

## **NHBC Pension Scheme (the “Scheme”) – Annual Implementation Statement**

### **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 31 March 2023. 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 2019 (as amended) and the guidance published by the Pensions Regulator.

### **Investment Objectives of the Scheme**

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

- To restore and then maintain the Scheme’s funding position, on an ongoing (i.e. Technical Provisions) basis, to at least 100%, taking account of short term fluctuations.
- To ensure that it can meet its obligation to the beneficiaries of the Scheme.
- To ensure that the Scheme’s investment and funding strategies are consistent.

### **Review of the SIP**

During the year the Trustee reviewed the Scheme’s SIP. The revisions are as set out below.

#### **SIP revision dated May 2022**

An amendment was made to reflect increased target hedge ratios, which were reset at 85% of Technical Provisions liabilities for both interest rates and inflation. In addition to this, a de-risking framework was added, which outlines a time-based journey plan with strategic target allocations and associated hedge ratio targets and indicative tolerance ranges. The update also outlined that opportunistic de-risking would be considered if the Scheme’s estimated funding level was more than 5% ahead of the expected funding level at that point in time.

#### **SIP revision dated September 2022**

An amendment was made to remove references to equity market risk exposure, following the implementation of de-risking activity, confirm revised hedge ratio targets of 100% of Technical Provisions liabilities for interest rates and inflation and to outline revised strategic allocation targets.

#### **SIP revision dated April 2023**

A further update was made shortly after the Scheme year-end to reflect revised target hedge ratios of 90% of Technical Provisions liabilities for both interest rates and inflation. There were also minor changes to the strategic asset allocation and further wording has been added regarding collateral held within the LDI portfolio.

### **Assessment of how the policies in the SIP have been followed for the year to 31 March 2023**

The information provided in this section highlights the work undertaken by the Trustee during the year, and longer term where relevant, and sets out how this work followed the Trustee's policies in the SIP. The SIP sets out in detail the policies summarised below.

	<b>Requirement</b>	<b>Summary of Policy</b>	<b>In the year to 31 March 2023</b>
1	Securing compliance with the legal requirements about choosing investments	<p><i>In considering the appropriate investments for the Scheme the Trustee has obtained and considered the written advice of Mercer Limited, whom the Trustee believes to be suitably qualified to provide such advice.</i></p> <p><i>The Trustee has also consulted NHBC, the Sponsoring Employer, in relation to its SIP and to ascertain whether there are any material issues of which the Trustee should be aware in agreeing the Scheme's investment arrangements.</i></p>	<p>No new investment mandates were introduced during the year, though the BlackRock DGF and Equity portfolios were terminated, based on expert advice and a de-risking opportunity that was identified.</p> <p>The Sponsoring Employer was consulted on any changes in investment arrangements during the year.</p>
2	Kinds of investments to be held	<p><i>The Trustee has adopted a control framework in structuring the Scheme's investments. This includes the role of active and passive management, 'buy and maintain' approaches to corporate bond investment, diversification, appointment of specialist managers and decisions on segregated vs pooled investments.</i></p>	<p>The Trustee maintained an overall investment portfolio over the year which reflected its policy for portfolio construction.</p>
3	The balance between different kinds of investments	<p><i>The Trustee has agreed, based on expert advice, an investment strategy as set out in Section 6 of the SIP. The Scheme's investment strategy is implemented using a range of specialist investment managers. As such the Scheme's asset allocation</i></p>	<p>An investment strategy review was conducted in light of the results of the 2020 Actuarial Valuation. This included provision of expert advice on the current strategic asset allocation, including the balance between investments,</p>

		<p><i>is not automatically rebalanced. The Trustee monitors the allocation of the Scheme's investments relative to strategic targets and will consider whether to take any action if actual allocations deviate significantly from their targets.</i></p>	<p>as well as the longer term evolution of the investment strategy to reduce risk as funding improves.</p> <p>Based on expert advice, the Trustee has taken actions to restructure the Scheme's liability hedging portfolio. During the Scheme year target hedge ratios have been increasing in conjunction with de-risking activity involving transitions from growth assets to matching assets.</p> <p>A number of collateral calls were made by the Scheme's LDI manager during the Scheme year and these were funded through cash/fully funded gilts, as well as an accelerated deficit reduction payment from the employer. The Trustee also chose not to participate in a de-leveraging event on one occasion.</p> <p>The Trustee has also recently taken steps to restructure the matching portfolio to improve the level of liquid collateral to support the Scheme's LDI mandate. Target hedge ratios have been re-set at 90% of Technical Provisions, inflation swaps have been removed as allowable investments (as these instruments are relatively capital intensive) and a proportion of assets held in Buy &amp; Maintain credit with Insight, which deals twice monthly, has been switched into a daily dealing credit fund.</p> <p>The Trustee monitors the asset allocation against targets through quarterly investment reports produced by Mercer. During the year, the Trustee did not take any action to rebalance the Scheme's investment portfolio as a result of this monitoring. However, as noted above, a series of transitions were undertaken to implement</p>
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			revised de-risked investment strategies for the Scheme during the year.
4	Risks, including the ways in which risks are to be measured and managed	<p><i>There are various risks to which any pension scheme is exposed, which the Trustee believes may be financially material to the Scheme.</i></p> <p><i>The primary risk upon which the Trustee focuses is that arising through a mismatch between the Scheme's assets and its liabilities. Key strategic investment risks that impact on Scheme funding are equity market risk, interest rate and inflation risk, credit risk, currency risk and liquidity risk. Further detail on how these risks are managed is set out in the SIP.</i></p> <p><i>The Trustee recognises that whilst increasing risk increases potential returns over the longer term, it also increases the risk of a shortfall in returns relative to that required to cover the Scheme's liabilities as well as producing more short-term volatility in the Scheme's funding position. The Trustee has established an investment policy designed to reduce this risk, without damaging the Scheme's long term return prospects using asset-liability modelling conducted by its professional advisors to measure the contribution of different risk factors to overall Value at Risk ("VaR").</i></p>	<p>The Trustee has continued to follow the policies set out in the SIP with respect to risk measurement and management.</p> <p>An example of risk management during the year is the material level of de-risking activity that has taken place as the Scheme's funding level has improved.</p> <p>The Trustee receives updated reporting on VaR as part of quarterly monitoring.</p>
5	Expected return on investments	<p><i>The Trustee expects to generate a return, over the long term, at least in line with that of the actuarial assumptions under which the Scheme's funding has been agreed. It is recognised that over the</i></p>	<p>Based on expert advice from its investment advisor and Scheme Actuary, the Trustee identified opportunities to de-risk the Scheme over the year in conjunction with funding level improvements. Asset liability modelling confirmed that the de-risked strategy maintained an</p>

		<i>short term performance may deviate significantly from the long term target.</i>	appropriate level of expected return to meet the overall funding objectives. These opportunities developed in part as realised investment returns exceeded the actuarial assumptions.
6	Selection, retention and realisation of investments	<p><i>The selection, retention and realisation of assets is carried out in a way consistent with maintaining the Scheme's overall strategic allocation and consistent with the overall principles set out in the SIP.</i></p> <p><i>The Scheme's investment managers have discretion in the timing of realisation of investments and in considerations relating to the liquidity of those investments within parameters stipulated in the relevant appointment documentation and pooled fund prospectuses.</i></p> <p><i>The Trustee decides (with the advice from their investment managers and/or investment consultants) on how investments should be realised for cash to meet Scheme expenses.</i></p>	<p>Over the year, the Scheme maintained a pooled cash fund holding with Mercer, which was used as a source of capital to fund private debt commitments as these fell due during the year.</p> <p>The Trustee received advice from the investment consultant in relation to the realisation of investments when required during the year.</p> <p>The Scheme has a liquidity waterfall type arrangement with Insight, who will automatically fund an LDI collateral call in the following order of priority:</p> <ul style="list-style-type: none"> <li>- Cash held in the liquidity fund</li> <li>- Fully funded gilts</li> <li>- Short dated buy and maintain credit fund</li> </ul> <p>If these measures are exhausted, Mercer will provide expert advice for funding, taking into account the current Scheme position.</p>
7	Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in	<i>The Trustee believes that financially material factors, including environmental, social, and corporate governance (ESG) factors, may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate</i>	<p>The Scheme's improved funding position was a key financially material consideration when the Trustee decided to adopt its de-risked investment strategy.</p> <p>The Scheme's liquidity profile was a key financially material consideration when the Trustee decided to</p>

	the selection, retention and realisation of investments	<p><i>change, present risks and opportunities that may apply over the Scheme's investment time horizon and increasingly may require explicit consideration.</i></p> <p><i>The strategic benchmark has been determined using appropriate economic and financial assumptions from which expected risk/return profiles for different asset classes have been derived. These assumptions apply at a broad market level and are considered to implicitly reflect all financially material factors.</i></p>	<p>restructure the matching portfolio to provide additional capital support to the Scheme's LDI mandate.</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. The general ratings for all managers continued to be high during the year and ESG ratings were in line with or above the peer group medians.</p> <p>The Trustee has received training on ESG factors and is aware that ESG factors can influence investment performance over both the short term and long term.</p>
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" (where non-financial matters includes members' ethical views separate from financial considerations such as financially material ESG issues) are not explicitly taken into account in the selection, retention and realisation of investments. The Trustee would review this policy in response to significant member demand.</i></p>	<p>This policy was adhered to by the Trustee during the year when considering changes to the Scheme's investment mandates.</p>
9	<p>The exercise of the rights (including voting rights) attaching to the investments</p> <p>And</p> <p>Undertaking engagement activities in respect of the investments (including the methods by which,</p>	<p><i>The Scheme's assets are invested in pooled vehicles and the day-to-day management of the assets has been delegated to Investment Manager(s), including the selection, retention and realisation of investments within their mandates. In doing so these investment managers are expected and encouraged to undertake engagement activities on relevant matters including ESG factors (including climate change considerations) and to exercise voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and</i></p>	<p>The Trustee has delegated voting rights to the investment managers.</p> <p>Investment managers are expected to provide voting summary reporting on a regular basis, at least annually. The reports are reviewed by the Trustee to ensure that they align with the Trustee's policy.</p> <p>Further information on key voting activity carried out by the Scheme's investment managers over the last 12 months is set out in the next section of this statement.</p>

	<p>and the circumstances under which, trustees would monitor and engage with relevant persons about relevant matters)</p>	<p><i>current best practice, including the UK Corporate Governance Code and UK Stewardship Code. The Trustee engages with existing investment managers on these issues through (amongst other things) regular meetings and periodic correspondence. Managers who are FCA registered are expected to report on their adherence to the UK Stewardship Code on an annual basis. This applies to both equity and debt investments, as appropriate, and covers a range of matters including the issuers' performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, social and environmental impact and corporate governance.</i></p> <p><i>The Trustee will not consider the ESG policies of Additional Voluntary Contributions providers and associated investment funds as these are a small proportion of total assets.</i></p>	
<p>10</p>	<p>How the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the trustees policies mentioned in sub-paragraph (b) of the legislation</p> <p>And</p>	<p><i>For each appointment retention is dependent upon the Trustee having ongoing confidence that the investment manager will achieve its investment objective. The Trustee makes this assessment taking into account various factors which includes performance to date as well as an assessment of future prospects.</i></p> <p><i>Investment managers are incentivised both to achieve the objectives set for them, which are consistent with the Trustee's policies and objectives, and to ensure that they remain capable of doing so on a rolling basis. This encourages investment managers to take a suitably long term</i></p>	<p>There were no significant concerns regarding confidence in the investment managers to achieve their objectives during the year.</p>

	The duration of the arrangement with the asset manager	<i>view when assessing the performance prospects of, and engaging with, the equity and debt issuers in which they invest or seek to invest.</i>	
11	<p>How the arrangement incentivises the asset manager to make decisions based on assessments about medium to long-term financial and non-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> <p>And</p> <p>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 trustees' policies mentioned in sub-</p>	<p><i>The Trustee receives reporting on asset class and investment manager performance on a regular basis, via a combination of formal independent reports and presentations from the investment managers.</i></p> <p><i>Investment returns (and volatility) are measured on both an absolute basis and relative to one or more suitable benchmarks and targets. Returns are considered net of fees and ongoing transaction costs.</i></p> <p><i>The majority of investment managers are remunerated by way of a fee calculated as a percentage of assets under management. For liability hedging a fee is payable calculated as a percentage of the hedged exposure. In each case, the principal incentive is for the investment manager to retain their appointment (in full), by achieving their objectives, in order to continue to receive their fee in full. On some mandates, performance related fees are also in operation. Performance related fees incentivise the manager to outperform their target as they take a share of the outperformance. The Trustee will consider introduction of performance related fees on a case by case basis where not in operation and would also consider requesting fee reductions.</i></p>	The Trustee has continued to receive quarterly reporting over the year, including the performance of the investment managers, over the 3 month, 1 year and 3 years periods to the quarter end and since inception of each mandate.



	paragraph (b) of the legislation	<i>Investment managers are not remunerated based on portfolio turnover.</i>													
12	How the trustees monitor portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range.	<i>The Trustee has not historically monitored investment managers' ongoing transaction costs explicitly but measure these implicitly through ongoing performance assessments which are net of these costs.</i>	<p>Assessment of performance in quarterly monitoring was carried out on a net of fees and costs basis over the year.</p> <p>The Trustee monitors turnover costs on an annual basis and the estimated costs over the year to 31 March 2023 are as follows:</p> <table border="1" data-bbox="1301 608 1989 887"> <thead> <tr> <th data-bbox="1301 608 1644 655"><b>Portfolio</b></th> <th data-bbox="1644 608 1989 655"><b>Turnover Costs (%)</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="1301 655 1644 703">Apollo MAC</td> <td data-bbox="1644 655 1989 703">0.18%</td> </tr> <tr> <td data-bbox="1301 703 1644 751">Mercer SPD<sup>1</sup></td> <td data-bbox="1644 703 1989 751">n/a</td> </tr> <tr> <td data-bbox="1301 751 1644 799">BlackRock Equities<sup>2</sup></td> <td data-bbox="1644 751 1989 799">0.06%</td> </tr> <tr> <td data-bbox="1301 799 1644 847">BlackRock DGF<sup>2,3</sup></td> <td data-bbox="1644 799 1989 847">n/a</td> </tr> <tr> <td data-bbox="1301 847 1644 887">Insight<sup>4</sup></td> <td data-bbox="1644 847 1989 887">0.35%</td> </tr> </tbody> </table> <p data-bbox="1301 887 1989 992"> <i>Source: Investment managers.            1 Not applicable as these are private market assets and not publically traded.            2 Data from 31 March 2022 to date of termination.            3 BlackRock were unable to provide costs for the DGF.            4 Includes LDI, Credit and Liquidity Funds.</i> </p>	<b>Portfolio</b>	<b>Turnover Costs (%)</b>	Apollo MAC	0.18%	Mercer SPD <sup>1</sup>	n/a	BlackRock Equities <sup>2</sup>	0.06%	BlackRock DGF <sup>2,3</sup>	n/a	Insight <sup>4</sup>	0.35%
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### **Assessment of voting, stewardship and engagement activity for the year to 31 March 2023**

The following section summarises the information reported by the Scheme's investment managers to the Trustee in respect of their voting, stewardship and engagement activities during the year. Engagement activity is provided at a firm-wide level whilst voting activity is for the specific mandates in which the Scheme was invested over the 12 month period to 31 March 2023.

As of 31 March 2023, the Scheme holds no investments in equities. The BlackRock Equity and DGF portfolios were terminated as part of wider Scheme de-risking in October 2022, though information is included on the voting activity for the year.

### **Engagement**

The Trustee encourages investment managers to undertake engagement activities on relevant matters including ESG factors (including climate change considerations) and to 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.

The Trustee received details of relevant engagement activity for the year to 31 March 2023 from the investment managers, covering a wide range of different issues, including ESG factors. Examples of this are given below. Voting activities for Portfolios of LDI, Cash or Bonds are not applicable. A summary of this is provided below for each asset manager:

- **BlackRock** has confirmed it conducts approximately 3,640 engagements a year on a range of ESG issues likely to impact their clients' long-term economic interests. BlackRock meets with executives and board directors, communicates with company advisors and engages with other shareholders where appropriate.
- **Apollo** is not a signatory of the UK Stewardship Code but supports the principles of the Code. It is a signatory to the UNPRI (United Nations Principles for Responsible Investment) and the IFC Operating Principles for Impact Management. Apollo's ESG program is based on three "pillars": diligence, engagement and transparency. It believes the processes underlying these "pillars" helps to better position company management teams and Apollo's investment professionals to improve performance on ESG issues.
- **Insight** is currently engaged with the issuers of the portfolio positions held during the 12 month period to the end of December 2022. Issues covered on engagement have included ESG issues.
- **Mercer Global Investments** is a current signatory of the UK Stewardship Code. In regards to the Scheme's PIP holdings, as Mercer invests in a portfolio of funds rather than directly in the underlying investments, it does not engage directly with the corporate management teams of the underlying holdings within the fund. As part of Mercer's selection process, it reviews each investment manager's approach to ESG and engagement, including assessing the resources that each manager dedicates to this area. Furthermore, in line with its new

sustainability policy for private markets, which came into effect over 2021, it is increasing its focus on its underlying managers' ESG activities within its monitoring processes, including encouraging each manager to comprehensively report on its engagement activities.

**M&G** is a current signatory to the UK Stewardship code. Over the year, they engaged with companies on a wide range of ESG issues. They believe that the long-term success of companies is supported by effective investor stewardship and high standards of corporate governance. They believe that if a company is run well, and sustainably, it is more likely to be successful in the long run.

### **Voting Activity**

Investment managers are expected to provide voting summary reporting on a regular basis, at least annually. The Trustee did not use the direct services of a proxy voter over the year.

The Trustee has delegated its voting rights to the investment managers, BlackRock principally, through being invested in pooled funds.

### **BlackRock (Equities and DGF)**

BlackRock is a Tier 1 rated signatory of The Stewardship Code and has been a signatory of the UN Principles of Responsible Investment (UN PRI) since 2008. BlackRock is also a founding member of the Task Force on Climate-related Financial Disclosures (TCFD).

BlackRock directly engages with companies and does not use a third party to vote on its behalf.

### **Voting Summary**

Summarised below is the voting activity, provided by BlackRock, conducted in respect of the Scheme's funds for which the underlying assets carry voting rights. Whilst the Scheme exited these investments in October 2021, voting data from the entire Scheme year is shown.

<b>Fund</b>	<b>Number of meetings in which the manager was eligible to vote</b>	<b>Number of resolutions in which the manager was eligible to vote</b>	<b>% of votes against management</b>	<b>% of abstentions</b>
Aquila Life Currency Hedged European Equity Fund	504	8,994	12	1
Aquila Life Currency Hedged Japan Equity Fund	497	6,176	2	0
Aquila Life Currency Hedged Pac Rim Equity Fund	473	3,317	11	0
Aquila Life Currency Hedged US Equity Fund	617	7,672	3	0
Aquila Life European Equity Fund	504	8,994	12	1
Aquila Life Japanese Equity Fund	497	6,176	2	0
Aquila Life Pac Rim Equity Fund	473	3,317	11	0
Aquila Life UK Equity Fund	1,072	14,903	5	1
Aquila Life US Equity Fund	617	7,672	3	0
iShares Emerging Markets Index Fund INS AC GBP	2,782	25,350	11	3
Dynamic Diversified Growth Fund	893	11,775	5	1

### **Significant Votes**

In Q3 2022, new legislation was published by the Department of Work & Pensions ("DWP") which provided new requirements for pension scheme SIP and Implementation Statements, which has come into effect for the Scheme this year. The Trustee is now required to provide a definition of what it considers a "significant vote".

The Trustee defines a significant vote as one that is linked to the Scheme's stewardship priorities/themes. A vote could also be deemed significant for other reasons, e.g. due to the size of holding. Given the de-risking activity undertaken during the Scheme year, involving the full disinvestment from assets carrying any voting rights, this is unlikely to be a material consideration for the Trustee going forwards.

The votes outlined below have been provided to the investment advisor by the Scheme's investment manager, BlackRock. They have been tailored to prioritise those in which the underlying theme / topic is one that the Trustee has identified as being significant based on the above definition.

Company	Summary of the Resolution	How BlackRock voted?	Outcome	Rationale	Why vote is significant
Marathon Petroleum Corporation	Report on Climate Strategy Consistent with ILO's "Just Transition Guidelines"	Against	Fail	The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures	The environmental nature of this resolution is aligned with the Trustee's key priority theme of "climate change".
	Reduce Ownership Threshold for Shareholders to Call Special Meeting	Against	Fail	We do not believe the proposed threshold to call special meetings is sufficient to avoid waste of corporate resources.	The governance nature of this resolution is aligned with the Trustee's key priority theme of "Corporate Governance".
J Sainsbury Plc	Shareholder Resolution on Living Wage Accreditation	Against	Fail	Proposal is not in shareholders' best interests.	The social nature of this resolution is aligned with the Trustee's key priority theme of "Human rights".

<p><b>Equinor ASA</b></p>	<p>Instruct Company to Set Short, Medium, and Long-Term Targets for Greenhouse Gas (GHG) Emissions of the Company's Operations and the Use of Energy Products</p>	<p>Do Not Vote</p>	<p>Fail</p>	<p>Proposal is not in shareholders' best interests.</p>	<p>The environmental nature of this resolution is aligned with the Trustee's key priority theme of "climate change".</p>
<p><b>Woodside Petroleum Ltd.</b></p>	<p>Approve Contingent Resolution - Climate-Related Lobbying</p>	<p>Against</p>	<p>Withdrawn</p>	<p>The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company</p>	<p>The environmental nature of this resolution is aligned with the Trustee's key priority theme of "climate change".</p>
<p><b>Chevron Corporation</b></p>	<p>Issue Audited Net-Zero Scenario Analysis Report</p>	<p>Against</p>	<p>Fail</p>	<p>The company already provides sufficient disclosure and/or reporting regarding this issue.</p>	<p>The environmental nature of this resolution is aligned with the Trustee's key priority theme of "climate change".</p>
	<p>Oversee and Report on Reliability of Methane Emission Disclosures</p>	<p>For</p>	<p>Pass</p>	<p>This is a non-contentious proposal. BlackRock believe it is in the best interests of shareholders to have access to greater disclosure on this issue.</p>	<p>The environmental nature of this resolution is aligned with the Trustee's key priority theme of "climate change".</p>

<p><b>Electric Power Development Co., Ltd.</b></p>	<p>Amend Articles to Disclose Business Plan through 2050 Aligned with Goals of Paris Agreement</p>	<p>Against</p>	<p>Fail</p>	<p>Against shareholder proposal as the proposal will not serve shareholder's interest.</p>	<p>The environmental nature of this resolution is aligned with the Trustee's key priority theme of "climate change".</p>
	<p>Amend Articles to Disclose Evaluation concerning Consistency between Capital Expenditures and Greenhouse Gas Emission Reduction Target</p>				
	<p>Amend Articles to Disclose How Executive Compensation Policy Contributes to Achievement of Greenhouse Gas Emission Reduction Target</p>				
<p><b>Sumitomo Mitsui Financial Group, Inc.</b></p>	<p>Amend Articles to Disclose Measures to be Taken to Make Sure that the Company's Lending and Underwriting are not Used for Expansion of Fossil Fuel Supply or Associated Infrastructure</p>	<p>Against</p>	<p>Fail</p>	<p>Against shareholder proposal as the proposal will not serve shareholder's interest.</p>	<p>The environmental nature of this resolution is aligned with the Trustee's key priority theme of "climate change".</p>

	Amend Articles to Disclose Plan Outlining Company's Business Strategy to Align Investments with Goals of Paris Agreement				
<b>Amazon.com, Inc.</b>	Report on Efforts to Reduce Plastic Use	For	Fail	The company does not meet BlackRock's expectations for disclosure of natural capital policies and/or risk.	The environmental nature of this resolution is aligned with the Trustee's key priority theme of "climate change".
<b>Royal Dutch Shell Plc</b>	Request Shell to Set and Publish Targets for Greenhouse Gas (GHG) Emissions	Against	Fail	Proposal is not in shareholders' best interests.	The environmental nature of this resolution is aligned with the Trustee's key priority theme of "climate change".