusions

The Trustees prefer, as an overall principle, for Mercer and MGIE to adopt an approach of positive engagement rather than negative divestment. However, the Trustees note that Mercer and MGIE recognise that there are a number of cases in which investors deem it unacceptable to profit from certain areas and therefore exclusions are appropriate.

Controversial weapons and civilian firearms are excluded from the Mercer funds that the Plan invests in. In addition to this, tobacco companies and nuclear weapons are also excluded from the funds.

In addition, Mercer and MGIE monitors for high-severity breaches of the UN Global Compact (UNGC) Principles that relate to human rights, labour, environmental and corruption issues.

Diversity

Mercer and MGIE’s ambition to promote diversity extends beyond their own business through to the managers it appoints. This is partly assessed within the manager research process and documented in a dedicated section within research reports.

Mercer considers broader forms of diversity in decision-making, but currently report on gender diversity. As of 1 April 2023, 35% of the Key Decision Makers (KDM’s) within Mercer Investment Solutions team are non-male, and Mercer’s long-term target is 50%.

Within the Fixed Income universe, the average fund has 13% non-male KDM’s and within the EMEA Active Equity universe, the average is 17%. In Q3 2022, MGIE became a signatory of the UK Chapter of the 30% Club and helped to establish the Irish Chapter over 2023. The 30% Club is a business-led initiative that aims to increase gender diversity on corporate boards and in senior leadership positions.

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<u>Money Purchase Section</u>

The following activity was carried out during the Plan year:

Activity	Date	Details
DEI - Trustee learning	22 June 2023	At the June meeting, the Trustees received an update from the DC adviser on the Pension's Regulator's (TPR) new guidance on equality, diversity and inclusion for UK pension schemes. This included considerations such as inclusive chairing, and how member communications can be designed to support a diverse range of members with different needs and preferences.
Climate change update	20 September 2023	The DC adviser's "current topics" material was tabled at the September Trustee meeting, focusing on TPR's review of pension scheme climate change reports. This allowed the Trustees to develop further knowledge on this topic, and to consider best practice ideas from TPR on how to integrate climate change risks and opportunities within the Plan's investment strategy and governance arrangements.
SIP review	19 December 2023	The Trustees reviewed the Plan's Money Purchase SIP, including the policies on engagement and wider ESG matters. This helped to ensure the SIP continues to reflect our policies and approach.
Corporate governance monitoring	Quarterly	Within each quarterly investment report, Legal & General Investment Management ("L&G", the manager of c99% of the assets of the Money Purchase Section) provide a summary of their corporate governance activities, including both company-specific examples and industry-wide initiatives. Examples during the Plan year included: - In 2023, L&G signed up to the China Climate Engagement Initiative ('CCEI'), which aims to facilitate the transition to a net zero economy by bringing together large institutional investors into targeted, sophisticated dialogue with industries critical to climate change. The CCEI focuses on four aspects: governance, goals and strategic priorities, transition pathway and disclosure in seeking to realise its aims. - Together with ShareAction, in early 2024 L&G agreed to co-file a shareholder resolution at Nestlé's AGM, calling on the company to set performance indicators for the sales figures for food and beverage products according to their healthfulness, as defined by a government-endorsed Nutrient Profiling Model, and to set a timebound target to increase the proportion of sales derived from healthier products. This aims to address concerns around healthier food provision to consumers. - L&G undertook a corporate engagement campaign on income inequality and poverty, on the grounds that these issues can pose a material risk to investee companies. The focus has been on in-work poverty, and in 2023 L&G broadened the programme by launching a campaign that carries a voting sanction for those companies that fail to meet certain minimum expectations, targeted initially at the food retail sector.
Stewardship monitoring	August 2023	The Trustees reviewed the voting and engagement activities of the Plan's investment managers as part of reviewing and approving the annual Implementation Statement. This was carried out via email in August 2023.

Voting Activity during the Plan year

Policy, Stewardship Priorities, and Significant Votes

As noted elsewhere, the Plan continued to invest in pooled funds during the year, rather than investing in companies directly. As such, the investment managers exercise voting rights at the pooled fund level.

Given the large number of votes that are considered by investment managers at every Annual General Meeting, for every company in every fund / portfolio, along with the timescales over which voting takes place and the resource and expertise required, the Trustees did not identify significant voting ahead of the reporting period. Instead, the Trustees have (with the support of its advisers) retrospectively reviewed the voting records of the investment managers, in order to identify significant votes in the context of the Trustees' stewardship priorities, which are:

- Climate change
- Human rights and labour practices
- Diversity, equity, and inclusion.

A vote may be considered significant where it relates to one of these priorities.

In respect of the Final Salary Section, where there are relatively few votes owing to the bond-based, low risk strategy (bonds do not generally carry voting rights), the most significant proposals reported relate to companies with the largest weights in the relevant portfolio.

Final Salary Section

The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to the Plan's investments to the third-party investment managers appointed by Mercer on the Trustees' behalf.

This is because any voting rights that do apply with respect to the underlying investments attached to the Mercer Funds are, ultimately, delegated to the third-party investment managers appointed by MGIE. In delegating these rights, MGIE accepts that managers are typically best placed to exercise voting rights and prioritise particular engagement topics by security, given they are expected to have detailed knowledge of both the governance and the operations of the companies and issuers they invest in. However, Mercer has a pivotal role in monitoring their stewardship activities and promoting more effective stewardship practices, including ensuring attention is given to more strategic themes and topics. As such, proxy voting responsibility is given to listed equity investment managers with an expectation that all shares are to be voted in a timely manner and a manner deemed most likely to protect and enhance long-term value. Mercer and MGIE carefully evaluates each sub-investment manager's capability in ESG engagement and proxy voting, as part of the selection process to ensure it is representing Mercer's commitment to good governance, integration of sustainability considerations. Managers are expected to take account of current best practice such as the UK Stewardship Code 2021, to which Mercer is a signatory. As such the Trustees do not use the direct services of a proxy voter.

Voting: As part of the monitoring of managers' approaches to voting, MGIE assesses how managers are voting against management and seeks to obtain the rationale behind voting activities, particularly in cases where split votes may occur (where managers vote in different ways for the same proposal). MGIE portfolio managers will use these results to inform their engagements with managers on their voting activities.

The nature of the final salary section's liquid fixed income portfolio means that none of the section's holdings have attached voting rights as at 31 March 2024. As such, there are no voting activities or significant votes to report.

Money Purchase Section

The Trustees delegate voting rights to the investment managers. The majority of voting activity arises in respect of public equities and the Trustees have received voting information relating to funds that invest in public equities. The Plan makes available to members the following daily dealt, daily priced pooled funds. Funds highlighted in blue rows in the table hold equities.

L&G Funds	**Other Funds**
Multi-Asset	Aviva BlackRock UK Equity Index Tracker
L&G Diversified	Aviva With Profits
L&G Global Equity (70:30) Index	Aviva Stewardship
Over 5 year Index-Linked Gilts	
Over 15 year Fixed Interest Gilts	
Cash	

The Trustees have been provided with the voting disclosures relating to the funds listed in the table which invest in public equities (shaded in blue). These are summarised overleaf.

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Fund	12 Months to 31 March 2024 unless otherwise stated					
	No. meetings eligible to vote	No. resolutions eligible to vote	% resolutions voted on where eligible	Of resolutions voted, % voted with management	Of resolutions voted, % voted against management	Of resolutions voted, % abstained
L&G Funds						
Multi-Asset	9,301	94,065	99.8%	76.5%	23.2%	0.3%
Diversified	8,997	93,090	99.8%	76.6%	23.1%	0.3%
Global Equity (70:30) Index	7,147	72,082	99.9%	80.9%	18.6%	0.5%
Other Funds						
Aviva BlackRock UK Equity Index Tracker	683	10,155	99.7%	94.1%	4.5%	1.4%
Aviva With Profits*	5,131	53,366	95.1%	72.1%	25.5%	2.5%
Aviva Stewardship	47	883	100.0%	97.5%	1.6%	0.9%

**Aviva With Profits data shown to 31 March 2023, as Aviva have not published their voting report at the time of publication of this Statement.*

Source: Investment Managers. Totals may not sum due to rounding.

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Significant votes (Money Purchase Section)

The following tables provide details of significant votes for each fund used by the Plan (where equities are held within the fund), aligned with the Trustees' stewardship priorities.

L&G Multi-Asset Fund	
Company	Shell
Item	Approval of the Shell Energy Transition Progress
Date	23 May 2023
Criteria for assessing as significant	Relates to climate change, which is one of the Trustees' stewardship priorities
Vote	Against management
Rationale	L&G voted against management on its proposed Energy Transition Progress, "though not without reservations". L&G acknowledge the substantial progress made by this company in meeting its 2021 climate commitments and welcome Shell's leadership in pursuing low carbon products within its business. However, L&G remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with a 1.5°C climate warming trajectory.
Outcome	The vote passed (for management). L&G continues to undertake extensive engagement with Shell on its climate transition plans.

L&G Diversified Fund	
Company	Experian Plc
Item	Election of director
Date	19 July 2023
Criteria for assessing as significant	Relates to diversity, equity, and inclusion, one of the Trustees' stewardship priorities.
Vote	L&G voted against the re-election of the Chair of Experian, on the grounds that there is a lack of gender diversity at the executive officer level. L&G expects executive officers to include at least one female, which was not the case in this instance. L&G continues to engage with Experian on this topic, along with other ESG issues, and notes that the company has an important role to play as a responsible business for the delivery of greater social and financial inclusion. For example, the company has taken steps to support financial inclusion through the launch of services that allow consumers access to data to help improve their credit score.
Rationale	Against
Outcome	Passed

L&G Global Equity (70:30) Index Fund	
Company	Toyota Motor Corporation
Item	Resolution to amend Articles to report on corporate climate lobbying
Date	14 June 2023
Criteria for assessing as significant	Relates to climate change, which is one of the Trustees' stewardship priorities.
Vote	For
Rationale	L&G views climate lobbying as a crucial part of enabling the transition to a net zero economy. A vote for this proposal was cast, as L&G believes that companies should advocate for public policies that support global climate ambitions. L&G recognise that Toyota has made progress in relation to its climate lobbying disclosure in recent years. However, L&G believes more transparency is needed around how Toyota assesses whether its lobbying work aligns with the company's climate goals, and what action is taken if any misalignment is found. L&G also expect Toyota to improve its governance structure to oversee a climate lobbying review, and believe the company must explain clearly how its electrification strategy translates into meeting its decarbonisation targets.
Outcome	The resolution failed

Aviva BlackRock UK Equity Index Tracker (BlackRock is the underlying manager)	
Company	CRH plc
Item	Approval of Remuneration Report
Date	27 April 2023
Criteria for assessing as significant	Relates to human rights and labour practices, which is one of the Trustees' stewardship priorities.
Vote	Against management
Rationale	CRH is a building materials business, headquartered in Dublin. The investment manager voted against the company's remuneration proposals as their view was that actions taken by CRH to factor employee / contractor fatalities into bonus outcomes was insufficient. The company had reported five fatalities in 2022, involving one employee and four contractors. Ahead of the vote, the investment manager engaged with CRH via email and a call, and will continue to communicate its expectations of safety in remuneration outcomes to the company. Their bonus framework will be reviewed regularly.
Outcome	Management's proposed remuneration passed by majority vote, but with a material level of dissent.

Aviva With Profits
Aviva has not provided disclosures for this fund. The Trustees, via their advisers, have communicated their disappointment to Aviva, and followed up to ensure timely information can be provided in future.

Aviva Stewardship	
Company	RELX Plc
Item	Re-election of director
Date	20 April 2023
Criteria for assessing as significant	Relates to climate change, which is one of the Trustees‘ stewardship priorities.
Vote	Abstained
Rationale	RELX Plc is a British multinational technology company. The investment manager believes that the company can improve its deforestation policy, and would like them to adopt carbon emission reduction targets in line with globally subscribed standards. As a result, Aviva chose to abstain from the vote so that they can focus on engagement and dialogue with the company, as a method of communicating this request, instead of a stringent vote in the first instance.
Outcome	Passed