# *Implementation Statement, covering the Scheme Year from 1 January 2024 to 31 December 2024 (the "Scheme Year")*

The Trustee of the Hogan Lovells UK Pension Scheme (the "Scheme") is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed the voting and engagement policies in its Statement of Investment Principles ("SIP") during the Scheme Year. This is provided in Section 1 below.

The Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, Trustees (including the most significant votes cast by Trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 3 below.

In preparing the Statement, the Trustee has had regard to the guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions ("DWP's guidance") in June 2022.

## 1. Introduction

No changes were made to the voting and engagement policies in the SIP during the Scheme Year.

The Trustee has, in its opinion, followed the Scheme's voting and engagement policies during the Scheme Year by continuing to delegate to its investment managers the exercise of rights and engagement activities in relation to investments, as well as seeking to appoint managers that have strong stewardship policies and processes.

## 2. Voting and engagement

The Trustee has delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. These policies are:

- LGIM UK Corporate Governance and Responsible Investment Principles policy document
- Responsible investment | Columbia Threadneedle Investments
- BlackRock's overarching approach to stewardship | BlackRock

However, the Trustee takes ownership of the Scheme's stewardship by monitoring and engaging with managers and escalating as necessary as detailed below.

As part of its advice on the selection and ongoing review of the investment managers, the Scheme's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to voting and engagement.

The Trustee considers how environmental, social, governance ("ESG") and ethical factors should be taken into account in the selection, retention and realisation of investments, given the time horizon of the Scheme and its members.

The Trustee expects its investment managers to take account of financially material considerations (including climate change and other ESG considerations). The Trustee seeks to appoint managers that have appropriate skills and processes to do this, and from time to time reviews how its managers are taking account of these issues in practice.

The Trustee has limited influence over managers' investment practices where assets are held in pooled funds, but it encourages its managers to improve their practices where appropriate.

The Trustee does not take into account any non-financial matters (ie matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) in the selection, retention and realisation of investments.

The Trustee recognises its responsibilities as an owner of capital, and believes that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments. The Trustee has delegated to its investment managers the exercise of rights attaching to investments, including voting rights, and engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks and ESG considerations.

Following the introduction of DWP's guidance, in January 2023 the Trustee agreed to set stewardship priorities to focus engagement with its investment managers on specific ESG factors. The priorities agreed were:

- Carbon emissions and related climate issues;
- Corporate activity to the detriment of biodiversity;
- Labour standards and in particular Diversity, Equity and Inclusion (DEI) and modern slavery, which are considered a governance priority; and
- Suitable executive remuneration structures, aligning board interests with those of stakeholders.

These priorities were selected because the Trustee recognises the importance of being a responsible owner of capital. It believes it is important that there is engagement on ESG matters with investments held on behalf of the Scheme. The Trustee believes that engagement should be prioritised where there is likely a material financial risk or opportunity. The SIP was updated in August 2023 to reflect the adoption of these stewardship priorities, and the Trustee communicated these priorities to its managers in August 2023 (excluding BlackRock, as the Trustee had instructed a full disinvestment of its holdings with BlackRock). The Trustee's wider ESG beliefs were also communicated to the managers along with the stewardship priorities.

The Trustee is conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustee aims to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

In selecting investments, the Trustee believes that ESG matters can be financially material. In particular, the Trustee believes that:

- Given global commitments to transition to a low carbon economy, as well as the risks that actions taken to limit global warming are too little too late (and result in future temperatures increasing beyond 2 degrees above preindustrial levels), both transition and physical risks may have a detrimental impact on future returns and are risks that need to be managed;
- Environmental risks extend beyond carbon management and that companies having a negative impact in other areas (eg biodiversity loss, water pollution, etc) may also underperform as a result of reputational risk, consumer behaviour and government action;
- There is sufficient evidence of a link between strong governance practices and a company's ability to create sustainable value, that governance factors should be taken into consideration in investing and engagement activities; and
- The link between a company's behaviours in relation to social factors and its financial performance may be more difficult to evidence, but even so failures of social responsibilities can lead to financial detriment, eg through lower productivity of a dissatisfied workforce, labour strikes, reputational issues and penalties from negative impact on local communities or failings within the supply chain to meet standards on such matters as modern slavery.

As a consequence, the Scheme should invest in strategies where the Investment Manager takes such matters into consideration, either through their engagement strategy or, in the case of active fund management, additionally through their stock selection.

The Scheme's equity holdings are invested using a "climate-tilted" approach whereby the manager aims to reduce the carbon exposure of the market capitalisation index through a set of pre-defined rules. Additionally, the Scheme's short-dated credit holding implements Net Zero elements and is managed under a Net Zero framework, with CT aiming to meet the framework by adhering to the targets of Net Zero alignment, climate change stewardship and the reduction in greenhouse gas emissions aligned to a Net Zero pathway. This is in keeping with the Trustee's policy of considering environmental, social and governance ("ESG") factors and the risks and opportunities relating to climate change.

## 3. Description of voting behaviour during the Scheme Year

All of the Trustee's holdings in listed equities are within pooled funds and the Trustee has delegated to its investment managers the exercise of voting rights. Therefore, the Trustee is not able to direct how votes are exercised and the Trustee itself has not used proxy voting services over the Scheme Year.  However, the Trustee monitors managers' voting and engagement behaviour on an regular basis (including as part of producing this implementation statement) and challenges managers where their activity has not been in line with the Trustee's expectations

In this section we have sought to include voting data in line with the Pensions and Lifetime Savings Association (PLSA) guidance, PLSA Vote Reporting template and DWP's guidance, on the Scheme's funds that hold equities as follows:

- LGIM Low Carbon Transition Global Equity Index Fund;
- LGIM Low Carbon Transition Global Equity Index Fund – GBP Hedged;
- LGIM Diversified Fund; and
- LGIM Infrastructure Equity MFG Fund – GBP Hedged

In addition to the above, the Trustee contacted the Scheme's asset managers that do not hold listed equities, to ask if any of the assets held by the Scheme had voting opportunities over the Scheme Year. LGIM confirmed that, for these funds, it does not provide voting data, and we have therefore not included this. Columbia Threadneedle confirmed that none of their funds that the Scheme was invested in over the Scheme Year held any assets with voting opportunities. BlackRock confirmed that they are unable to provide voting data for the fund in which the Scheme was invested during the Scheme Year.

We have also included engagement statistics and/or commentary for the Scheme's investment managers for several funds which did not hold listed equities during the Scheme Year. We have not included engagement statistics or commentary for BlackRock as they were unable to provide engagement data. The Trustee does not intend to escalate this given the nature of the asset class and that the holding was fully redeemed shortly after the Scheme Year end in January 2025.

### 3.1 Description of the voting processes

For assets with voting rights, the Trustee relies on the voting policies which its managers have in place. Overall, the Trustee is comfortable that the investment managers' voting behaviour was aligned with the Scheme's policies during the Scheme Year.

#### LGIM

LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas with the aim of achieving the best outcome for its clients. LGIM's voting policies are reviewed annually and take into account feedback from its clients. Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as LGIM continues to develop its voting and engagement policies and define strategic priorities in the years ahead. LGIM also takes into account client feedback received at regular meetings and / or ad-hoc comments or enquiries. All decisions are made by LGIM's Investment Stewardship team and in accordance with its relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. LGIM aims to ensure its stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies. LGIM's Investment Stewardship team uses Institutional Shareholder Services (ISS) 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and its does not outsource any part of the strategic decisions. LGIM's use of ISS recommendations is used to augment its own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that LGIM receives from ISS for UK companies when making specific voting decisions.

### 3.2 Summary of voting behaviour

A summary of voting behaviour over the Scheme Year is provided in the table below.

<table>
<tr><th></th><th>Fund 1</th><th>Fund 2</th><th>Fund 3</th><th>Fund 4</th></tr>
<tr><td>Manager name</td><td>LGIM</td><td>LGIM</td><td>LGIM</td><td>LGIM</td></tr>
<tr><td>Fund name</td><td>Infrastructure Equity MFG Fund – GBP Currency Hedged</td><td>Low Carbon Transition Global Equity Index Fund – GBP hedged*</td><td>Low Carbon Transition Global Equity Index Fund*</td><td>Diversified Fund</td></tr>
<tr><td>Total size of fund at end of the Scheme Year</td><td>£1,544m</td><td>£1,688m</td><td>£5,806m</td><td>£12,570m</td></tr>
<tr><td>Value of Scheme assets at end of the Scheme Year (£ / % of total assets)</td><td>£9.0m / 10.4%</td><td>£12.5m / 14.5%</td><td>£12.5m / 14.5%</td><td>£6.6m / 7.6%</td></tr>
<tr><td>Number of equity holdings at end of the Scheme Year</td><td>86</td><td colspan="2">2,719</td><td>7,317</td></tr>
<tr><td>Number of meetings eligible to vote</td><td>94</td><td colspan="2">4,786</td><td>10,851</td></tr>
<tr><td>Number of resolutions eligible to vote</td><td>1,174</td><td colspan="2">47,788</td><td>108,048</td></tr>
<tr><td>% of resolutions voted</td><td>98.6%</td><td colspan="2">99.8%</td><td>99.8%</td></tr>
<tr><td>Of the resolutions on which voted, % voted with management</td><td>72.6%</td><td colspan="2">79.5%</td><td>76.7%</td></tr>
<tr><td>Of the resolutions on which voted, % voted against management</td><td>26.5%</td><td colspan="2">19.5%</td><td>22.4%</td></tr>
<tr><td>Of the resolutions on which voted, % abstained from voting</td><td>0.9%</td><td colspan="2">1.0%</td><td>0.9%</td></tr>
<tr><td>Of the meetings in which the manager voted, % with at least one vote against management</td><td>89.4%</td><td colspan="2">62.2%</td><td>70.1%</td></tr>
<tr><td>Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor</td><td>22.6%</td><td colspan="2">11.1%</td><td>13.8%</td></tr>
</table>

*Totals may not sum due to rounding*

**The LGIM Low Carbon Transition Global Equity Index Fund, and LGIM Low Carbon Transition Global Equity Index Fund – GBP Hedged are the same pooled fund. The Scheme invests in both the GBP Hedged and GBP Unhedged shareclasses of the pooled fund.*

### 3.3 Most significant votes

Commentary on the most significant votes over the Scheme Year, from the Scheme's asset managers who hold listed equities, is set out below.

Given the large number of votes which are cast by managers during every Annual General Meeting season, the timescales over which voting takes place as well as the resource requirements necessary to allow this, the Trustee did not identify significant voting ahead of the reporting period. Instead, the Trustee has retrospectively created a shortlist of most significant votes by requesting each manager provide a shortlist of votes comprising a minimum of ten most significant votes, and suggested the managers could use the PLSA's criteria[1] for creating this shortlist, as well as requesting that the managers provide examples of significant votes which relate to the Trustee's

[1] Vote reporting template for pension scheme imlementation statement – Guidance for Trustees (plsa.co.uk). Trustees are expected to select "most significant votes" from the long-list of significant votes provided by their investment managers.

stewardship priorities. By informing its managers of its stewardship priorities and through its regular interactions with the managers, the Trustee believes that its managers will understand how it expects them to vote on issues for the companies they invest in on its behalf.

The Trustee has interpreted "significant votes" to incorporate:

- Votes that align with the Trustee's stewardship priorities;
- Potential material impact on future company performance;
- Potential impact on stewardship outcomes;
- Any matter where they relate to one of the Scheme's 10 largest holdings;
- Shareholder resolutions on climate related policies and activities that would result in biodiversity loss; and
- Company proposals that would be at odds with the expectations of the UK Corporate Governance code (to the extent that compliance would be reasonable in the market in question). This would include, but is not limited to, matters of excessive or inappropriate executive remuneration; issues relating to board make up (including DEI, lack of term limits and lack of chair independence) and ineffective audits.

The Trustee has reported on two of these significant votes per fund only as the most significant votes. If members wish to obtain more investment manager voting information, this is available upon request from the Trustee.

## LGIM

LGIM indicated that next steps in all cases is to continue to engage with its investee companies, publicly advocate its position on the issue and monitor company and market-level progress. LGIM did not confirm whether it's vote intention was communicated ahead of the relevant vote on a case by case basis. LGIM's informed us that its approach is to publicly communicate its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.

### LGIM – Infrastructure Equity MFG Fund – GBP Currency Hedged

- **Vector Limited, September 2024**
- **Summary of resolution:** Electing Bruce Turner as Director.
- **Relevant stewardship priority:** Labour standards and in particular Diversity, Equity and Inclusion (DEI) and modern slavery, which are considered a governance priority.
- **Approx size of the holding at the date of the vote***:* 0.11%
- **Why this vote is considered to be most significant:** Potential impact on stewardship outcomes. LGIM's decision on how to vote and its rational has implications for diversity and inclusion, a stewardship priority set by the Trustee. Further, LGIM views gender diversity as a financially material issue for its clients, with implications for the assets it manages on their behalf.
- **Company management recommendation:** For
- **Fund manager vote:** Against.
- **Rationale:** LGIM voted against the resolution as it expects a company to have a diverse board, with at least one-third of board members being women. LGIM expects companies to increase female participation both on the board and in leadership positions over time.
- **Outcome of the vote and next steps**: For. The Trustee does not intend to escalate this with the manager and views the vote as non-conflicting with the Trustee's stewardship priorities.

- **National Grid Plc, July 2024**
- **Summary of resolution:** Resolution to approve climate transition plan.
- **Relevant stewardship priority:** Carbon emissions and related climate issues.
- **Approx size of the holding at the date of the vote:** 2.97%
- **Why this vote is considered to be most significant:** Potential impact on stewardship outcomes. LGIM's decision on how to vote and its rational has implications for carbon emissions and related climate issues, a stewardship priority set by the Trustee. Further, LGIM is publicly supportive of so called "Say on Climate" votes. LGIM expects transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, LGIM deems such votes to be significant, particularly when LGIM votes against the transition plan.
- **Company management recommendation:** For
- **Fund manager vote:** For
- **Rationale:** LGIM voted in favour of the National Grid Climate Transition plan, as LGIM commends the company's efforts in committing to net-zero emissions across all scopes by 2050 and setting 1.5C-aligned near term science based targets. LGIM also appreciates the clarity provided in the 'Delivering for 2035 report' and looks forward to seeing the results of National Grid's engagement with SBTi regarding the decarbonisation of heating.
- **Outcome of the vote and next steps:** For. The Trustee does not intend to escalate this with the manager and views the vote as non-conflicting with the Trustee's stewardship priorities.

<u>**Diversified Fund**</u>

- **Shell Plc, June 2024**
- **Summary of resolution:** Approve the Shell Energy Transition Strategy.
- **Relevant stewardship priority:** Carbon emissions and related climate issues.
- **Approx size of the holding at the date of the vote:** 0.33%
- **Why this vote is considered to be most significant:** Potential impact on stewardship outcomes. LGIM's decision on how to vote and its rational has implications for carbon emissions and related climate issues, a stewardship priority set by the Trustee. Further, LGIM is publicly supportive of so called "Say on Climate" votes. LGIM expects transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, LGIM deems such votes to be significant, particularly when LGIM votes against the transition plan.
- **Company management recommendation:** For
- **Fund manager vote:** Against
- **Rationale:** LGIM acknowledges the substantive progress the company has made in respect of climate related disclosure over recent years, and its views positively the commitments made to reduce emissions from operated assets and oil products, the strong position taken on tackling methane emissions, as well as the pledge of not pursuing frontier exploration activities beyond 2025. Nevertheless, in light of the revisions made to the Net Carbon Intensity (NCI) targets, coupled with the ambition to grow its gas and LNG business this decade, LGIM expects the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050. In essence, LGIM is seeking more clarity regarding the expected lifespan of the assets Shell is looking to further develop, the level of flexibility in revising production levels against a range of scenarios and tangible actions taken across the value chain to deliver customer decarbonisation. Additionally, LGIM would benefit from further transparency regarding lobbying activities in regions where hydrocarbon production is expected to play a significant role, guidance on capex allocated to low carbon beyond 2025 and the application of responsible divestment principles involved in asset sales, given portfolio changes form a material lever in Shell's decarbonization strategy.
- **Outcome of the vote and next steps:** For. The Trustee does not intend to escalate this with the manager and views the vote as non-conflicting with the Trustee's stewardship priorities.

- **Public Storage, May 2024**
- **Summary of resolution:** Elect Director Ronald P. Spogli

- **Relevant stewardship priority:** Labour standards and in particular Diversity, Equity and Inclusion (DEI) and modern slavery, which are considered a governance priority.
- **Approx size of the holding at the date of the vote:** 0.16%
- **Why this vote is considered to be most significant:** Potential impact on stewardship outcomes. LGIM's decision on how to vote and its rational has implications for diversity and inclusion, a stewardship priority set by the Trustee. Further, LGIM views gender diversity as a financially material issue for its clients, with implications for the assets it manages on their behalf.
- **Company management recommendation:** For
- **Fund manager vote:** Against
- **Rationale:** LGIM voted against the resolution as it expects a company to have at least one-third women on the board.
- **Outcome of the vote and next steps:** For. The Trustee does not intend to escalate this with the manager and views the vote as non-conflicting with the Trustee's stewardship priorities.

**<u>Low Carbon Transition Global Equity Index Fund and Low Carbon Transition Global Equity Index Fund – GBP Hedged</u>**

- **Netflix Inc, June 2024**

- **Summary of resolution**: Elect Director Jay C. Hoag
- **Relevant stewardship priority**: Labour standards and in particular Diversity, Equity and Inclusion (DEI) and modern slavery, which are considered a governance priority.
- **Approx size of the holding at the date of the vote:** 0.39%
- **Why this vote is considered to be most significant**: Potential impact on stewardship outcomes. LGIM's decision on how to vote and its rational has implications for diversity and inclusion, a stewardship priority set by the Trustee. Further, LGIM views gender diversity as a financially material issue for its clients, with implications for the assets it manages on their behalf.
- **Company management recommendation:** For
- **Fund manager vote**: Against
- **Rationale:** LGIM voted against the resolution as it expects a company to have at least one-third women on the board.
- **Outcome of the vote and next steps**: For. The Trustee does not intend to escalate this with the manager and views the vote as non-conflicting with the Trustee's stewardship priorities.

- **Tesla Inc, June 2024**

- **Summary of resolution**: Advisory vote to ratify named executive officers' compensation.
- **Relevant stewardship priority**: Suitable executive remuneration structures, aligning board interests with those of stakeholders.
- **Approx size of the holding at the date of the vote:** 1.25%
- **Why this vote is considered to be most significant**: Potential impact on stewardship outcomes. LGIM's decision on how to vote and its rational has implications for executive remuneration structures, a stewardship priority set by the Trustee. Further, LGIM considered this resolution significant as it pertains to one of its key stewardship 'sub-themes', executive pay, and it's high profile nature.
- **Company management recommendation:** For

- **Fund manager vote**: Against
- **Rationale:** LGIM voted against the resolution as it believes that the approved remuneration policy should be sufficient to retain and motivate executives. In LGIM's view, while most named executive officers received modest or no compensation for financial year 2023, one executive was granted an outsized, time-based stock option award upon his promotion, the magnitude and design for which are not adequately explained. LGIM believes the grant does not require the achievement of pre-set performance criteria in order to vest and the value is considered to be excessive.
- **Outcome of the vote and next steps**: For. The Trustee does not intend to escalate this with the manager and views the vote as non-conflicting with the Trustee's stewardship priorities.

### 3.4 Votes in relation to assets other than listed equity

The Trustee is not aware of any voting opportunities available to the Scheme's asset managers who do not hold listed equities.

### 3.5 Manager engagement examples

For the Scheme's investment managers with funds which did not hold listed equities during the Scheme Year (excluding liquidity and government bond funds), we have included engagement examples and/or data below. We have excluded BlackRock as they did not provide engagement examples and also due to materiality grounds given the Trustee instructed a full redemption in 2022 and this was completed shortly after the Scheme Year end.

**Columbia Threadneedle**

Columbia Threadneedle identifies specific objectives for its engagement with investee companies, and records specific outcomes as 'milestones' which it reports to clients. Each milestone is rated on a three-star scale to the extent to which Columbia Threadneedle asset it to protect and enhance investor value. The three-star scale is as follows:

*Three-star rating: Highest potential impact on investor value*

*Two-star rating: Medium potential impact*

*One-star rating: Lower potential impact, that nevertheless will contribute to investor value*

**LDI Counterparty engagement**

Columbia Threadneedle provided the following commentary upon request for engagement examples relating to the LDI funds in which the Scheme was invested over the Scheme Year ending 31 December 2024:

> *'We do not hold any assets with voting rights in these funds, however, we see responsible investing and broader investment stewardship as part of our duty as an investor acting in the best interests of our clients and key to managing risk and supporting long term returns. Consequently, we engage where we can with investee companies and financial counterparties, and this includes LDI counterparties and investee companies in our Sterling Liquidity Fund.'*

Columbia Threadneedle informed us that they had carried out 9 total engagements with LDI counterparties over the year ending 31 December 2024.

Over the year to 31 December 2024, Columbia Threadneedle recorded five milestones with LDI counterparties. We have included two examples below.

1. **Barclays PLC – H1 2024 – two star rating**

   In Columbia Threadneedle's view, Barclay's latest annual report highlights continued progress on their efforts to enhance their approach to biodiversity risk management with a comprehensive update to their forestry and agricultural commodities statement, with significantly enhanced criteria for the sector regarding deforestation. Barclays have also started to pilot the Taskforce on Nature-related Financial Disclosures ("TNFD") framework and assessment for certain sectors, and have actively contributed to the TNFD consultation. Columbia Threadneedle has previously discussed this topic with them through meetings, and followed up with them to share its biodiversity best practices and findings from engagement with other banks.

2. **HSBC Holdings PLC – H1 2024 - three star rating**

   In January 2024, HSBC become the first UK bank to publish a climate transition plan, aligned with the UK Government Treasury's Transition Plan Taskforce guidelines for banks. In Columbia Threadneedle's view, this was a comprehensive report, providing more detail on their decarbonisation strategy and climate risks management. Through this, they were one of the first banks to set facilitated emissions reduction targets for the oil and gas sector and the utilities sector, including these within their broader financed emissions targets for these sectors. Columbia Threadneedle has engaged with the company several times on their climate risk management and strategy.

**Net Zero Transition Low Duration Credit Fund**

Columbia Threadneedle informed us that they had carried out 98 total engagements related to the fund.

Columbia Threadneedle recorded 14 milestones with issuers in the Fund. We have selected two milestones for inclusion that relate to the Trustee's stewardship priorities.

1. **Barclays PLC – H1 2024 – two star rating**

   In Columbia Threadneedle's view, the company's latest disclosure highlights good improvements on their approach to human rights due diligence. In 2023 they have conducted a human rights saliency assessment for their corporate and investment bank, highlight key human rights risks for this business, have used this to inform the February 2024 updates to their human rights statement, and have a developed a work programme for future areas to enhance their human rights approach. This includes plans to extend saliency assessment to all areas of the bank, exploring further approaches to provide access to remedy, and enhancing their human rights due diligence process. This remains an important topic to minimise human rights impacts of their activities. Columbia Threadneedle have engaged with the bank on human rights, seeking for them to update their HR statement and enhance their due diligence.

2. **Volkswagen AG – H2 2024 – two star rating**

   Volkswagen announced that it will sell its sites in Xinjiang, China. These sites have been persistently linked to using Uyghur forced labour in Non-Governmental Organisation ("NGO") reports. Columbia Threadneedle have engaged with the company six times on this topic over the past two years, and exiting this facility has been one of the main options for mitigating the forced labour risk that Columbia Threadneedle had encouraged.