The Co-operative Pension Scheme (Pace) ("the Scheme")
Co-operative Bank Section Implementation Statement

26 July 2023

Background

From 1 October 2020, and on an annual basis, the Trustee is required to publish an "Implementation Statement" online and in the Scheme's annual report and accounts. This is the Co-operative Bank Section of Pace's fourth Implementation Statement and covers the Scheme year from 6 April 2022 to 5 April 2023. It sets out:

- How, and the extent to which, in the opinion of the Trustee, the Statement of Investment Principles ("SIP") for the Bank Section Pace has been followed over the year, along with details of any changes to the SIP;
- How the Trustee has implemented its policies on the exercise of voting rights attaching to its investments and engagement activities and how these votes aligned with the Scheme's stewardship priorities; and,
- The voting behaviour of the Trustee, or that undertaken on its behalf, including the most significant votes cast.

The Trustee also publishes an annual governance statement from the Chair, which demonstrates how the DC Section of Pace has complied with broader governance requirements; this is available online and in the report and accounts.

Buy-in transaction

In December 2022, the Co-operative Bank Section of Pace entered into a "buy-in" transaction to purchase a bulk annuity insurance policy with Rothesay Life, a UK insurance company authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority, covering all pensioner and non-pensioner liabilities not previously insured with Pension Insurance Corporation ("PIC") as part of the pensioner buy-in transaction implemented in 2020. Under these policies, Rothesay Life and PIC undertake, via the Scheme, to pay the Bank Section's benefit obligations as they fall due. In due course, the intention is that the buy-in assets will be moved to a buy-out contract and the Section will be wound up.

The Trustee does not have oversight of the assets backing these buy-in policies or the insurers' set policies on sustainability, although insurer policies on Environmental, Social and Corporate Governance factors were considered as part of the selection of both PIC and Rothesay Life.

The Trustee's review of the SIP over the year

The Trustee maintains a SIP for the Co-operative Bank Section of Pace which sets out the investment principles for both Defined Benefit (DB) and Defined Contribution (DC) investments. The SIP is reviewed at least annually and following any significant changes in investment policy.

The SIP was updated in April 2022 to reflect the addition of the Pace Growth (Shariah) fund to the Pace DC self-select fund range, and in March 2023 to reflect the buy-in transaction detailed above. The current version of the Co-operative Bank Section SIP is available via https://bank.pacepensions.co.uk/useful-information/pace-investments/.

In preparing the SIP for the Bank Section of Pace, the Trustee consults with the sponsoring employer, The Co-operative Bank. The Bank is consulted regarding any proposed changes to the SIP and investment strategy, however the ultimate power and responsibility for deciding investment policy lies solely with the Trustee.

How have the policies in the SIP been followed over the year?

In the opinion of the Trustee, the SIP have been followed throughout the year for the Co-operative Bank Section, as set out below.

The Trustee's policies for choosing and realising investments, and the kinds of investments to be held.

The SIP sets out the Trustee's policies for choosing investments - specifically by identifying appropriate objectives which reflect the Section's risk and return requirements, and then constructing a portfolio of investments to meet these objectives for DB investments, or identifying a suitable range of options for members of the DC Section.

In considering these objectives and selecting investments, the Trustee obtains and considers written advice from a regulated investment adviser.

At the start of the year, the Trustee's objective for the DB Section was to implement an investment strategy that targeted a total expected return of around 0.5% p.a. (net of fees) above gilts to support the approach used to value the Section's liabilities, with a primary goal of achieving a fully funded position on a low-risk basis, while meeting statutory requirements on a Technical Provisions funding basis.

To meet the above objectives, the Trustee had adopted an investment strategy to target a strategic asset allocation of 51% in Liability Driven Investments and 49% in corporate bonds and asset backed securities, alongside a buy-in bulk pensioner annuity policy purchased in early 2020 with PIC.

However, during the year, the Trustee's objective were updated to:

- invest the Section's assets in such a manner that members' entitlements can be paid when they fall due; and
- ensure an efficient progression towards an insurer buy-out of the Section's known liabilities, with the aim of achieving an appropriate discharge of liability in respect of known obligations in accordance with the Section's governing documentation and relevant legislation.

Accordingly, to meet the Trustee's updated objectives, as at 5 April 2023 the DB Section was predominately invested in bulk annuity policies held with PIC and Rothesay Life.

When undertaking this change in investment strategy, the Trustee received advice from its Investment Consultants in accordance with Section 35 of the Pensions Act 1995 as well as advice in relation to the purchase of the further buy-in policy with Rothesay Life.

Prior to the implementation of the buy-in policy, the Trustee monitored the DB Section's investment strategy on a quarterly basis and is comfortable that over the year the investments held were in line with the SIP.

In contrast to the DB Section, over the year the investment strategy for Pace DC remained largely unchanged, although in April 2022 the Trustee made the Pace Growth (Shariah) Fund available to members as a new self-select option. The Fund is a Shariah-compliant fund which follows a process that has been approved by an independent Shariah Supervisory Committee which aims to meet the requirements of Shariah law and the principles of Islamic finance. This Fund does not invest in financial services companies, companies that manufacture weapons, or companies in industries that are prohibited by the Quran such as alcohol, tobacco, gambling and entertainment, or pork-related products.

The investment managers have discretion in the timing of realisation of investments, and this has continued over the year.

The Trustee's policies on managing and measuring risk, and expected returns

The Trustee's expected return and risk management policies for the DB Section were updated over the year given the change to strategy, as set out above. For the DC Section, the Trustee's objective is to make available to members a programme of investment, via pooled funds, which seeks to generate income and capital growth and which, together with new contributions from members and the Scheme's employers will provide a fund at retirement with which to provide an income in retirement. In particular, the default arrangement aims to grow member contributions ahead of inflation over a member's working life, reducing absolute fund volatility as the member approaches retirement. It is designed to be appropriate for members who want to take all of their account as a lump sum on retirement.

The Trustee is happy that the risks set out in the SIP have been considered when setting the investment strategy for the DB and DC Sections, and that the policies on portfolio construction were followed when constructing the portfolios for Pace DB.

The Trustee's policies on Investment Manager appointment, engagement and monitoring

The table below summarises how the Trustee's policies on investment manager appointment, engagement and monitoring were implemented over the year:

Policy	**Assessment**
Aligning Manager Appointments with Investment Strategy *Investment managers are appointed based on their capabilities and, therefore, the perceived likelihood of achieving the stated expected return and risk characteristics required for the asset class they are selected to manage.* *If the investment objective for a particular manager's fund changes, the Trustee will review the fund appointment to ensure it remains appropriate and consistent with the wider Trustee investment objectives.*	As noted above, in April 2022 a new passive Shariah-compliant global equity fund was introduced for the DC sections, managed by HSBC; the fund was selected based on the investment consultant's assessment of the manager's capabilities and the structure of the underlying index, and compliance with the principles of Islamic finance.
Manager Appointments and Performance *The Trustee receives, and considers, performance reports produced on a quarterly basis, which present performance information*	The Trustee reviewed investment performance for the DB and DC Sections at each quarterly Trustee / DC Committee meeting over the year (for the DB Section, prior to the implementation of the buy-in policy in December 2022).

and commentary on the funds they invest in over various time periods. *The Trustee may review a manager's appointment if:* • *There are sustained periods of underperformance.* • *There is a change in the underlying objectives of the investment manager, or a change in the portfolio manager.* • *There is a significant change to the Investment Adviser's rating of the manager; or* • *There is a change to the Trustee's overall strategy that no longer requires exposure to that asset class or manager.* *The investment managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed. If the Trustee is dissatisfied, then it may look to replace the manager, or in some circumstances, ask the manager to review the Annual Management Charge.*	No periods of underperformance, downgrades to investment adviser ratings or changes to objectives were identified that led the Trustee to review manager appointments or to take further action.
Portfolio Turnover Costs *Investment manager performance is generally reported net of transaction costs (where possible), and therefore managers are incentivised in this way to keep portfolio turnover costs to the minimum required to meet or exceed their objectives.* *For the DB Sections, the Trustee has engaged a third party to collect cost information (under the Cost Transparency Initiative), to analyse data from the Main Portfolio's investment managers to determine the underlying costs involved with its investments. The Trustee aims to use this information to prompt discussion with its investment managers on costs and in order to compare its investments with other managers in the same asset class to ensure consistency.* *The Trustee will continue to monitor industry improvements concerning the monitoring and reporting of portfolio turnover costs.*	At its 13 July 2022 Trustee meeting, the Trustee reviewed reporting on costs incurred by Pace DB over the twelve-month period to 31 December 2020, as collated and analysed by ClearGlass, and as benchmarked against comparable schemes. These were in line with expectations and no concerns were highlighted.
Manager Turnover	As noted above, the change to the DB investment strategy for the Bank Section

The Trustee is a long-term investor and is not looking to change the investment arrangements on a frequent basis. There is therefore no set duration for manager appointments. The Trustee typically expects to retain an investment manager unless: • *There is a change to the overall investment strategy that no longer requires exposure to that asset class or manager.* • *The manager appointed has been reviewed and the Trustee has decided to terminate the mandate.*	entailed the disinvestment of the Section's invested assets and the purchase of a bulk annuity policy. No changes were made over the year for Pace DC that resulted in the termination of any investment manager appointments.

In addition to the policies set out in the SIP for monitoring investment managers, the Trustee also monitors its investment consultants.

The Trustee introduced objectives for each of its investment consultant appointments in December 2019 to comply with regulations governing the role of investment advisors. The Trustee reviews performance against the agreed objectives and the suitability of the consultant's objectives on an annual basis.

Over the year to 5 April 2023, the Trustee reviewed its investment advisers against those objectives.

The Trustee's policies on ESG considerations

The Trustee is committed to achieving its investment objectives in a way that takes into account broader environmental, social and corporate governance concerns. The Trustee believes that as both DB and DC pensions are long-term investments this is important, and it would also like the Scheme's approach to responsible investment to reflect the views of Pace members as far as reasonably possible, and to be consistent with the values of Pace's sponsors, their members and their colleagues. As a result, Pace has developed a Responsible Investment policy covering both DB and DC investments. The policy was developed with input from the Co-op and The Co-operative Bank.

The Responsible Investment Policy is available on the Scheme's website (along with an annual report detailing how Pace has implemented the policy over the year), via https://bank.pacepensions.co.uk/useful-information/pace-investments/.

The Responsible Investment policy should be read in conjunction with, and as if it formed part of, this implementation statement.

The Trustee recognises that it may take non-financial factors into consideration, i.e. those motivated by other concerns, such as social impact where the Trustee has good reason to expect that Scheme members would share these concerns (or, for example, members' personal ethical and religious beliefs), and where the decision is not expected to have material financial detriment; aligned with this, the Trustee has made the Pace Growth (Ethical Shares) Fund and the Pace Growth (Shariah) Fund available as self-select options in the DC Section.

At year-end the DB Section's assets were fully invested in the buy-in policies with Rothesay and PIC, and as such there is limited scope to apply these principles. Furthermore, as the Trustee's objective is to wind-up the Scheme over the short to medium term the timeframe for consideration of these factors is relatively short.

The Trustee's policies on the exercise of voting rights and undertaking engagement activities

The Trustee's specific policies on engagement are summarised below, together with the Trustee's assessment of how, and the extent to which, these policies have been implemented over the scheme year to 5 April 2023:

Policy	**Assessment**
The Trustee gives its investment managers full discretion to evaluate ESG factors and engage with companies. The Trustee also encourages its investment managers to adopt best practices in these areas and to act in the best interests of Scheme members. The Trustee recognises that where investments are held in pooled funds, it may not be possible to instruct the manager to follow a separate voting policy or to exercise votes.	The Trustee considers the most effective way to align Pace's investments with its values is to appoint fund managers that take a responsible and sustainable approach to investment, as well as to engage with asset managers in relation to the three broad issues the Trustee identifies as priorities in the Scheme's responsible investment policy, namely: • **Climate change and the protection of the environment**; • **Labour conditions and equal pay**; and • **Corporate governance**. Prior to the implementation of the buy-in in December 2022, the DB Section applied explicit exclusion lists where possible to prevent investment in companies that manufacture or distribute controversial weapons, or those in the oil, gas or mining industries that have poor environmental records, or in government bonds from countries with poor human rights records. Members' pension pots in Pace DC are invested entirely in pooled investment funds alongside other investors, and the Trustee does not therefore directly invest in underlying companies or have the ability to engage directly with these companies, although further detail on the approach taken by Legal & General Investment Management ("LGIM") and (in the case of the Pace Growth (Shariah) Fund) HSBC, to exercise voting rights is set out in the section below this table. The default option currently invests in the Pace Growth (Shares) 2021 Fund and the Pace Growth (Mixed) Fund, switching out of the Shares Fund as members approach retirement, and then into a cash fund over the 10 years prior to a member's expected retirement date.

	The Pace Growth (Mixed) Fund is invested 100% in the LGIM Future World Multi-Asset Fund, which the Trustee and the sponsors believe is aligned with their shared values. This fund "tilts" investments towards companies that have higher governance standards, and aims to achieve positive social and environmental impacts, including companies which are less carbon-intensive or earn green revenue; it also excludes investment in coal miners, and companies involved in the manufacture or distribution of controversial weapons (companies on the "Future World Protection List"). LGIM also applies its "Climate Impact Pledge" to the fund – each year they engage with the largest companies across the world identified as key to meeting global climate change goals to help improve their strategies, and commit to disinvesting from companies that fail to demonstrate sufficient action. Similarly, the Pace Growth (Shares) 2021 Fund tilts to invest more in companies with strong and improving ESG attributes, and doesn't invest in companies that manufacture controversial weapons or that earn a sizeable revenue from mining coal or using coal for power generation. The Pace Growth (Shariah) Fund follows a process that has been approved by an independent Shariah Supervisory Committee which aims to meet the requirements of Shariah law and the principles of Islamic finance. It doesn't invest in financial services companies, companies that manufacture weapons, or companies in industries that are prohibited by the Quran such as alcohol, tobacco, gambling and entertainment, or pork-related products. The Trustee review LGIM's voting policies as part of their engagement on an ongoing basis (and through review of LGIM's quarterly ESG impact reports) and are comfortable that their voting policies and voting behaviour aligns with the Scheme's stewardship priorities as set out above.

The Trustee may, from time to time, raise specific ESG issues with investment managers and seek a response.	Over the year, the Trustee engaged with investment managers in relation to climate risk in particular, considering each managers' climate risk policy in detail in quarterly MMIC and Investment Committee meetings. In March 2023, following engagement with Make My Money Matter, the Co-op Pensions Department met with LGIM to discuss their deforestation policy, and approaches to quantify and mitigate commodity driven deforestation risk, recognising that in order to achieve Net Zero, deforestation is one of many issues that need to be addressed urgently as it is one of the primary contributors to climate change. Pace's Responsible Investment policy was updated over the scheme year to include specific support for the ambitions of the Race to Zero Financial Sector Commitment on Eliminating Agricultural Commodity-Driven Deforestation by 2025 (of which LGIM is a signatory); in March the Trustee also communicated with LGIM to formally encourage LGIM to continue to engage with investee companies and use proxy voting in line with its commitment in its 2022 deforestation policy to "*to use best efforts to tackle commodity driven deforestation impacts in investment portfolios by 2025*".
Investment Managers are asked to report to the Manager Monitoring and Implementation Committee and the Trustee on the issue of responsible investment.	The Trustee has directly or through the Co-op Pensions Department's Manager Monitoring and Implementation Committee met with each of the Scheme's managers throughout the year as part of a rolling program, and ESG factors and engagement with investee companies are discussed at each meeting to understand the managers' approaches to incorporating ESG considerations in the initial selection of investments (and any disinvestments or sales), and areas of engagement as well as developments over the year. In particular, LGIM report on their compliance with their engagement policies annually, via their Active Ownership Report. The 2022 report was published in April 2023 and considered by the DC Committee in the 1 June 2023 meeting.

	In addition, since Q2 2020 the DC Committee has reviewed LGIM's quarterly ESG impact report, which includes notes from their engagement with companies and summaries of how LGIM voted on key corporate matters, alongside a summary of their policy work in different regions. As noted above, over the year LGIM published their deforestation policy and launched an engagement campaign, writing to 300 companies from a set of deforestation-critical sectors explaining their expectations and potential consequences if these expectation were not met.
In addition, the Manager Monitoring and Implementation Committee and the Trustee monitor how each manager is incorporating ESG issues into investment decisions and, where relevant, exercising their approach to stewardship.	As well as receiving reporting at meetings on ESG considerations when making investment decisions or disinvesting, the Trustee and the DC Committee receive reporting from Pace's investment consultants on their researchers' assessment of the integration of ESG considerations into each manager's investment processes and their stewardship practices.
The Trustee considers how ESG and stewardship are integrated within investment processes in appointing new managers, and all existing managers are expected to have policies in these areas. Within the DC sections, the Trustee offers funds with ESG tilts in the Pace Growth (Mixed) Fund and the Pace Growth (Shares) 2021 Fund (both of which form part of the default strategy). The Trustee also considers ESG factors as part of the Scheme's process for selecting and retaining investment options. In addition, the Trustee recognises that some members may wish to take more explicit account of ethical issues or their personal religious beliefs in their investments, and so it offers an ethical equity fund and the Pace Growth (Ethical Shares) Fund, and an Islamic equity fund, the Pace Growth (Shariah) Fund.	As noted above, in April 2022 a new passive Shariah-compliant global equity fund was introduced for the DC sections, managed by HSBC; the fund was selected based on the investment consultant's assessment of the manager's capabilities and the structure of the underlying index, and compliance with the principles of Islamic finance, with input from the Co-op's Rise network, a network of colleague volunteers working together to amplify the lived experiences of minority ethnic colleagues across our Co-op.

In each of these areas, the Trustee is comfortable that it has implemented the policies it intended to over the year.

Exercise of voting rights

Following changes to reduce risk in its investment strategy in late 2017, the DB Section of Pace no longer invests in company shares (either directly or through pooled funds) and therefore do not hold investments with attaching voting rights.

Pace DC offers options for investment to members which do include exposure to shares (either through equity funds or the multi-asset fund). The Trustee does not directly exercise voting rights as these investments are through pooled funds with many other investors.

LGIM

Voting rights are exercised by LGIM using ISS's ProxyExchange electronic voting platform, although voting decisions are retained by LGIM and strategic decisions are made by LGIM's Investment Stewardship Team in accordance with their governance policies for each region.

HSBC

The legal right to the underlying votes lies with the directors of the HSBC Islamic Global Equity Fund, which is the underlying fund behind the Pace Growth (Shariah) Fund. They have delegated this execution of this voting to HSBC Global Asset Management (UK) Limited.

HSBC uses the ISS to assist with the global application of our voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene our guidelines. HSBC review voting policy recommendations according to the scale of their overall holdings. The bulk of holdings are voted in line with the recommendation based on their guidelines.

The table below, sets out further details relating to the voting record for stocks held within each fund held within Pace DC which has exposure to equities for the year to 31 March 2023.

	Pace DC Fund			
	Pace Growth (Shares) 2021 Fund	**Pace Growth (Mixed) Fund**	**Pace Growth (Ethical Shares) Fund**	**Pace Growth (Shariah) Fund**
Size of Bank Section's holdings as at 5 April 2023.	c£18m	c£53m	c£1.1m	c£53k
Asset Manager	LGIM	LGIM	LGIM	HSBC
Number of equity holdings in the fund (at 31 March 2023)	2,271	6,417	1,041	105
Number of meetings at which asset manager was eligible to vote over the year	3,286	8,913	1,155	95
Number of resolutions asset manager was eligible to vote on over the year	38,231	93,332	16,602	1,423
% of resolutions asset manager was eligible to vote on where they exercised that vote	99.8%	99.8%	99.8%	97.0%
% of resolutions where asset manager voted for management / voted against management / abstained from voting*	Voted with 77.9% Voted against 20.7% Abstained 1.4%	Voted with 77.6% Voted against 21.7% Abstained 0.7%	Voted with 82.0% Voted against 17.8% Abstained 0.2%	Voted with 80.5% Voted against 19.8% Abstained 0.0%
% of meetings at which asset manager voted at least once against management	71.6%	73.4%	76.0%	78.9%
% of meetings at which asset manager voted against the recommendation of the proxy advisor	13.0%	12.9%	13.0%	12.1%

*May not sum due to rounding.

Significant Votes

LGIM

LGIM provide a quarterly ESG impact report, which summarises LGIM's votes together with details of 'significant votes'. These reports are reviewed at quarterly Investment Committee meetings, with any comments or questions fed back to LGIM via the Co-op Pensions Department.

In determining what votes are 'significant', LGIM consider the criteria provided by the Pensions & Lifetime Savings Association guidance, such as:

- A high-profile vote (which may be controversial and therefore subject to a degree of client and/or public scrutiny).
- Significant client interest in a vote: communicated directly by clients to the Investment Stewardship team at LGIM's annual stakeholder roundtable event, or where LGIM note a significant increase in requests from clients on a particular vote.
- A sanction vote as a result of a direct, or collaborative, engagement.
- A vote linked to an LGIM engagement campaign – in line with the LGIM Investment Stewardship team's five-year engagement policy.

The Trustee and the Co-op Pensions Department have reviewed LGIM's reporting and identified the votes on the following page as 'most significant' using these criteria and considering which votes were most aligned with the Trustee's stewardship priorities as set out above. Note that shares in individual companies will likely be held across multiple funds within the DC Sections.

HSBC

HSBC regard votes against management recommendation as the most significant. With regards to climate, in their engagement HSBC encourage companies to disclose their carbon emissions and climate-related risks in line with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). Where companies in energy intensive sectors have persistently failed to disclose their carbon emissions and climate risk governance, HSBC will generally vote against the re-election of the Chairman. HSBC also generally support shareholder resolutions calling for increased disclosure on climate-related issues.

Given the size of the holding in the Shariah fund, none of the underlying votes were considered significant in the context of Pace DC as a whole.

Relevant Stewardship priority	Climate change and the protection of the environment	Climate change and the protection of the environment	Climate change and the protection of the environment	Labour conditions and equal pay	Labour conditions and equal pay	Corporate Governance
Asset manager	LGIM	LGIM	LGIM	LGIM	LGIM	LGIM
Company	Rio Tinto Plc	BP Plc	Sumitomo Mitsui Financial Group, Inc.	Air Products and Chemicals, Inc.	Amazon.com, Inc	Twitter
Date of the vote	8 April 2022	12 May 2022	29 June 2022	26 January 2023	25 May 2022	13 September 2022
Approximate size of the Co-op Section of Pace DC's holding (based are on holding at year end)	c£210k	c£91k	c£54k	c£18k	c£120k	c£16k
Summary of the resolution	To approve Rio Tinto Group's Climate Action Plan	To approve "Net Zero – from Ambition to Action" report	Shareholder proposal to amend Articles to disclose plan outlining the company's business strategy to align investments with the goals of the Paris Agreement ; and, 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	To elect Director Edward L Monser	To elect Director Daniel P. Huttenlocher	To approve advisory Vote on Golden Parachutes
Why the Trustee considers this vote "significant"	Aligned with the Trustee's engagement priorities	Aligned with the Trustee's engagement priorities	Aligned with the Trustee's engagement priorities	Aligned with the Trustee's engagement priorities	Aligned with the Trustee's engagement priorities	Aligned with the Trustee's engagement priorities; high profile

How the asset manager voted	Against	In favour	In favour	Against	Against	Against
Was the voting intention communicated to the company ahead of the vote?	No	Voted in line with management	No	No	No	No
Rationale	LGIM recognise the considerable progress Rio Tinto Plc has made in strengthening its operational emissions reduction targets by 2030, together with the commitment for substantial capital allocation linked to the company's decarbonisation efforts. However, while LGIM acknowledge the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, they remain concerned with the absence of quantifiable targets for such a material component of the company's overall emissions profile, as well as the lack of commitment to an annual vote which would allow shareholders to	Following long-standing and intensive engagements, through the Climate Action 100+, LGIM believe that BP has made substantial changes to its strategy and approach. This is evident in its most recent strategic update where key outstanding elements were strengthened, including raising its ambition for net zero emissions by 2050 and halving operational emissions by 2030, as well as expanding its scope 3 targets and increasing its capex to low carbon growth segments. Nevertheless, LGIM remains committed to continuing their constructive engagements with BP on its net zero strategy and implementation, with particular focus on its	LGIM expects company boards to devise a strategy and 1.5°C-aligned pathway in line with the company's commitments and recent global energy scenarios LGIM's climate expectations includes but is not limited to, stopping investments towards the exploration of new greenfield sites for new oil and gas supply.	LGIM identified the company has a lack of gender diversity on the executive committee, a vote against was therefore applied as the company has an all-male executive committee.	A vote against was applied as the director is a long-standing member of the Leadership Development & Compensation Committee which LGIM believe is accountable for human capital management failings at Amazon.	LGIM does not support the use of golden parachutes. As a long-term and engaged investor, LGIM entrust the board to ensure executive directors' pay is fair, balanced and aligned with the strategy and long-term growth and performance of the business. This was particularly pertinent for Twitter as the proposed takeover by Elon Musk at the time continued to evolve.

	monitor progress in a timely manner.	downstream ambitions and approach to exploration.				
Outcome	Pass - 84.3% of voters supported the resolution.	Pass – 88.5% of voters supported the resolution.	Not passed - 10% of voters supported the resolution.	Pass – 90% of voters supported the resolution.	Pass - 93.3% of voters supported the resolution.	Pass – 95% of voters supported the resolution.
Does the asset manager intend to escalate the stewardship efforts?	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM believe they have had positive engagement with the Company. Despite this, they felt support of the shareholder proposal was appropriate to provide further directional push. LGIM will continue to engage with the Company to provide its opinion and assistance in formulating the Company's approach.	LGIM will continue to engage with their investee companies on gender diversity	LGIM continues to engage with Amazon.com Inc on all of these issues and to push the company to disclose extra information and to be more and more transparent in its disclosures in order that shareholders can effectively evaluate its policies, actions and accountability.	It is worth noting that in Twitters 2022 AGM, LGIM voted against their 'say on pay' proposal, as did 42% of shareholders. LGIM will continue to engage with investee companies, publicly advocate our position on this issue and monitor company and market-level progress.