

Implementation statement – The People's Pension

for the year ended 31 March 2021

20|21



This is the Implementation Statement prepared by the Trustee of the Scheme and sets out:

- How the Trustee has followed the Statement of Investment Principles (SIP) over the year.
- How the Trustee's policies on exercising rights (including voting rights) and engagement have been followed over the year to 31 March 2021.
- The voting behaviour of the Trustee, or that undertaken on their behalf, over the year.

This Implementation Statement focuses on investment-related activity.

Trustee's responsibilities in respect of scheme investments/implementation of SIP policies

In the Trustee's opinion, the Statement of Investment Principles has been followed over the year in the following ways:

- The Scheme offers a suitable default strategy for members. This was reviewed in November 2020 and deemed appropriate by the Scheme's Investment Consultant, based on the membership profile and Trustee objectives.
- The Scheme offers a range of self-select fund options which give members a reasonable choice from which to select their own strategy. The self-select fund range was reviewed as part of the wider investment strategy review described above, which was carried out in November 2020. As part of this review, the Scheme's Investment Consultant concluded that the fund choices currently offered to members remain reasonable.
- The Trustee monitors the performance of the manager funds quarterly relative to their stated objectives. In addition to this, consideration is given to the qualitative views held by the Investment Consultant with respect to the investment managers. These qualitative views are based upon research into the managers' investment operations including an analysis of the firm's business environment, the investment team involved, and the investment processes employed. The Trustee's Investment Consultant and managers provide quarterly reports for review.
- The Scheme's SIP is reviewed as part of any changes to underlying funds or strategy. The SIP was last updated in September 2020 to reflect new regulation in relation to documenting manager arrangements and providing an extended stewardship policy.

The SIP was previously reviewed in July 2019 to reflect regulatory requirements on documenting policies around financially material factors including Environmental, Social & Governance (ESG) and climate risk.

- The Trustee made no new manager appointments over the year.
- The Trustee introduced measures to protect the liquidity in the members funds over the year by adding a small holding in a Sterling Liquidity Fund to the Growth Feeder Fund used by the core fund range including the default investment profile. The Trustee also rebalanced the Growth Feeder Fund in March of 2020 as a result of market movements caused by the COVID-19 pandemic.
- The Trustee set out strategic objectives for their independent advisers in 2019 and reviewed them against these objectives in February 2021.

Responsible investment

- The Trustee considers the ESG capabilities of each of the Scheme's managers as part of their approach to responsible investing. The Trustee set out its Responsible Investment Policy in November 2018 and the manager's approach is consistent with this. The Responsible Investment Policy will be updated in 2021 to reflect exclusionary indices for the Scheme's equity investments which have been introduced following dialogue with the investment manager.
- The Trustee regularly reviews the ESG capabilities of the managers as part of the monitoring process.
- The Trustee believes that environmental, social and governance (ESG) factors can affect the performance of investment portfolios and have a Responsible Investment Policy in place to outline this, alongside their Statement of Investment Principles. The process set by the Trustee for implementing this policy includes integration, screening, and engagement.
- In line with this process, exclusions based on controversial weapons and severe ESG controversies have been introduced for the majority of the equity funds the Scheme invests in. The Trustee has a fiduciary duty to consider all material financial risks when making all investment decisions and makes no distinction in this between the default and self-select funds.
- The exclusions based on controversial weapons and severe ESG controversies are designed to reduce the risk of the portfolio being exposed to reputational and ESG risks although are not expected to have a material impact on either the risk or the return characteristics.
- These exclusions follow the introduction of the Multifactor ESG fund that was first added to the strategy in 2018 which reduces carbon intensity of the portfolio by using the 'Invest' approach described which expected to have a positive impact on the risk and return characteristics of the portfolio over time. As described in the SIP, the Trustee will integrate ESG factors into the Scheme where it can be satisfied it will positively affect return or negatively affect risk.

How voting and engagement policies have been followed

The Scheme invests entirely in pooled funds, and as such the Trustee delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers.

The Trustee's policy on voting and engagement states that the Trustee expects the investment manager to:

- vote and engage with companies and other relevant persons in global markets
- be a signatory to the Principles of Responsible Investment (PRI)
- assess and monitor developments in the capital structure for each of the companies in which the manager invests
- assess and monitor how the companies in which they are investing are managing developments in ESG related issues, and in particular climate risk
- employ the same degree of scrutiny for pooled funds as if the investment had been made on a direct basis.

The Trustee also encourages the investment manager to comply with the UK Stewardship Code.

The Trustee undertook a review of the stewardship and engagement activities of State Street, the current investment manager for the majority of Scheme assets, at the November 2020 meeting of the Trustee's investment subcommittee. The Trustee considered:

- State Street's scoring against and participation in various industry standards, including the PRI (Principles for Responsible Investment), the UK Stewardship Code, TCFD (Task Force on Climate-related Financial Disclosures) and Insticube (asset manager research platform)
- high level voting statistics
- the degree of alignment of State Street's voting and engagement principles with the Trustee's own
- State Street's Annual Climate Stewardship Review
- a presentation from State Street on their responsible investment approach.

The Trustee concluded that State Street's policies were reasonable and strongly aligned with the Trustee's own policies. No remedial action was required at that time. The Trustee continues to hold an open dialogue with State Street on the Trustee's engagement and stewardship priorities. HSBC Asset Management are also a signatory to the PRI and the UK Stewardship Code.

Voting data

The table below provides a summary of the voting activity undertaken by SSGA and HSBC over the year to 31 March 2021, together with information on any key voting priorities and information on the use of proxy voting advisors by the managers.

Manager	HSBC						SSGA					
Fund name	HSBC Islamic Global Equity Index Fund	SSGA World Adaptive Capping Equity Index Fund	SSGA ACS Multi-Factor Global ESG Equity Index Fund	SSGA UK ESG Screened Index Equity Fund	SSGA North America ESG Screened Equity Index Fund	SSGA Europe ex UK ESG Screened Equity Index Fund	SSGA Japan ESG Screened Equity Index Fund	SSGA Asia Pacific ex Japan ESG Screened Equity Index Fund	SSGA Emerging Markets ESG Screened Equity Index Fund	SSGA World ESG Equity Index Fund	SSGA Global Real Estate Equity Index Fund	SSGA Multi-Asset Global Infrastructure Index Fund
	Self-select (Shariah)	Growth pool	Growth pool	Growth pool	Growth pool	Growth pool	Growth pool	Growth pool	Growth pool	Self-select (Ethical)	Growth pool	Growth pool
Structure	Pooled											
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.											
Number of company meetings the manager was eligible to vote at over the year	109	1,732	291	740	674	538	518	442	3,310	1,646	103	633
Number of resolutions the manager was eligible to vote on over the year	1,597	23,459	4,004	10,486	8,377	9,178	6,223	3,104	30,252	22,283	913	6,958
Percentage of resolutions the manager voted on	91.6%	99.7%	96.1%	100.0%	100.0%	99.3%	100.0%	100.0%	98.4%	99.7%	99.7%	99.0%
Percentage of resolutions the manager abstained from, as a percentage of the total number of resolutions voted on	0.0%	0.6%	1.0%	0.6%	0.7%	0.5%	0.0%	0.6%	2.5%	0.6%	0.4%	2.4%
Percentage of resolutions voted with management, as a percentage of the total number of resolutions voted on	87.8%	90.1%	91.1%	91.4%	90.4%	88.7%	91.6%	83.1%	84.3%	90.2%	93.5%	87.8%
Percentage of resolutions voted against management, as a percentage of the total number of resolutions voted on	12.2%	9.3%	7.9%	8.0%	8.9%	10.8%	8.4%	16.4%	13.2%	9.2%	6.1%	9.8%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	8.4%	7.9%	7.2%	8.2%	10.5%	5.9%	6.6%	10.1%	9.1%	8.0%	6.0%	7.0%

Significant votes

For the first year of implementation statements, the Trustee has selected 3 significant votes for each SSGA fund. The significant votes are selected based on a mixture of:

- The size of the fund's holding in the relevant company.
- The topic of the vote. The Trustee has prioritised disclosing votes on climate change and related issues, in line with the priorities identified in their Responsible Investment and Climate Change policies, and in line with what member polls suggest is of most importance to members.

For the HSBC Islamic Global Equity Index Fund, the Trustee has delegated to the investment manager to define what a 'significant vote' is. 3 significant votes were chosen from the list provided by the manager based on the size of the fund's holding in the relevant company.

A summary of the data provided by the managers is set out below for the year up to 31 March 2021.

HSBC, Islamic Global Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Alphabet Inc.	Facebook, Inc.	Exxon Mobil Corporation
Date of vote	03 June 2020	27 May 2020	27 May 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	6.6%	3.9%	1.3%
Summary of the resolution	Approve Recapitalization Plan for all Stock to have one-vote per Share	Report on Median Gender/Racial Pay Gap	Require Independent Board Chairman
How the manager voted	For	For	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	HSBC have not in this instance, but they have communicated after the meeting.		
Rationale for the voting decision	HSBC supports the principle of one share-one vote as they believe that this is the best means of ensuring accountability to all shareholders, in the long-term interest of the company.	HSBC favours transparency around gender pay as they believe this can encourage appropriate management of the issue.	HSBC regard the role of Chairman of the board as extremely important as it is time-consuming and requires a particular perspective. Whilst HSBC recognises that the role is often combined with that of CEO in some markets, they believe that the roles should normally be distinct and separate.
Outcome of the vote	Supported Management	Supported Management	Supported Management
Implications of the outcome	HSBC contacted the company to explain their rationale. HSBC requested the opportunity to discuss this further and to explain that they may vote similarly at future Annual General Meetings (AGMs), if this issue arises again	HSBC contacted the company to explain their rationale. They requested the opportunity to discuss this further and will vote similarly at future AGMs when this issue arises again.	HSBC supports investors in the Climate Action 100+ engagement with ExxonMobil and will continue to raise concerns about the lack of a detailed strategy which addresses the company's exposure to carbon transition in the energy system.
Criteria on which the vote is considered 'significant'	HSBC considers this vote to be relevant on the basis that it was cast against the management recommendation and covered a relevant shareholder right issue.	HSBC considers this vote to be relevant on the basis it was cast against the management recommendation and covered a relevant issue affecting the company's governance and social reputation.	HSBC consider the separation of the roles of CEO and Chairman to be an important governance principle. It has particular relevance at ExxonMobil as HSBC are concerned that the company has not yet sufficiently addressed the strategic challenge of transition to a low carbon economy and believe that increased independent board representation could help with this.

SSGA, World Adaptive Capped Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Tesla, Inc.	United Parcel Service, Inc.	FedEx Corporation
Date of vote	22 September 2020	14 May 2020	21 September 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.3%	0.1%	0.2%
Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation; 2 Miscellaneous Proposals – Environmental & Social	Report on Climate Change	Link Executive Pay to Social Criteria
How the manager voted	Against all	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	SSGA does not publicly communicate their vote in advance.		
Rationale for the voting decision	The manager believes the first item does not merit support as they have concerns with the proposed remuneration structure for senior executives at the company. The manager believes the second and third items do not merit support due to concerns with the terms of the proposals.	The manager believes this proposal does not merit support as the company's disclosure and/or practices related to climate change are reasonable.	The manager believes this item does not merit support due to concerns with the terms of the proposal.
Implications of the outcome	Where appropriate SSGA will contact the company to explain their voting rationale and conduct further engagement.		
Criteria on which the vote is considered 'significant'	The greater size of this holding as a proportion of the overall portfolio relative to the other fund holdings the manager voted on.	The topic of the vote is linked to climate change, which the Trustee has identified as a key responsible investment priority.	The topic of the vote is linked to climate change, which the Trustee has identified as a key responsible investment priority.

SSGA, ACS Multi-Factor Global ESG Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Intel Corporation	The Kroger Co.	Rio Tinto Limited
Date of vote	14 May 2020	25 June 2020	7 May 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.4%	1.3%	1.2%
Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation	Recycling	Report on Climate Change
How the manager voted	Abstain	Against	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	SSGA does not publicly communicate their vote in advance.		
Rationale for the voting decision	The manager believes this proposal merits qualified support as they have some concerns with the remuneration structure for senior executives at the company.	The manager believes this proposal does not merit support as the company's disclosure and/or practices related to recycling are reasonable.	The manager believes this proposal merits support as the company's disclosure and/or practices related to climate change can be improved.
Implications of the outcome	Where appropriate SSGA will contact the company to explain their voting rationale and conduct further engagement.		
Criteria on which the vote is considered 'significant'	The greater size of this holding as a proportion of the overall portfolio relative to the other fund holdings the manager voted on.	The topic of the vote is linked to climate change, which the Trustee has identified as a key responsible investment priority.	The topic of the vote is linked to climate change, which the Trustee has identified as a key responsible investment priority.

SSGA, UK ESG Screened Index Equity Fund

	Vote 1	Vote 2	Vote 3
Company name	Royal Dutch Shell Plc	Ferguson Plc	Ocado Group Plc
Date of vote	19 May 2020	3 December 2020	6 May 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.3%	1.1%	0.5%
Summary of the resolution	Greenhouse Gas (GHG) Emissions	Advisory Vote to Ratify Named Executive Officers' Compensation	Advisory Vote to Ratify Named Executive Officers' Compensation
How the manager voted	Against	Abstain	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	SSGA does not publicly communicate their vote in advance.		
Rationale for the voting decision	The manager believes this proposal does not merit support as the company's disclosure and/or practices related to GHG emissions are reasonable.	The manager believes this proposal merits qualified support as SSGA has some concerns with the remuneration structure for senior executives at the company.	Awards under 2020 Restricted Share Plan (RSP) may be made subject to performance conditions, as determined by the Board at the time an RSP Award is granted. The Value Creation Plan includes provision for a retest of performance conditions. The proposed framework combines the annual bonus and the long-term incentive plan into a single scheme.
Implications of the outcome	Where appropriate SSGA will contact the company to explain their voting rationale and conduct further engagement.		
Criteria on which the vote is considered 'significant'	The topic of the vote is linked to climate change, which the Trustee has identified as a key responsible investment priority.	The greater size of this holding as a proportion of the overall portfolio relative to the other fund holdings the manager voted on.	The greater size of this holding as a proportion of the overall portfolio relative to the other fund holdings the manager voted on.

SSGA, North America ESG Screened Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Walmart Inc.	JPMorgan Chase & Co.	Chevron Corporation
Date of vote	3 June 2020	19 May 2020	27 May 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.6%	1.0%	0.6%
Summary of the resolution	Item 1: Community – Environment Impact Item 2: Miscellaneous Proposal – Environmental & Social	Item 1: Report on Climate Change Item 2: Report on Climate Change	Item 1: Establish Environmental/Social Issue Board Committee Item 2: Product Toxicity and Safety Item 3: Report on Climate Change
How the manager voted	Item 1: For Item 2: Against	Item 1: Against Item 2: For	Item 1: Against Item 2: Abstain Item 3: Abstain
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	SSGA does not publicly communicate their vote in advance.		
Rationale for the voting decision	Item 1: The manager believes this proposal merits support as the company's environmental disclosure and/or practices can be improved. Item 2: The manager believes this proposal does not merit support as the company's disclosure and/or practices pertaining to the item are reasonable.	Item 1: The manager believes this proposal does not merit support as the company's disclosure and/or practices related to climate change that this item refers to are reasonable. Item 2: The manager believes this proposal merits support as the company's disclosure and/or practices related to climate change that this item refers to can be improved.	Item 1: The manager believes this item does not merit support due to concerns with the terms of the proposal. Item 2: SSGA abstained on the proposal as the company's disclosure and/or practices pertaining to the item were considered to be broadly in line with market standard, recognising they could be enhanced. Item 3: SSGA abstained on the proposal as the company's disclosure and/or practices related to climate change were considered to be broadly in line with market standard but could be enhanced.
Implications of the outcome	Where appropriate SSGA will contact the company to explain their voting rationale and conduct further engagement.		
Criteria on which the vote is considered 'significant'	The topic of the vote is linked to climate change, which the Trustee has identified as a key responsible investment priority.	The topic of the vote is linked to climate change, which the Trustee has identified as a key responsible investment priority.	The topic of the vote is linked to climate change, which the Trustee has identified as a key responsible investment priority.

SSGA, Europe ex UK ESG Screened Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Sanofi	Total SA	LVMH Moët Hennessy Louis Vuitton SE
Date of vote	28 April 2020	29 May 2020	30 June 2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.7%	1.4%	1.7%
Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation	Climate Change Action	Advisory Vote to Ratify Named Executive Officers' Compensation; Approve Remuneration Policy
How the manager voted	Against	Abstain	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	SSGA does not publicly communicate their vote in advance.		
Rationale for the voting decision	The manager believes this item does not merit support as they have concerns with the proposed remuneration structure for senior executives at the company.	SSGA abstained on the proposal as the company's disclosure and/or practices related to climate change were believed to be broadly in line with market standard, recognising they could be enhanced.	The manager believes these items do not merit support as they have concerns with the proposed remuneration structure for senior executives at the company.
Implications of the outcome	Where appropriate SSGA will contact the company to explain their voting rationale and conduct further engagement.		
Criteria on which the vote is considered 'significant'	The greater size of this holding as a proportion of the overall portfolio relative to the other fund holdings the manager voted on.	The topic of the vote is linked to climate change, which the Trustee has identified as a key responsible investment priority.	The greater size of this holding as a proportion of the overall portfolio relative to the other fund holdings the manager voted on.

SSGA, Japan ESG Screened Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Mizuho Financial Group, Inc.	Chubu Electric Power Co., Inc.	The Kansai Electric Power Co., Inc.
Date of vote	25 June 2020	25 June 2020	25 June 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.8%	0.2%	0.2%
Summary of the resolution	Report on Climate Change	Phase Out Nuclear Facilities GHG Emissions	Phase Out Nuclear Facilities Report on Climate Change GHG Emissions Renewable Energy
How the manager voted	For	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	SSGA does not publicly communicate their vote in advance.		
Rationale for the voting decision	The manager believes this proposal merits support as the company's disclosure and/or practices related to climate change can be improved.	The manager believes these proposals do not merit support as the company's disclosure and/or practices related to the items above are reasonable.	The manager believes these proposals do not merit support as the company's disclosure and/or practices related to nuclear power, GHG emissions and renewable energy are reasonable.
Implications of the outcome	Where appropriate SSGA will contact the company to explain their voting rationale and conduct further engagement.		
Criteria on which the vote is considered 'significant'	The greater size of this holding as a proportion of the overall portfolio relative to the other fund holdings the manager voted on.	The topic of the vote is linked to climate change, which the Trustee has identified as a key responsible investment priority.	The topic of the vote is linked to climate change, which the Trustee has identified as a key responsible investment priority.

SSGA, Asia Pacific ex Japan ESG Screened Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	CSL Limited	National Australia Bank Limited	Rio Tinto Limited
Date of vote	14 October 2020	16 December 2020	7 May 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	3.3%	1.6%	1.0%
Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation	Report on Climate Change	Report on Climate Change
How the manager voted	Abstain	Against	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	SSGA does not publicly communicate their vote in advance.		
Rationale for the voting decision	The manager believes this proposal merits qualified support as they have some concerns with the remuneration structure for senior executives at the company.	The manager believes this proposal does not merit support as the company's disclosure and/or practices related to climate change are reasonable.	The manager believes this proposal merits support as the company's disclosure and/or practices related to climate change can be improved.
Implications of the outcome	Where appropriate SSGA will contact the company to explain their voting rationale and conduct further engagement.		
Criteria on which the vote is considered 'significant'	The greater size of this holding as a proportion of the overall portfolio relative to the other fund holdings the manager voted on.	The topic of the vote is linked to climate change, which the Trustee has identified as a key responsible investment priority.	The topic of the vote is linked to climate change, which the Trustee has identified as a key responsible investment priority.

SSGA, Emerging Markets ESG Screened Equity Index

	Vote 1	Vote 2	Vote 3
Company name	Naspers Ltd.	China Mobile Limited	FirstRand Ltd.
Date of vote	21 August 2020	20 May 2020	2 December 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.3%	0.7%	0.2%
Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation and approve Remuneration Policy	Elect Director	Advisory Vote to Ratify Named Executive Officers' Compensation
How the manager voted	Against	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	SSGA does not publicly communicate their vote in advance.		
Rationale for the voting decision	The manager believes this item does not merit support as they have concerns with the proposed remuneration structure for senior executives at the company.	SSGA voted against the nominee due to the lack of gender diversity on the board.	The manager believes this item does not merit support as they have concerns with the proposed remuneration structure for senior executives at the company.
Implications of the outcome	Where appropriate SSGA will contact the company to explain their voting rationale and conduct further engagement.		
Criteria on which the vote is considered 'significant'	The greater size of these holdings as a proportion of the overall portfolio relative to the other fund holdings the manager voted on.		

SSGA, World ESG Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Verizon Communications Inc.	The Procter & Gamble Company	PepsiCo, Inc.
Date of vote	7 May 2020	13 October 2020	6 May 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.5%	1.0%	0.7%
Summary of the resolution	Link Executive Pay to Social Criteria	Community – Environment Impact	Product Toxicity and Safety
How the manager voted	Against	For	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	SSGA does not publicly communicate their vote in advance.		
Rationale for the voting decision	The manager believes this item does not merit support due to concerns with the terms of the proposal.	The manager believes this proposal merits support as the company's environmental disclosure and/or practices can be improved.	The manager believes this proposal does not merit support as the company's disclosure and/or practices pertaining to the item are reasonable.
Implications of the outcome	Where appropriate SSGA will contact the company to explain their voting rationale and conduct further engagement.		
Criteria on which the vote is considered 'significant'	The topic of the vote is linked to climate change, which the Trustee has identified as a key responsible investment priority.	The topic of the vote is linked to climate change, which the Trustee has identified as a key responsible investment priority.	The topic of the vote is linked to climate change, which the Trustee has identified as a key responsible investment priority.

SSGA, Global Real Estate Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Goodman Group	Scentre Group	Kilroy Realty Corporation
Date of vote	19 November 2020	8 April 2020	19 May 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.9%	0.7%	0.6%
Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation	Advisory Vote to Ratify Named Executive Officers' Compensation	Advisory Vote to Ratify Named Executive Officers' Compensation
How the manager voted	Against	Abstain	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	SSGA does not publicly communicate their vote in advance.		
Rationale for the voting decision	The manager believes this item does not merit support as they have concerns with the proposed remuneration structure for senior executives at the company.	The manager believes this proposal merits qualified support as they have some concerns with the remuneration structure for senior executives at the company.	The manager believes this item does not merit support as they have concerns with the proposed remuneration structure for senior executives at the company.
Implications of the outcome	Where appropriate SSGA will contact the company to explain their voting rationale and conduct further engagement.		
Criteria on which the vote is considered 'significant'	The greater size of these holdings as a proportion of the overall portfolio relative to the other fund holdings the manager voted on.		

SSGA, Multi-Asset Global Infrastructure Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Union Pacific Corporation	United Parcel Service, Inc.	Enel SpA
Date of vote	14 May 2020	14 May 2020	14 May 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	3.5%	2.4%	2.1%
Summary of the resolution	Report on Climate Change	Report on Climate Change	Approve Remuneration Policy
How the manager voted	Abstain	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	SSGA does not publicly communicate their vote in advance.		
Rationale for the voting decision	SSGA abstained on the proposal as they believe the company's disclosure and/or practices related to climate change are broadly in line with market standard, recognising these could be enhanced.	The manager believes this proposal does not merit support as the company's disclosure and/or practices related to climate change are reasonable.	The manager believes this item does not merit support as they have concerns with the proposed remuneration structure for senior executives at the company.
Implications of the outcome	Where appropriate SSGA will contact the company to explain their voting rationale and conduct further engagement.		
Criteria on which the vote is considered 'significant'	The topic of the vote is linked to climate change, which the Trustee has identified as a key responsible investment priority.	The topic of the vote is linked to climate change, which the Trustee has identified as a key responsible investment priority.	The greater size of this holding as a proportion of the overall portfolio relative to the other fund holdings the manager voted on.

Fund level engagement

The table below provides a summary of the engagement activities undertaken by each manager on behalf of the Trustee over the year to 31 March 2021. HSBC and SSGA are not able to provide fund specific engagement examples. The Trustee and its investment adviser are engaging with the investment managers to obtain specific examples directly relating to the Scheme's holdings in the future.

Manager	HSBC	SSGA
Fund name	Islamic Global Equity Index Fund	SSGA
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	82	Data not available
Number of engagements undertaken at a firm level in the year	2,280	564

Manager	HSBC	SSGA
<p>Examples of engagements undertaken at a firm level</p>	<p>Climate change - BHP</p> <p>HSBC are European lead investor with the company under the Climate Action 100+. HSBC met the company more than a dozen times over the course of the year, providing feedback on various aspects of its climate strategy, as well as coordinating support investors and engaging with other listed members of the controversial Minerals Council of Australia lobby group.</p> <p>Outcome: BHP added to its existing net zero operational emissions commitment with a 2030 target to reduce operational emissions by 30%, announced work to explore reductions in scope 3 emissions in its use of shipping and in steel production, strengthened the link between executive remuneration and the climate plan and improved its analysis of the impact of a 1.5 degree scenario on its portfolio. It also sold its thermal coal business.</p> <p>Japanese board independence – multiple companies</p> <p>Many Japanese companies have very few independent directors. The market requirement is for two outside directors who need not be independent. HSBC writes every year to companies in the TOPIX100 index without one third independent directors asking them to indicate if they will improve their board balance. HSBC escalated this issue in 2020 for companies which still did not meet the one third standard by voting against all non-independent directors, other than the CEO and founder / President. In particular, HSBC have engaged with 9 entities on this engagement theme within the Islamic Global Equity Fund.</p> <p>Outcome: There has been a gradual increase in the number of companies meeting the one third independent standard but progress is slow.</p> <p>Deforestation - Nike Inc. (relevant for the Islamic Global Equity Fund) and Costco Wholesale</p> <p>Initially, as part of the PRI engagement campaign, HSBC contacted companies revealing the objectives of their engagement. HSBC then had separate calls/meetings through which they asked them about:</p> <ol style="list-style-type: none"> 1. Their current monitoring programmes to prevent deforestation linked to cattle in their supply chain 2. Their involvement in the Leather Working Group (responsible for environmental certification for the leather manufacturing industry) 3. The status of their policies on deforestation <p>Both companies demonstrated an advanced understanding of the issue and are gradually phasing out leather. They collaborate with other members of the Leather Working Group to advance audit and monitoring standards.</p>	<p>Board effectiveness - Fearless Girl Campaign</p> <p>The Fearless Girl Campaign led by SSGA's stewardship team started in 2017, aiming to raise awareness and drive a conversation around the need to improve gender diversity in corporate leadership roles. The campaign was initially carried out in the US, UK and Australia but has since expanded to other countries including Japan and Canada. Since the launch of the campaign, SSGA's preference has been to meet with/speak to independent chairpersons/lead independent directors and/or representatives of key board committees. They have also voted against 313 companies for lack of board gender diversity.</p> <p>Outcome: Since the launch of the campaign, out of the 1,486 companies SSGA identified as lacking a single woman on their board, 862 companies have appointed at least one female director.</p> <p>Climate Change</p> <p>SSGA believe that, in recent years, climate change has emerged as a key systemic threat, representing both a strategic and business challenge for all companies. They have therefore prioritized climate change as a core theme of their stewardship activities since 2014. In November 2020, SSGA became a signatory to Climate Action 100+.</p> <p>Outcome: Since 2014, SSGA has engaged with over 600 companies across multiple industries on climate-related issues. Their engagement approach leverages the four dimensions of the Task Force on Climate-related Financial Disclosures (TCFD) framework — governance, strategy, risk management and metrics.</p> <p>Integrating R-Factor into Stewardship</p> <p>The R-Factor measures the performance of a company's business operations and governance as it relates to financially material and industry-specific ESG risk factors, as defined by the Sustainability Accounting Standards Board (SASB). SSGA shared companies' R-Factor scores with them and guided companies towards resources on how to improve their ESG practices and ultimately their score. The R-Factor score provided companies with tangible feedback on how well they were meeting our need for material ESG information, and the SASB framework creates clarity on what that information is. As of 31 December 2020, 698 companies requested their R-Factor score and this represents 44% of SSGA's equity assets under management.</p> <p>Outcome: Beginning in the 2020 proxy season, SSGA started taking action against board members at companies in major market indices that are laggards based on their R-Factor scores and that cannot articulate how they plan to improve their score. In the event that SSGA feels a company is not committed to engaging with them or improving their disclosure or performance related to financially material ESG matters, SSGA may not support the re-election of the board's independent leader.</p>

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