

Annual Implementation Statement 2023

The Estée Lauder Retirement Savings and Investment Plan

Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles ('SIP') produced by the Trustee, has been followed during the year to 30 June 2023. This statement has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 (as amended) and the guidance published by the Pensions Regulator.

The table later in the document sets out how, and the extent to which, the policies in the Estée Lauder Retirement Savings and Investment Plan SIP have been followed.

Investment Objectives of the Plan

The Trustee believes it is important to consider the policies in place in the context of the investment objectives they have set. The objectives of the Plan included in the SIP are as follows:

- The Trustee recognises that members have differing investment needs and that these may change during the course of members' working lives. The Trustee also recognises that members have different attitudes to risk. The Trustee's objective is to make available a range of investments which offers sufficient flexibility for members to access funds and strategies which reflect their own circumstances and intentions at retirement.
- However, the Trustee recognises that members may not believe themselves able to make investment decisions. As such, the Trustee makes available lifestyle strategies which are pre-determined investment arrangements that manage members' investments up to retirement, one of which is the default investment option.
- If members wish to, they can opt to choose their own investment strategy or one of the alternative lifestyle strategies on joining, but also at any other further date.
- The Trustee undertakes a review of the Plan's fund choices offered to members and the investment manager arrangements at least every three years or after significant changes in the membership of the Plan.

The policies set out in the SIP are intended to help meet the overall investment objectives of the Plan. Details on the Trustee's objectives with respect to the default investment option, the alternative lifestyle options and the self-select fund range are outlined in the SIP.

Review of the SIP

During the year, the Plan's SIP was reviewed and no changes were made, the current version of the SIP was signed on 10 July 2020. The SIP will be updated in the next Plan year to reflect the changes to the Plan's investment strategy, see below.

Investment Strategy Review

In March 2022, the Trustee undertook a review of the Estée Lauder Blended Growth Fund ("BGF") with the aim of improving the underlying components. The Trustee agreed to the following:

- Removing the Aviva Investors Multi Asset Strategy and the Invesco Global Targeted Returns Funds;
- Introducing the LGIM Diversified and the BlackRock Aquila Life Market Advantage Funds.

The BGF is a white labelled fund used within the default investment option, the additional lifestyle strategies and the self-select fund range. The table below outlines the changes that were implemented in August 2022.

Allocation (%)	Previous Underlying Funds	Allocation (%)	New Underlying Funds
33.33	Aviva Investors Multi-Strategy Target Return Fund	33.33	LGIM Diversified Fund
33.33	Nordea Diversified Return Fund	33.33	Nordea Diversified Return Fund
33.33	Invesco Global Targeted Returns Fund	33.33	BlackRock Aquila Life Market Advantage Fund

On 7 June 2023 the Trustee commenced its Triennial Investment Strategy Review which covered a detailed review of the default investment option, the additional lifestyle strategies and the self-select fund range. Decisions were made at the 6 September 2023 meeting, after the period covered by this Statement. Therefore, details of the recommendations and decisions made will be included in the 2024 Implementation Statement.

Assessment of how the policies in the SIP have been followed for the year to 30 June 2023

The information provided in the following table highlights the work undertaken by the Trustee during the year, and longer term where relevant, and sets out how this work followed the Trustee policies in the SIP, relating to the Plan as a whole. The SIP sets out the policies referenced below and can be found at the following link: <https://www.elcompanies.co.uk/en-GB/uk-corporate-statements#retirement-savings-and-investment-plan>

In summary, it is the Trustee's view that the policies in the SIP have been followed during the Plan year to 30 June 2023.

	Requirement	Policy	In the year to 30 June 2023
1	Securing compliance with the legal requirements about choosing investments	<p><i>The Trustee obtain advice from their investment consultant, who can provide expert advice enabling the Trustee to choose investment vehicles that can fulfil the Plan's investment objectives. In the Trustee's opinion this is consistent with the requirements of Section 36 of the Pensions Act 1995.</i></p> <p>SIP Section 1 – Introduction</p>	<p>In August 2022, the underlying composition of the Estée Lauder Blended Growth Fund was changed. The Aviva Investors Multi-Strategy Target Return Fund and Invesco Global Targeted Returns Fund were replaced by the LGIM Diversified Fund and the BlackRock Aquila Life Market Advantage Fund, as summarised on page 2.</p> <p>In considering appropriate investments for the Plan, the Trustee has obtained and considered the written advice of a suitably-qualified investment consultant. The advice received and arrangements implemented are, in the Trustee's opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended). This advice was received ahead of the changes being made in August 2022.</p>
2	Kinds of investments to be held	<p><i>The Trustee makes available a range of options including: developed market equities, emerging market equities, money market investments and diversified growth funds. It is the Trustee's policy to utilise both active and passive management within the default investment option, depending on the asset class. The Trustee believe this range provides appropriate choices for members' different saving objectives, risk profiles and time horizons.</i></p> <p>SIP Section 5.1 – Investment Options</p>	<p>The Trustee will formally review the default investment option at least every three years or immediately following any significant change in investment policy or the Plan's member profile. The last review commenced on 7 June 2023. The investments (fund type, management style and asset allocations) used in the default investment option were reviewed as part of this exercise.</p> <p>As part of the triennial review, the Trustee also undertook a review of the alternative lifestyles available to members along with a review of the self-select funds.</p> <p>Decisions were made at the 6 September 2023 meeting, after the period covered by this Statement. Therefore, details of the recommendations and decisions made will be included in the 2024 Implementation Statement.</p> <p>A list and description of the funds and lifestyle strategies, which are currently offered via the Plan, are set out in the Statement of</p>

	Requirement	Policy	In the year to 30 June 2023
			Investment Arrangements (“SIA”). These remained consistent with the Trustee’s policy, as set out in the SIP.
3	The balance between different kinds of investments	<p><i>Members can combine the investment funds in any proportion in order to achieve the desired level of return and risk in line with their own attitude towards, and tolerance of risk.</i></p> <p><i>Within the default option, the strategic asset allocation is set to achieve the expected return required to meet the objective of the default option.</i></p> <p>SIP Section 5.1 – Investment Options</p>	<p>The strategic asset allocation of the default investment option is reviewed on a triennial basis. The date of the previous review was June 2020, the Trustee commenced its triennial review on 7 June 2023. A review of self-select options also formed part of the triennial investment review. Decisions were made at the 6 September 2023 meeting, details of the recommendations and decisions made will be included in the 2024 Implementation Statement.</p> <p>In March 2022 the Trustee agreed to make changes to the Estée Lauder Blended Growth Fund. The changes were implemented in August 2022, as summarised on page 2.</p> <p>The Trustee received quarterly investment performance reports which monitor the risk and return of the default investment option and self-select options within the Plan. The performance of the funds is compared against their stated objectives/benchmarks. The report also includes changes to the Investment Consultant’s Manager Research Ratings and notes any other relevant developments at the underlying investment managers.</p> <p>During the year the default investment option, lifestyle strategies and self-select fund range remained consistent with the policies and objectives as set out in the SIP.</p>
4	Risks, including the ways in which risks are to be measured and managed	<p><i>The Trustee recognise risk (both investment and operational) from a number of perspectives in relation to the self-select funds and the default investment option.</i></p> <p>SIP Section 4.2 Risk</p>	<p>The Trustee considers both quantitative and qualitative measures for these risks when deciding investment policies, strategic asset allocation, the choice of fund managers / funds / asset classes.</p> <p>During the triennial review on 7 June 2023, the default investment option, alternative lifestyle strategies and the self-select fund range were subject to a formal investment strategy review. The</p>

	Requirement	Policy	In the year to 30 June 2023
			<p>investments (fund type, management style and asset allocations) were reviewed as part of this exercise.</p> <p>The list of different risks that members are exposed to, including how they are monitored and managed, is reviewed at least every three years, or as regulatory requirements arise (whichever is sooner), as part of the SIP review.</p> <p>The Plan also maintains a risk register of the key risks, including the investment risks. This rates the impact and likelihood of the risks and summarise existing mitigations and additional actions.</p>
5	Expected return on investments	<p><i>The funds available are expected to provide an investment return commensurate with the level of risk being taken.</i></p> <p><i>In designing the default, the Trustee has explicitly considered the trade-off between risk and expected returns. The default should generate returns in excess of inflation during the growth phase and de-risk towards the retirement date to match how a member will draw their benefits.</i></p> <p>SIP Section 5.1 – Investment Options</p>	<p>The Trustee received quarterly investment performance reports which monitor the risk and return of the default investment option and self-select options within the Plan. The investment performance report includes how each investment manager is delivering against their specific targets.</p> <p>The portfolio components of the default are specifically monitored against their respective aims and objectives. The growth phase of the default (and alternative lifestyles) is reviewed against inflation and equity volatility, the de-risking phase of the default is looked at against inflation. In March 2022 the Trustee agreed to make changes to the Estée Lauder Blended Growth Fund. The changes were implemented in August 2022, as summarised on page 2.</p> <p>The trade-off between risk and return was considered during the most recent Triennial Investment Strategy Review.</p>
6	Realisation of investments	<p><i>All funds, including those in the default investment strategy, are daily-dealt pooled investment arrangements.</i></p>	<p>The Trustee received administration reports on a quarterly basis to ensure that core financial transactions are processed within SLAs and regulatory timelines. As confirmed in the Chair Statement, the</p>

	Requirement	Policy	In the year to 30 June 2023
		<p><i>The Trustee’s administrators will realise assets following member requests on retirement or earlier where required.</i></p> <p><i>The Trustee considers the liquidity of the investment in the context of the likely needs of members.</i></p> <p>SIP Section 5.3 – Realisation Of Investments</p>	<p>Trustee is satisfied that all requirements were met over the year to 30 June 2023.</p> <p>Assets in the Plan are invested in long-term insurance contracts. The assets underlying the insurance contracts are daily traded pooled funds which hold liquid assets. There were no liquidity concerns arising in respect of the Plan’s investment fund holdings over the year to 30 June 2023.</p>
7	<p>Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments</p>	<p><i>The Trustee considers financially material considerations in the selection, retention and realisation of investments. Within the funds consideration of such factors, including environmental, social and governance factors, is delegated to the investment manager.</i></p> <p><i>Investment managers are expected to evaluate these factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.</i></p> <p>SIP Section 7 - Environmental, Social, Governance (“ESG”) and Stewardship considerations</p>	<p>The investment performance report is reviewed by the Trustee on a quarterly basis, this includes ratings (both general and specific ESG) from the Investment Consultant. All of the funds within the Plan are highly rated with the exception of the LionTrust UK Equity Fund (a component of the Estée Lauder Active UK Equity Fund) which was downgraded over the Plan year. The Trustee reviewed the continued suitability of all managers as part of the most recent Triennial Investment Strategy Review.</p> <p>Where managers were not highly rated from an ESG perspective the Trustee continues to monitor them. When implementing a new manager the Trustee considers the ESG rating of the manager. The Trustee discussed and considered manager ESG ratings regarding the fund changes agreed in the review of the Estée Lauder Blended Growth Fund. ESG considerations also formed a key part of discussions during the Triennial Investment Strategy Review meetings on 7 June and 6 September 2023.</p> <p>The Plan’s SIP includes the Trustee’s policy on ESG factors, stewardship and Climate Change. This policy sets out the Trustee’s beliefs on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship. The Trustee undertook an ESG Beliefs Survey in 2022 to ensure that their ESG policies remained appropriate. The Trustee keeps their</p>

	Requirement	Policy	In the year to 30 June 2023
			policies under regular review with the SIP subject to review at least triennially.
8	The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments	<p><i>Non-financial matters, such as member views, are not taken into consideration.</i></p> <p>SIP Section 8 – Member Views</p>	Member views have not explicitly been taken into account with regards to non-financial matters in the selection, retention and realisation of investments, although feedback received from members is welcomed and considered by the Trustee.
9	The exercise of the rights (including voting rights) attaching to the investments	<p><i>Investment managers are expected to evaluate these factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.</i></p> <p>SIP Section 7 - Environmental, Social, Governance (“ESG”) and Stewardship considerations</p>	<p>The Trustee has delegated the exercise of voting rights to the investment managers through the contract with Fidelity, on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value. Accordingly, the Trustee expects the investment managers to have produced written process and practice guidelines in this regard.</p> <p>The Trustee has equity exposure through the following funds;</p> <ul style="list-style-type: none"> • Estée Lauder Blended Growth • Estée Lauder Passive Global Equity • Estée Lauder Active UK Equity • Estée Lauder Active Global Equity • Estée Lauder Passive Global Sustainable Equity • BlackRock - UK Equity • LGIM - UK Small Companies Equity • BlackRock - World (ex-UK) Equity • BlackRock - US Equity • BlackRock - Europe (ex-UK) Equity • BlackRock - Japan Equity • BlackRock - Asia Pacific (ex-Japan) Equity • LGIM - Emerging Markets Equity

	Requirement	Policy	In the year to 30 June 2023
			<p>Updated guidance provided by the DWP in June 2022, requires trustees to define their key stewardship themes / priorities and to report on significant votes. The Trustee's key areas of focus are;</p> <ul style="list-style-type: none"> • Environmental: Climate change - low-carbon transition & physical damages resilience; pollution & natural resource degradation - air, water, land (forests, soils, biodiversity). • Social: Human rights - modern slavery, pay (minimum/living wage etc.) & safety in workforce and supply chains, abuses in conflict zones. • Governance: Diversity, Equity and Inclusion (DEI) - inclusive & diverse decision making. <p>Voting activity information from each of the underlying investment managers (where provided) is summarised in the Appendix. Over the prior 12 months, the Trustee has not actively challenged managers on voting activity.</p>
10	<p>Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, trustee would monitor and engage with relevant persons about relevant matters)</p>	<p><i>Investment managers are expected to evaluate these factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.</i></p> <p><i>Outside of those exercised by investment managers on behalf of the Trustee, no other engagement activities are undertaken.</i></p> <p>SIP Section 7 - Environmental, Social, Governance ("ESG") and Stewardship considerations</p>	<p>As the Plan invests solely in pooled funds, the Trustee delegates to their investment managers to engage with the investee companies on their behalf.</p> <p>The Trustee recognises that it is not possible to specify investment restrictions, in particular ESG restrictions, where assets are managed via pooled funds and furthermore, given that it is Fidelity that has the direct relationship with the third parties offering the funds (and not the Trustee). However, this may be considered in the future.</p> <p>Investment managers are expected to provide reporting on a regular basis, at least annually including stewardship monitoring results. These are reviewed by the Trustee annually.</p> <p>The Trustee wishes to encourage best practice in terms of active engagement with entities in which they invest. The Trustee expects</p>

	Requirement	Policy	In the year to 30 June 2023
			<p>the underlying investment managers to undertake engagement activities and encourages the Plan's investment managers to discharge their responsibilities in respect of investee companies in accordance with the principles underlying the UK Corporate Governance Code and the UK Stewardship Code, in respect of all resolutions at annual and extraordinary meetings.</p> <p>Apart from those exercised by the Plan's investment managers, no additional engagement activities were undertaken in the year to 30 June 2023.</p>
11	How the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the Trustee's policies required under sub-paragraph (b) of Regulation 2(3) of the Occupational Pension Schemes (Investment) Regulations 2005	<p><i>Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected for.</i></p> <p>SIP Section 10 – Monitoring Investment Managers</p>	<p>In the Plan year to 30 June 2023, the Trustee regularly discusses the continued appointment of the managers on a quarterly basis and are happy that the contractual arrangements in place continue to incentivise the managers to make decisions based on medium to long-term financial and non-financial performance.</p> <p>The Trustee believes that the appointments with its investment managers were consistent with its long-term objectives for most funds, however, as part of the review undertaken in March 2022 the Trustee agreed to change the composition of the Estée Lauder Blended Growth Fund with the changes being implemented in August 2022, this is summarised on page 2.</p>
12	How the arrangement incentivises the asset manager to make decisions based on assessments about medium to long-term financial and non-	<p><i>The Trustee is a long term investors and does not look to change the investment arrangements on a frequent basis.</i></p> <p><i>A manager's appointment may be terminated if it is no longer considered to be optimal nor</i></p>	<p>In the year to 30 June 2023, the Trustee has discussed their continued appointment of its investment managers and are happy that the contractual arrangement in place continues to incentivise the manager to make decisions based on medium to long term financial and non-financial performance.</p>

	Requirement	Policy	In the year to 30 June 2023
	financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.	<p><i>have a place in the default strategy or self-select fund range.</i></p> <p>SIP Section 10 – Monitoring Investment Managers</p>	The Trustee’s focus is on longer-term performance but shorter-term performance is monitored to ensure any concerns can be identified in a timely manner. The Trustee reviewed both absolute and relative performance of the funds on a quarterly basis, including assessments of both shorter and longer time horizons. The Trustee is a long term investor, all funds are open-ended and therefore there is no set duration for manager appointments.
13	How the method (and time horizon) of the evaluation of the asset manager’s performance and the remuneration for asset management services are in line with the Trustee’s policies required under sub-paragraph (b) of Regulation 2(3) of the Occupational Pension Schemes (Investment) Regulations 2005 [concerning the matters described in rows 2-8 of this Statement].	<p><i>The Trustee is a long term investors and does not look to change the investment arrangements on a frequent basis.</i></p> <p><i>Investment managers are remunerated by ad valorem charges based on the value of the assets that they manage on behalf of the Plan.</i></p> <p><i>The Trustee receives quarterly monitoring reports on the performance of the underlying investment managers from Mercer, which presents performance information over 3 month to 3 year periods. The reports show the absolute performance and performance against the manager’s stated target performance (over the relevant time period) on a net of fees basis.</i></p> <p>SIP Section 10 – Monitoring Investment Managers</p>	<p>The Trustee, with the help of their Investment Consultant, takes a long-term view when assessing whether to replace the underlying investment managers, and such decisions would not be made based solely on short-term performance concerns. Instead, changes would be driven by a significant downgrade of a fund(s) Manager Research Rating. This in turn would be due to a significant reduction in confidence that the investment manager will be able to perform in line with their fund’s mandate over the long term.</p> <p>The Trustee has considered the long term investment performance of the investment managers on a quarterly basis, as well as their Investment Consultant’s views of the investment manager, and is comfortable that the longer term performance and forward-looking capabilities of the majority of the funds remained suitable.</p> <p>In March 2022 the Trustee agreed to change the composition of the Estée Lauder Blended Growth Fund, the changes are summarised on page 2. The main rationale for making these changes was due to poor long term investment performance and a deterioration of the Investment Consultant’s Manager Research Ratings of the ceding funds. Further, the Trustee reviewed the continued suitability of all managers as part of the 2023 Triennial Investment Strategy Review, decisions were made at the 6 September 2023 meeting, details of</p>

	Requirement	Policy	In the year to 30 June 2023
			<p>the recommendations and decisions made will be included in the 2024 Implementation Statement.</p> <p>The Trustee is satisfied that the investment fund managers' short term performance will not impact long-term goals. In particular, none of the funds have performance fees in place, which could encourage managers to make short term investment decisions to hit their short term profit targets at the expense of longer term performance.</p>
14	How the Trustee monitor portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range.	<p><i>The Trustee ask investment managers to include portfolio turnover and turnover costs in their presentations and reports to the Trustee. The Trustee consider portfolio turnover costs as part of the annual VfM assessment.</i></p> <p>SIP Section 11 – Portfolio Turnover Costs</p>	<p>Over the year the Trustee considered the levels of transaction costs as part of their annual Chair's Statement.</p> <p>The Trustee found that the transaction costs reported were reasonable, but note the challenges in assessing these costs due to the lack of an industry-wide benchmarks for such transaction costs.</p> <p>Given that the Plan invests in a range of pooled funds, many of which invest across a wide range of asset classes, the Trustee does not have an overall portfolio turnover target for the Plan.</p>
15	The duration of the arrangement with the asset manager	<p><i>There is no set duration for the manager appointment. However, the appointment is regularly reviewed as to its continued suitability and could be terminated either because the Trustee are dissatisfied with the managers' ongoing ability to deliver the mandate promised or because of a change of investment strategy by the Trustee.</i></p> <p>SIP Section 9 – Investment Manager Appointments</p>	<p>The Trustee is a long-term investor and is not looking to change investment arrangements on a frequent basis. All the funds are open-ended with no set end date for the arrangement.</p> <p>A manager's appointment may be terminated if it is no longer considered to be optimal nor have a place in the default strategy or general fund range.</p> <p>In March 2022 the Trustee agreed to change the composition of the Estée Lauder Blended Growth Fund, the changes were implemented in August 2022 and are summarised on page 2.</p>

APPENDIX

Voting Activity Summary 1 July 2022 to 30 June 2023

Voting activity information from each of the underlying investment managers (where provided) over the prior 12 months to 30 June 2023 is summarised in the table below. Where fund managers have not been included this is due to not being able to supply voting information at the time of finalising this report.

Fund	Underlying Fund	How many resolutions were you eligible to vote on?	What % of resolutions did you vote on for which you were eligible?	Of the resolutions on which you voted, what % did you vote with management?	Of the resolutions on which you voted, what % did you vote against management?	Of the resolutions on which you voted, what % did you abstain from voting?
Estée Lauder Passive Global Equity Fund	BlackRock Aquila Connect Currency Hedged Global Equity (10:80:10) Fund	61,398	95.8%	92.1%	7.9%	1.7%
Estée Lauder Blended Growth Fund	Nordea Stable Return Diversified Growth Fund	2,400	98.1%	81.2%	9.5%	2.7%
	LGIM Diversified Fund	92,836	99.8%	76.7%	22.9%	0.4%
	BlackRock Market Advantage Fund	26,436	93.2%	93.6%	6.4%	1.1%
Estée Lauder Active UK Equity Fund	Liontrust UK Equity Fund	2,757	99%	97.3%	2.8%	0.5%
	Baillie Gifford UK Equity Core Fund	1,153	100.0%	98.5%	1.4%	0.1%
Estée Lauder Active Global Equity Fund	Baillie Gifford Long- Term Global Growth Fund	467	96.6%	93.1%	5.8%	1.1%
	Schroders QEP Global Value Fund	7,233	93.3%	89.2%	10.8%	0.3%
	MFS Meridian Global Equity Fund	1,456	100.0%	94.2%	5.8%	0.1%

Estée Lauder Passive Global Sustainable Equity	BlackRock ACS World ESG Equity Tracker Fund	7,367	97.5%	97.0%	3.0%	0.4%
LGIM – Various Mandates	LGIM UK Smaller Companies Equity Fund	3,598	99.8%	93.3%	6.7%	0.0%
	LGIM Emerging Markets Equity Fund	32,588	99.9%	80.7%	18.1%	1.2%
BlackRock – Various Passive Mandates	BlackRock ACS UK Equity Fund	10,037	99.7%	97.0%	3.0%	0.1%
	BlackRock ACS World ex UK Fund	25,035	97.8%	93.6%	6.4%	0.5%
	BlackRock ACS Japanese Equity Fund	5,801	99.1%	96.5%	3.5%	0.0%
	BlackRock Pacific Rim Equity Index Fund	3,157	100.0%	89.6%	10.4%	0.0%
	BlackRock ACS US Equity Fund	7,516	99.2%	96.8%	3.2%	0.0%
	BlackRock ACS Continental European Equity Fund	8,702	93.9%	89.2%	10.8%	1.4%

Source: Fidelity and underlying investment managers.

Note: May not total 100% due to a variety of reasons, such as lack of management recommendation, or a vote of 'Abstain' is also considered a vote against management.

Summary of Proxy Voting Services as at 30 June 2023

The Trustee does not use the direct services of a proxy voter, details of the proxy voting services used by the Fund's investment managers are included in the table below.

Manager	Use of proxy voting
Baillie Gifford	<p>Whilst Baillie Gifford are cognisant of proxy advisers' voting recommendations (ISS and Glass Lewis), they do not delegate or outsource any of their stewardship activities or follow or rely upon their recommendations when deciding how to vote on their clients' shares. All client voting decisions are made in-house. The vote is in line with their in-house policy and not with the proxy voting providers' policies. They also have specialist proxy advisors in the Chinese and Indian markets to provide them with more nuanced market specific information.</p>
BlackRock	<p>BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS). Voting decisions are made by members of the team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Corporate Governance and Engagement Principles and custom market-specific voting guidelines.</p> <p>BlackRock subscribes to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, as one among many inputs into their vote analysis process. BlackRock primarily use proxy research firms to synthesize corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritize those companies where our own additional research and engagement would be beneficial; to manage client accounts in relation to voting and facilitate client reporting on voting.</p>
Legal & General Investment Management	<p>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 their proxy provider votes in accordance with their position on ESG, LGIM have put in place a custom voting policy with specific voting instructions.</p>

Manager	Use of proxy voting
Liontrust	Liontrust use ISS for voting research and place electronic votes through ISS ProxyExchange. They have a custom voting policy but review each voting decisions individually.
MFS	MFS have entered into an agreement with Institutional Shareholder Services, Inc. (ISS) to perform various proxy voting-related administrative services, such as vote processing and recordkeeping functions. While they also receive research reports and vote recommendations from ISS and Glass, Lewis & Co., Inc., MFS analyzes all proxy voting issues within the context of the MFS Proxy Policies, which are developed internally and independent of third-party proxy advisory firms. MFS' voting decisions are not defined by any proxy advisory firm benchmark policy recommendations. MFS has due diligence procedures in place to help ensure that the research they receive from their proxy advisory firms is accurate and to reasonably address any potentially material conflicts of interest of such proxy advisory firms.
Nordea	Nordea's proxy voting is supported by two external vendors ISS and Nordic Investor Services ('NIS')) to facilitate the proxy voting, execution and to provide analytic input. Specifically, Nordea's team relies on ISS for proxy voting, execution as well as research, while NIS is mainly used for analysis.
Schroders	Institutional Shareholder Services (ISS) act as our one service provider for the processing of all proxy votes in all markets. ISS delivers vote processing through their Internet-based platform Proxy Exchange. Schroder's receives ISS's research on resolutions. This is complemented with analysis by our in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers. For our smallest holdings in the US, Hong Kong, Japan, Australia and New Zealand, ISS implements a custom Schroders voting policy for us, with only a few resolutions referred to Schroders for a final decision.

Most Significant Votes

Following the DWP's consultation response and outcome regarding Implementation Statements on 17 June 2022, updated guidance was produced which is effective for all scheme year ends on or after 1 October 2022. The updated Guidance requires trustees to include a description of what they believe to be a significant vote within the Implementation Statement. The voting information should also include details explaining why each vote has been categorised as most significant, what the vote was, and why the manager voted in the way it did. The Trustee agreed the below areas of focus for the Plan:

ESG	Priority	Description
Environment	Climate Change	Low-carbon transition and physical damages resilience.
Environment	Pollution and natural resource degradation	Air, water and land (forests, soils and biodiversity).
Social	Human rights	Modern slavery, pay and safety in workforce and supply chains, and abuses in conflict zones.
Governance	Diversity, Equity and Inclusion (DEI)	Inclusive and diverse decision making.

The Plan's investment managers have provided significant vote information across the funds previously noted as containing equity. The significant vote information included in this Statement focuses on the areas described above. These votes were selected from the Plan's largest holdings within each of the funds used in the default investment option (where available), given that 94% of members and 82% of total Plan assets are invested in the default investment option. The final outcome column below represents the result of the resolution: Passed (✓) or Not-Passed (✗).

Fund	Company	% of Fund	Date	Resolution	Priority	How Manager and Rationale*	Final Outcome**
BlackRock Aquila Connect Currency Hedged Global	Tencent Holdings Limited	0.4%	17/05/2023	Elect Jacobus Petrus (Koos) Bekker as Director	Environment	Against: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management.	✓

Equity (10:80:10)	Yum! Brands, Inc.	0.1%	18/05/2023	Report on Efforts to Reduce Plastic Use	Environment	Against: The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company.	<input checked="" type="checkbox"/>
Nordea Stable Return Diversified Growth	Alphabet	4.8%	02/06/2023	Report on Lobbying Payments and Policy, Report on Framework to Assess Company Lobbying Alignment with Climate Goals etc.	Environment	For: The dominant position of Google, its impact on society and integrity of individuals is very important for Nordea as investors.	<input checked="" type="checkbox"/>
	Microsoft Corporation	3.6%	13/12/22	Assess and report on the Company's retirement funds' management of systemic climate risk	Environment	For: Nordea supported a Report on steps to improve racial and gender Board diversity. The dominant position of Google, its impact on society and integrity of individuals is very important for the manager as investors.	<input checked="" type="checkbox"/>
	Comcast Corporation	1.4%	07/06/2023	Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	Environment	For: Nordea believe that additional information on the company's efforts to reduce its carbon footprint and align its operations with Paris Agreement goals would allow investors to better understand how the company is managing its transition to a low carbon economy and climate change-related risks.	<input checked="" type="checkbox"/>
LGIM Diversified	Prologis Inc.	0.4%	04/05/2023	Elect Director Jeffery Skelton	Governance	Against: LGIM expects a company to have at least one-third women on the board. A vote against is applied as the company has an all-male Executive Committee.	N/A

	Shell Plc	0.3%	23/05/2023	Approve the Shell Energy Transition Progress	Environment	Against: LGIM acknowledge the substantial progress made by the company in meeting its 2021 climate commitments and welcome the companies leadership in pursuing low carbon products. However, LGIM remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets.	<input checked="" type="checkbox"/>
	Toyota	0.2%	14/06/2023	Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement	Climate	For: LGIM believes that companies should advocate for public policies that support global climate ambitions and not stall progress on a Paris-aligned regulatory environment.	<input checked="" type="checkbox"/>

Source: Fidelity and underlying investment managers.

Note: For the BlackRock ALMA Fund, there are no votes linked to Trustee's priority areas with a fund holding large enough to be deemed significant.

* Where investment managers voted against management, both BlackRock and LGIM communicate their voting intent to the company either before or just after casting votes. Nordea does not communicate their intent to the company ahead of casting votes against management.

** All investment managers will continue to support shareholder proposals and engage with investee companies, advocating their position on the above issues as long as the company is not showing substantial improvements. All investment managers will monitor developments and assess whether the company has addressed their concerns.