

# Implementation Statement (“IS”)

## AT&T Pension Scheme (the “Scheme”)

### Scheme Year End – 31 December 2023

The purpose of the Implementation Statement is for us, the Trustee of the AT&T Pension Scheme, to explain what we have done during the year ending 31 December 2023 to achieve the policies and objectives set out in the Statement of Investment Principles (“SIP”).

It includes:

1. A summary of any review and changes made to the SIP over the year;
2. How our policies in the SIP have been followed during the year; and
3. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services.

This Statement covers both the DB and DC Sections of the Scheme.

#### Our conclusion

**Based on the activity we have undertaken during the year, we believe that our policies, as set out in the SIP, have been implemented effectively.**

##### Stewardship policy: Defined Benefit (“DB”) Section

In November 2022, we secured an Annuity policy with Aviva. Hence, most of the Scheme’s assets are invested with Aviva as an Annuity Policy. We recognise our responsibilities as a steward of investment capital; however, in endeavouring to invest in the best financial interests of the beneficiaries, we elected to purchase the Annuity and recognise that we cannot, therefore, directly influence the ESG integration nor stewardship policies and practices of Aviva.

Should we be provided with any opportunity which we deem appropriate to incentivise Aviva concerning these areas, we will consider this and take reasonable steps. We were unaware of any such opportunity during the Scheme year.

##### Stewardship policy: Defined Contribution (“DC”) Section

We delegate the management of the Scheme’s DC assets to our fiduciary manager Aon Investments Limited (“AIL”). Based on the information we have been provided with, we are comfortable with the management and the monitoring of ESG integration and stewardship of the underlying managers that has been carried out on our behalf, and that this aligns with our policies and expectations. We also believe that the material underlying investment managers appointed by AIL were able to disclose good evidence of voting and engagement activity.

We conclude that the activities completed by our managers aligns with our stewardship priorities, and that our voting policy has been implemented effectively in practice.

## 1. Changes to the SIP during the year

The Trustee has a policy to review the SIP formally at least every three years, or after any significant change in investment policy or member demographics.

The Statement of Investment Principles ("SIP") was reviewed during the year to 31 December 2023 and updated in February 2023 to take account of the full Scheme buy-in with Aviva in Q4 2022, and the Scheme's residual assets being held with Legal and General Investment Management ("LGIM").

The Trustee consulted with the Sponsor when making these changes and obtained written advice from Aon, the Trustee's investment adviser.

The Scheme's latest SIP can be found here: [Hartlink Online Portal \(myattpension.co.uk\)](https://myattpension.co.uk)

## 2. How the policies in the SIP have been followed

In the table below we set out what we have done during the year to meet the policies in the SIP.

<p><b>Investment Strategy and Objective – DB</b></p>	<p>In November 2022, the Trustee agreed a low-risk investment strategy comprising of a full Scheme buy-in contract (commencing in November 2022) with Aviva. As such, the assets are invested in a manner appropriate to the nature and duration of the expected future retirement benefits payable under the Scheme.</p> <p>Due to the full Scheme buy-in policy that secured members' benefits, no further action was needed by the Trustee in the year to 31 December 2023 to meet this objective.</p>
<p><b>Environmental, Social, and Governance Factors – DB</b></p>	<p>The Trustee relies on Aon to raise potential ESG concerns with any of the investment funds. Over the Scheme year no such concerns were raised.</p> <p>The Trustee expects its asset managers to exercise their voting and engagement rights where possible. The Trustee, assisted by Aon, has collated their asset managers' voting and engagement records for the year. These are documented later in this Statement.</p> <p>The views of the Sponsor, where applicable, have been aligned to the Scheme's ESG objectives.</p>
<p><b>Cost and Transparency – DB</b></p>	<p>Over the year the Trustee has monitored the total expense ratio of each of their funds through Aon's quarterly monitoring report and through the cost disclosure report provided by the investment manager.</p>
<p><b>Training – DB</b></p>	<p>The majority of the Scheme's assets consisted of the buy-in policy with Aviva. As such, no training for the Trustee was undertaken in the year to 31 December 2023.</p>

### 3. DC Section – Implementation of our stewardship policy

Management of the Scheme's DC assets has been delegated to its fiduciary manager, Aon Investments Limited ("AIL"). AIL invests the Scheme's assets in a range of funds, including within the default strategy, and wider range of self-select funds. AIL selects the underlying asset managers to achieve the objective of each investment option available to members on behalf of the Trustee.

We have reviewed the stewardship activity carried out over the year by the material investment managers selected by AIL and, in our view, all were able to disclose adequate evidence of voting and engagement activity. Based on the information provided, we are comfortable that our stewardship policy (including voting and engagement activity) has been implemented effectively in practice.

The rest of this section sets out the stewardship activities, including the exercise of our voting rights, carried out on our behalf over the year to 31 December 2023 by both AIL and the appointed underlying investment managers.

#### What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which ESG issues to focus on, **engaging** with investees/issuers, and **exercising voting rights**.

Differing ownership structures means stewardship practices often differ between asset classes.

*Source: UN PRI*

## DC Section - Our fiduciary manager's engagement activity

Engagement is when an investor communicates with current (or potential) investee companies or asset managers (as owners of companies) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

As above, management of the Scheme's assets has been delegated to AIL. This includes management of the entirety of the DC Section assets. The arrangements with AIL are fund of funds arrangements, where Aon selects the underlying investment managers on our behalf.

We delegate monitoring of ESG integration and stewardship of the underlying managers to Aon. We have reviewed Aon's latest annual Stewardship Report and we believe it shows that Aon is using its resources to effectively influence positive outcomes in the funds in which it invests.

Over the year, Aon held several engagement meetings with many of the underlying managers in its strategies. Aon discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the investment managers. Aon provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

Over the year, Aon engaged with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations.

In 2021, Aon committed to achieve net zero emissions by 2050, with a 50% reduction by 2030 for its fully delegated clients' portfolios and defined contribution default strategies (relative to baseline year of 2019).

Aon also successfully renewed its signatory status to the 2020 UK Stewardship Code.

## DC Section – Underlying managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. Understanding and monitoring the stewardship that investment managers practice in relation to the Scheme's investments is an important factor in deciding whether a manager remains the right choice for the arrangement.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Scheme's equity-owning investment managers to responsibly exercise their voting rights. Over the year, the material equity, real asset and multi-asset investments held by the Scheme within the default strategies and wider self-select fund range were:

### What is fiduciary management?

Fiduciary management is the delegation of some, or all, of the day-to-day investment decisions and implementation to a fiduciary manager. But the trustees still retain responsibility for setting the high-level investment strategy.

In fiduciary management arrangements, the trustees will often delegate monitoring ESG integration and asset stewardship to its fiduciary manager.

### Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues

Source: UN PRI

## **Aon Managed Retirement Pathway Funds (default strategy)**

<b>Aon Managed Fund</b>	<b>Underlying managers (equity-owning only)</b>
Aon Managed Global Impact Fund	Baillie Gifford, Mirova, Nordea
Aon Managed Initial Growth Phase Fund	Equities: BlackRock, LGIM, UBS Listed real assets: BlackRock, LGIM
Aon Managed Diversified Asset Fund	BlackRock, LGIM, UBS

Source: Aon Investments Limited

## **Self-select fund range**

<b>Aon Managed Fund</b>	<b>Underlying managers (equity-owning only)</b>
Aon Managed Global Equity Fund	BlackRock, LGIM, UBS
Aon Managed Active Global Equity Fund	Baillie Gifford, BNY Mellon, BlackRock, Harris
Aon Managed Initial Growth Phase Fund	Equities: BlackRock, LGIM, UBS Listed real assets: BlackRock, LGIM
Aon Managed Core Initial Growth Phase Fund	BlackRock, LGIM, UBS
Aon Managed Property and Infrastructure	BlackRock, LGIM (listed real assets)
Aon Managed Diversified Asset Fund	BlackRock, LGIM, UBS
Aon Managed Core Diversified Asset Fund	BlackRock, LGIM, UBS
BlackRock UK Equity Index Fund	BlackRock
BlackRock World (ex UK) Equity Index Fund	BlackRock
BlackRock Emerging Market Equity Index Fund	BlackRock
HSBC Islamic Equity Index Fund	HSBC
LGIM Global Ethical Equity Index Fund	LGIM

Source: Aon Investments Limited

## **Voting Statistics: Aon Managed Retirement Pathway Funds**

The table below shows the voting statistics for each of the material funds held within the default strategy, the Aon Managed Retirement Pathway Funds, for the year to 31 December 2023. We also provide a combined view for a member 30 years from retirement and at retirement, invested in the Aon Managed Retirement Pathway Funds

## Aon Managed Retirement Pathway Funds

Aon Managed Funds	% Proposals Voted	% votes cast against management	% votes abstained
Aon Managed Initial Growth Phase Fund <sup>1,2</sup>	97.3%	17.2%	0.5%
Aon Managed Global Impact Fund	99.1%	21.1%	2.9%
Aon Managed Diversified Asset Fund <sup>1</sup>	98.4%	18.6%	0.5%
<b>Aon Managed Retirement Pathway Funds</b>			
<i>Member 30 years from retirement<sup>1</sup></i>	<b>97.4%</b>	<b>17.6%</b>	<b>0.7%</b>
<i>Member at retirement<sup>1</sup></i>	<b>97.8%</b>	<b>18.0%</b>	<b>0.6%</b>

Source: Aon Investments Limited, Underlying investment managers: BlackRock, LGIM, UBS, Baillie Gifford, Mirova, Nordea.

<sup>1</sup>Please note figures shown only reflect the proportion of the portfolio with equity-voting rights.

<sup>2</sup>Invests 90% in the Aon Managed Global Equity Fund and 10% in property and infrastructure.

## Voting Statistics: Self-select funds

The table below shows the voting statistics for each of the material funds offered within the wider self-select fund range available for the year to 31 December 2023.

### Self-select fund range

Aon Managed Funds	% Proposals Voted	% votes cast against management	% votes abstained
Aon Managed Global Equity Fund	98.2%	18.3%	0.5%
Aon Managed Active Global Equity Fund	97.4%	2.8%	0.4%
Aon Managed Initial Growth Phase Fund <sup>1</sup>	97.3%	17.2%	0.5%
Aon Managed Core Initial Growth Phase Fund	97.0%	12.1%	0.2%
Aon Managed Property and Infrastructure Fund <sup>1</sup>	88.5%	7.6%	0.0%
Aon Managed Diversified Asset Fund <sup>1</sup>	98.4%	18.6%	0.5%
Aon Managed Core Diversified Asset Fund	97.0%	12.1%	0.2%
BlackRock UK Equity Index Fund	99.0%	2.0%	0.0%
BlackRock World ex-UK Equity Index Fund	98.0%	6.0%	0.0%
BlackRock Emerging Market Index Fund	98.0%	12.0%	2.0%
HSBC Islamic Global Equity Index Fund	95.0%	23.0%	0.0%
LGIM Ethical Global Equity Index Fund	99.9%	18.5%	0.2%

Source: Aon Investments Limited, underlying investment managers (BlackRock, LGIM, UBS, Nordea, Mirova, Baillie Gifford, BNY Mellon, Harris, HSBC).

<sup>1</sup>Please note figures shown only reflect the proportion of the portfolio with equity-voting right

## Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

### Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

The table below describes how the Scheme's managers use proxy voting advisers.

	<b>Description of use of proxy voting advisers</b> <i>In the managers' own words</i>
<b>Baillie Gifford</b>	Whilst Baillie Gifford is cognisant of proxy advisers' voting recommendations (Institutional Shareholder Services (ISS) and Glass Lewis), they do not delegate or outsource any of their stewardship activities or follow or rely upon recommendations when deciding how to vote on clients' shares. All client voting decisions are made in-house. Baillie Gifford voted in line with their in-house policy and not with the proxy voting providers' policies. Baillie Gifford also has specialist proxy advisers in the Chinese and Indian markets to provide more nuanced market specific information.
<b>BlackRock</b>	BlackRock uses ISS' electronic platform to execute vote instructions, manage client accounts related to voting and facilitate client reporting on voting. In certain markets, BlackRock works with proxy research firms that apply their proxy voting guidelines to filter out routine or non-contentious proposals and refer to BlackRock any meetings where additional research and possibly engagement might be required to inform the voting decision.
<b>BNY Mellon</b>	Walter Scott receives third party research from Institutional Shareholder Services, Inc. (ISS) for information purposes. However, the recommendations from any intermediary have no bearing on how Walter Scott votes.
<b>Harris</b>	Harris utilises the services of ISS proxy voting services. ISS implements a bespoke proxy voting policy for Harris and ISS services are otherwise used for information only. Harris states that it will follow its Proxy Voting Policy, except where the analyst covering a stock recommends voting otherwise. In these cases, the final decision rests with Harris' Proxy Voting Committee.
<b>HSBC</b>	HSBC uses the leading voting research and platform provider 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. They review voting policy recommendations according to the scale of our overall holdings. The bulk of holdings are voted in line with the recommendation based on our guidelines.
<b>LGIM</b>	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure the proxy provider votes in accordance with LGIM's position on ESG, they have put in place a custom voting policy with specific voting instructions.
<b>Mirova</b>	Mirova uses ISS as a voting platform for related services such as ballot collecting, vote processing and record keeping. Mirova subscribes to the ISS research, however its recommendation is not prescriptive or determinative to their voting decisions. All voting decisions are made by Mirova in accordance with their Voting Policy.
<b>Nordea</b>	In general, every vote Nordea casts is considered individually based on of their bespoke voting policy, which Nordea have developed in-house based on their own principles.  Nordea's proxy voting is supported by ISS to facilitate voting, execution and to provide analytic input.
<b>UBS</b>	UBS Asset Management retains the services of ISS for the physical exercise of voting rights and for supporting voting research. UBS retains full discretion when determining how to vote at shareholder meetings.

Source: Aon Investments Limited. Underlying managers

## Significant votes cast

To illustrate the voting activity being carried out on our behalf, we asked AIL to provide a selection of what they and the underlying investment managers consider to be the most significant votes in relation to the Scheme's funds. These significant votes can be found in the Appendix for the main funds used within the default strategy.

## DC Section - Underlying managers' engagement activity

We have reviewed information on the engagement carried out by the material underlying managers appointed by AIL for the DC Section of the Scheme. All material managers engaged on all of the themes listed below:

- Environment - Climate Risk Management

- Environment – Biodiversity
- Governance - Remuneration
- Governance - Board Effectiveness
- Governance - Corporate Strategy
- Social - Human Capital
- Social Risks & Opportunities

*Note: The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm level i.e., is not necessarily specific to the underlying fund.*

We would expect all managers to have engaged on all themes, as all underlying managers meet AIL's required standards for consideration of ESG factors / risks.

## Data limitations

This report does not include commentary on the Scheme's cash or gilt investments because of the limited materiality of stewardship to these asset classes. Further this report does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Scheme's assets that are held as AVCs.

## Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the underlying investment managers appointed by AIL and used within the default strategy, the Aon Managed Retirement Pathway Funds.

We consider a significant vote to be one which the manager deems to be significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below.

<b>LGIM</b>	<b>Company name</b>	Wells Fargo & Company
	<b>Date of vote</b>	April 2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	0.4%
	<b>Summary of the resolution</b>	Resolution 8 - Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets
	<b>How you voted</b>	For
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	Yes. LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.
	<b>Rationale for the voting decision</b>	LGIM generally support resolutions that seek additional disclosures on how companies aim to manage their financing activities in line with their published targets. LGIM believe detailed information on how a company intends to achieve the 2030 targets they have set and published to the market (the 'how' rather than the 'what', including activities and timelines) can further focus the board's attention on the steps and timeframe involved and provides assurance to stakeholders. The onus remains on the board to determine the activities and policies required to fulfil their own ambitions, rather than investors imposing restrictions on the company.
	<b>Outcome of the vote</b>	Fail
	<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	LGIM will continue to engage with the company and monitor progress.
	<b>On which criteria have you assessed this vote to be "most significant"?</b>	Pre-declaration and Thematic – Climate: LGIM considers this vote to be significant as they pre-declared their intention to support. LGIM continue to consider that decarbonisation of the banking sector and its clients is key to ensuring that the goals of the Paris Agreement are met.
<b>BlackRock</b>	<b>Company name</b>	Shell Plc
	<b>Date of vote</b>	May 2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	Not Provided
	<b>Summary of the resolution</b>	Request Shell to Align its Existing 2030 Reduction Target Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement
	<b>How you voted</b>	Against
	<b>Where you voted against management, did you</b>	BlackRock endeavour to communicate to companies when they intend to vote against management, either before or

	<b>communicate your intent to the company ahead of the vote?</b>	just after casting votes in advance of the shareholder meeting. BlackRock publish their voting guidelines to help clients and companies understand their thinking on key governance matters that are commonly put to a shareholder vote. These are the benchmark against which BlackRock assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. BlackRock apply their guidelines pragmatically, taking into account a company's unique circumstances where relevant. BlackRock's voting decisions reflect their analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and their active investment colleagues.
	<b>Rationale for the voting decision</b>	The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company
	<b>Outcome of the vote</b>	Fail
	<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	We do not see engagement as one conversation. We have ongoing direct dialogue with companies to explain our views and how we evaluate their actions on relevant ESG issues over time. Where we have concerns that are not addressed by these conversations, we may vote against management for their action or inaction. Where concerns are raised either through voting or during engagement, we monitor developments and assess whether the company has addressed our concerns.
	<b>On which criteria have you assessed this vote to be "most significant"?</b>	Vote Bulletin; BIS periodically publishes Vote Bulletins on key votes at shareholder meetings to provide insight into details on certain vote decisions we expect will be of particular interest to clients. Our vote bulletins can be found here: <a href="https://www.blackrock.com/corporate/insights/investment-stewardship#vote-bulletins">https://www.blackrock.com/corporate/insights/investment-stewardship#vote-bulletins</a>  The bulletin for this vote can be found here: <a href="https://www.blackrock.com/corporate/literature/press-release/vote-bulletin-shell-may-2023.pdf">https://www.blackrock.com/corporate/literature/press-release/vote-bulletin-shell-may-2023.pdf</a>
<b>UBS</b>	<b>Company name</b>	The Boeing Company
	<b>Date of vote</b>	April 2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	Not provided
	<b>Summary of the resolution</b>	Report on Climate Lobbying
	<b>How the manager voted</b>	Against Management
	<b>Did the manager communicate its intent to the company ahead of the vote?</b>	Company not advised prior to meeting
	<b>Rationale for the voting decision</b>	The proposal would further enable shareholders to determine the strength of company policy, strategy and actions in regard to climate change.
	<b>Outcome of the vote</b>	Fail
	<b>Implications of the outcome</b>	Following the significant support for this proposal, UBS will be monitoring the next steps from the company.
	<b>On which criteria have the vote is considered significant?</b>	40% of votes cast were in support of this shareholder proposal.
<b>Nordea</b>	<b>Company name</b>	National Grid Plc

	<b>Date of vote</b>	July 2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	2.4%
	<b>Summary of the resolution</b>	Authorise the company to call a General Meeting with two weeks' notice.
	<b>How the manager voted</b>	Against Management
	<b>Did the manager communicate its intent to the company ahead of the vote?</b>	No
	<b>Rationale for the voting decision</b>	Shortening the notice period is considered negative for shareholders, especially international ones.
	<b>Outcome of the vote</b>	Fail
	<b>Implications of the outcome</b>	Nordea will continue to vote for such proposals in this company as well as in other relevant companies
	<b>On which criteria have the vote is considered significant?</b>	Significant votes are those that are severely against Nordea's principles and where they feel they need to enact change in the company.
<b>Mirova</b>	<b>Company name</b>	Legal & General Group Plc
	<b>Date of vote</b>	May 2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	0.6%
	<b>Summary of the resolution</b>	Say on Climate
	<b>How the manager voted</b>	Supported Management
	<b>Did the manager communicate its intent to the company ahead of the vote?</b>	No
	<b>Rationale for the voting decision</b>	On balance, the company's climate transition plan is sufficiently robust to warrant a vote FOR at this stage. The investment policy is aligned with +1.5°C trajectory. Targets are set for the short, medium, and long-term and covers all scopes.
	<b>Outcome of the vote</b>	Pass
	<b>Implications of the outcome</b>	Mirova's main criticism is that they would have preferred the inclusion of sovereigns. Indeed, while L&G allegedly excludes sovereigns due to lack of clear industry greenhouse gas methodologies to account for this asset class, Mirova disagrees with this rationale, noting that methodologies do exist, rather the issue stems from most governments not taking their climate commitments seriously.
	<b>On which criteria have the vote is considered significant?</b>	Relevant to engagement strategy
<b>Baillie Gifford</b>	<b>Company name</b>	Dexcom, Inc.
	<b>Date of vote</b>	May 2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	4.0%
	<b>Summary of the resolution</b>	Shareholder Resolution – Social
	<b>How the manager voted</b>	Against

	<b>Did the manager communicate its intent to the company ahead of the vote?</b>	Yes
	<b>Rationale for the voting decision</b>	Baillie Gifford opposed a shareholder resolution asking for median pay gap reporting. Baillie Gifford are satisfied that the company is committed to provide this reporting and is currently working with consultants on this.
	<b>Outcome of the vote</b>	Fail
	<b>Implications of the outcome</b>	As the company has committed to publish adjusted median pay and provided a breakdown of their workforce, Baillie Gifford will be waiting for the release of the materials and seek engagement to understand the nature of adjustment in the future.
	<b>On which criteria have the vote is considered significant?</b>	This resolution is significant because it was submitted by shareholders and received greater than 20% support.
<b>HSBC</b>	<b>Company name</b>	Nike, Inc.
	<b>Date of vote</b>	December 2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	0.5%
	<b>Summary of the resolution</b>	Report on Median Gender/Racial Pay Gap (shareholder proposal)
	<b>How the manager voted</b>	For
	<b>Did the manager communicate its intent to the company ahead of the vote?</b>	No
	<b>Rationale for the voting decision</b>	HSBC believe that the proposal would contribute to improving gender inequality.
	<b>Outcome of the vote</b>	Fail
	<b>Implications of the outcome</b>	HSBC will likely vote against a similar proposal should they see insufficient improvements.
	<b>On which criteria have the vote is considered significant?</b>	The company has a significant weight in the portfolio and HSBC voted against management.

Source: Aon Investments Limited, Underlying Managers (LGIM, BlackRock, UBS, Baillie Gifford, Mirova, Nordea, HSBC).