

Implementation Statement for the Year to 30 June 2024
Helaba (London) Pension & Life Assurance Plan ('the Plan')

Introduction

In June 2022, the Department of Work and Pensions (DWP) issued guidance for trustees of pension schemes to produce an Implementation Statement to meet pension disclosure requirements.

This Implementation Statement describes the voting and engagement policies of the Trustees of the Helaba (London) Pension & Life Assurance Plan ('the Trustees') along with a summary of voting and engagement behaviour related to the Plan's investments over the 12-month period to 30 June 2024.

The purpose of this Implementation Statement is to provide evidence that the Plan continues to follow and act on the principles outlined in the Statement of Investment Principles ('the SIP'). Just before the start of the Plan year (April 2023), the Fifth Edition of the SIP was put in place..

This report details:

- Actions the Trustees have taken to manage financially material risks and implement the key policies in its SIP;
- The current policy and approach with regards to Environmental, Social and Governance (ESG) factors and the actions taken with managers on managing ESG risks; and
- The extent to which the Trustees have followed policies on engagement, covering engagement actions with its fund managers and in turn the engagement activity of the fund managers with the companies in which they invest.

Summary of key actions undertaken over the Plan reporting year

Following the market volatility in 2022, the Pension Regulator (TPR) recommended that Trustees take steps to make their LDI arrangements more resilient. The Plan maintained a very comfortable liquidity position; hence no changes were needed at that time. During Q1 2024, the Plan reviewed its hedge position and agreed to increase the hedge from 72% to 92% on a Technical Provisions basis, in response to yield market movements. This change has been reflected in the SIP, which is yet to be signed.

Otherwise, there have been no further changes to the Plan over the course of the Plan year..

Implementation Statement

This report demonstrates that the Plan has adhered to its investment principles and its policies for managing financially material considerations including ESG factors and climate change.

Managing risks

Risk / Policy	Definition	Policy	Actions
Interest rates and Inflation	The risk of mismatch between the value of the Plan's assets and present value of liabilities from changes in interest rates and inflation expectations.	To invest in matching assets that move in line with the present value of the Plan's liabilities.	No action, change or material deviation from stated policy over the reporting period.
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members benefits as they fall due (including transfer values), and to provide collateral to the LDI manager.	Liquidity is monitored at least quarterly when assessing the Plan's quarterly performance. This is considered from the perspective of having sufficient liquid assets for potential capital calls, but also the payment of member benefits.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away from any unrewarded risks, where practicable.	<p>The Plan has invested in diversified growth funds which aim to reduce market volatility by diversifying across different drivers of return.</p> <p>The Plan's current asset allocation is monitored quarterly against the strategic target to minimise material drift.</p>
Credit	Default on payments due as part of a financial security contract.	To diversify this risk by investing in a range of credit markets across different geographies and sectors where possible.	The Plan invested in an investment grade pooled credit fund which invests across a variety of sectors, diversifying the underlying credit risk.
Environmental, Social and Governance	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Plan's investments.	To appoint managers who integrate ESG into their investment process, utilise their right to vote and have good reporting on ESG matters.	<p>As part of the investment management of the Plan's assets, the Trustees expect the investment managers to make decisions on:</p> <ul style="list-style-type: none"> • The selection, retention and realisation of investments taking into account all financially material considerations. • The exercise of rights (including voting rights) attached to these investments.

			<ul style="list-style-type: none"> Undertaking engagement activities with investee companies and other stakeholders where appropriate. <p>The Trustees have undertaken training on ESG and Stewardship and is considering priorities, which will be reflected in the next version of the SIP.</p>
Currency	The potential for adverse currency movements to have an impact on the Plan's investments.	To invest in GBP denominated share classes where possible.	The Plan invests in GBP denominated share classes where possible.
Non-financial	Any factor that is not expected to have a financial impact on the Plan's investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments.	No action, change or material deviation from stated policy over the reporting period.

Changes to the SIP

There have been no changes to the SIP over the Plan's reporting year.

Implementing the current ESG policy and approach

ESG as a financially material risk

The SIP references the Plan's policy with regards to ESG as a long-term risk. The sections below detail how the Plan's ESG policy is implemented. The ESG policy is detailed below:

The Trustees believe ESG, including climate change, to be an important long-term factor when making investment decisions. It is therefore considered as part of the selection and retention of asset classes and fund managers, using analysis provided by their investment adviser.

The Trustees believe that climate change is a financially material consideration when investing and engage with their managers on the issue, encouraging them to consider the impact climate change may have on their portfolios. They expect fund managers to, as far as possible, align with the Task Force on Climate-Related Financial Disclosures.

Non-financially material ESG factors may be considered where it is believed there is a majority membership preference or where the financial impact is unlikely to be detrimental to returns.

Where there is choice, investment will be in fund managers with a superior ESG approach, as rated by the investment adviser, all else being equal. Fund managers are expected to report on ESG issues and developments.

The Trustees engage with the sponsoring employer on their ESG policy and consider any views they may have.

No investment priorities have been explicitly set.

Where voting has taken place, which is within the Columbia Threadneedle Multi-Asset Fund and the Schroders Diversified Growth Fund, the Trustees have chosen to adopt a definition of “significant votes” that is in line with the definition chosen by the fund managers.

Engagement with the Sponsor

The ESG policy above has been discussed and agreed with the Sponsor.

The rest of this statement details the Trustees’ views of the managers, the actions for engagement and an evaluation of the stewardship activity.

The following table outlines the areas which the Plan’s investment managers are assessed on when evaluating their ESG policies. The Trustees will review the Plan’s ESG policies and engagements periodically to ensure they remain fit for purpose.

Implementing the Current ESG Policy

Areas for monitoring and engagement	Method for monitoring and engagement	Circumstances for additional monitoring and engagement
Environmental, Social, Corporate Governance factor and the exercising of rights.	The Trustees receive information from its investment advisers on the investment managers’ approaches to engagement.	<p>The manager has not acted in accordance with their policies and frameworks.</p> <p>The manager’s policies are not in line with the Trustee’s policies in this area.</p>

Engagement and Voting

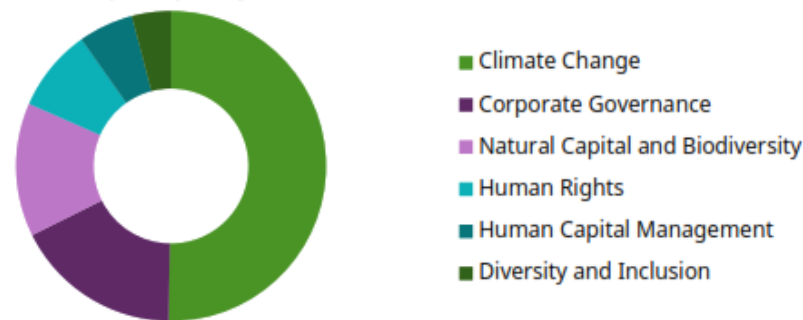
Fund Manager	Policies	Engagement and Voting
Ormonde Multi-Asset Fund	The fund has been in wind-down for 12 months with only two illiquid holdings remaining with the Fund.	Given the wind-down, engagement has only been on the sale of the remaining assets. It is therefore not appropriate to report on engagement behaviour for this fund. There are no voting rights attaching to this Fund.
Schroders Diversified Growth Fund	Documents are available on their website covering RI policies. Sustainable investing - Schroders	See below for engagement and voting information.
Columbia Threadneedle Multi-Asset Fund	Documents are available on their website covering RI policies. Responsible Investor Columbia Threadneedle Investments	See below for engagement and voting information.
Lunar Capital IV	This is an illiquid private equity fund that is in harvest mode.	Given the stage of the fund, engagement has only been on the sale of the remaining assets.
Schroders LDI	Documents are available on their website covering RI policies. Responsible Investor Columbia Threadneedle Investments	See below for engagement information.

Where voting has taken place, which is within the Columbia Threadneedle MAF and Schroders DGF funds, the Trustees have chosen to adopt a definition of "significant votes" that is in line with the definition chosen by the managers.

Schroders Schroder Life Diversified Growth Fund

Fund Engagements (over 12 months to 30 June 2024)

654 engagement events, with 1,450 topics discussed
Discussion topics split by theme*



The inclusion of ESG engagements with investee companies during the reporting period is for information purposes only.

Fund Voting (over 12 months to 30 June 2024)

Number of meetings eligible to vote at	1,129 meetings	% of resolutions	
Number of resolutions eligible to vote on	14,749 resolutions		
% of resolutions voted on which we are eligible	96.5%		
% of meetings, in which we voted, that we voted at least once against management	57.1%	Voted with management	89.4%
		Voted against management	10.5%
Number of equity holdings as of period end	1,236	Abstained from voting	0.2%

Source: Schroders, as at 30 June 2024. *Discussion topics are split by theme as set out in the [Schroder Engagement Blueprint](#); over this period topics include 931 environmental, 267 social and 252 governance.

For the purposes of the FCA rules, this is not a sustainable product and the reporting of this information should not be construed as a representation that the product has any sustainability characteristics.

The Fund provided no significant voting examples over the course of the reporting Plan year.

Schroders LDI

ESG considerations are integrated into counterparty panel selection by a centralised process that is carried out at Group Credit Risk level (thereby using the whole of Schroders) and utilises the expertise of their 20+ person dedicated ESG specialists and propriety ESG tools.

They actively engage on industry initiatives and regulation within the LDI sphere to represent views of clients to key public bodies and effectively deliver better outcomes, as well as being committed to support clients with regulatory requirements (such as recent tPR LDI guidance).

Engagement in action with counterparties:

- Environmental Case Study – Ecora Resources
 - During 2023, we engaged with Ecora Resources to set emissions reduction targets for Scopes 1, 2, and 3. By March 2023, Ecora Resources set and validated targets aligned with the Paris Agreement to reduce emissions by 46% by 2030. We will continue to engage with Ecora to ensure best practices and monitor progress.
- Governance Case Study – Tenaris SA
 - As part of the IIGCC's Net Zero Engagement Initiative, we engaged with Tenaris to ensure they develop a Net Zero Transition Plan aligned with the Net Zero Investment Framework. In March 2023, we co-signed an IIGCC letter seeking confirmation of their plan, focusing on GHG targets and decarbonisation strategies. After Tenaris' response, we followed up to discuss their climate ambitions, including scrap metal supply and oil and gas client risks. This ongoing engagement aims to monitor their progress in meeting the Net Zero Plan criteria.

Columbia Threadneedle MAF

1 year to 30 June 2024

Request	Response
How many meetings were you eligible to vote at?	453
How many resolutions were you eligible to vote on?	6,433
What % of resolutions did you vote on for which you were eligible?	98
Of the resolutions on which you voted, what % did you vote with management?	91
Of the resolutions on which you voted, what % did you vote against management?	8
Of the resolutions on which you voted, what % did you vote to abstain?	1
In what % of meetings, for which you did vote, did you vote at least once against management?	48%

Company Name	Meeting Date	Approx size of holding	Summary of resolution	How voted	Where you voted against management, did you communicate your intent to the company ahead of the vote?	Rationale for the voting decision	Outcome of the vote	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	On which criteria have you assessed this vote to be "most significant"?
Amazon.com, Inc.	2024-05-22	1.20%	Report on Median and Adjusted Gender/Racial Pay Gaps	For	No	Bettering future human capital management risks.	Fail	Active stewardship (engagement and voting) continues to form an integral part of our research and investment process.	Vote against management on certain environmental or social proposals & >20% dissent
The Goldman Sachs Group, Inc.	2024-04-24	0.30%	Report on Pay Equity	For	No	Bettering future human capital management risks.	Fail	Active stewardship (engagement and voting) continues to form an integral part of our research and investment process.	Vote against management on certain environmental or social proposals & >20% dissent
Apple Inc.	2024-02-28	1.00%	Report on Median Gender/Racial Pay Gap	For	No	Bettering future human capital management risks.	Fail	Active stewardship (engagement and voting) continues to form an integral part of our research and investment process.	Vote against management on certain environmental or social proposals & >20% dissent
NIKE, Inc.	2023-09-12	0.02%	Report on Median Gender/Racial Pay Gap	For	No	Bettering future human capital management risks.	Fail	Active stewardship (engagement and voting) continues to form an integral part of our research and investment process.	Vote against management on certain environmental or social proposals & >20% dissent