

Implementation Statement (“IS”)

Gulf International Bank (UK) Limited Pension Scheme (the “Scheme”)

Scheme Year End – 31 December 2022

The purpose of the IS is for us, the Trustees of the Gulf International Bank (UK) Limited Pension Scheme, to explain what we have done during the year ending 31 December 2022 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Scheme’s investments have been followed during the year; and
2. 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, and the ‘most significant’ votes cast over the reporting year.

Our conclusion

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

In our view, most of the Scheme’s material investment managers were able to disclose adequate evidence of voting and engagement activity, demonstrating that the activities completed by our managers align with our stewardship expectations, and that our voting policy has been implemented effectively in practice.

Not all of our investment managers were able to provide us with comprehensive voting and engagement information, and others were unable to provide us with any engagement information as at the time of writing. We will undertake more regular, detailed ESG monitoring of our managers and we will write to the managers to let them know our expectations of better disclosures in future, as per our Engagement Action Plan.

How voting and engagement policies have been followed

The Scheme is invested in pooled funds, and so the responsibility for voting and engagement is delegated to the Scheme's investment managers. We reviewed the stewardship activity the investment managers carried out over the Scheme year and, in our view, most of the investment managers were able to disclose adequate evidence of voting and/or engagement activity. More information on the stewardship activity carried out by the Scheme's investment managers can be found in the following sections.

Over the reporting year, we monitored the performance of the Scheme's investments on a quarterly basis and received updates on important issues from our investment adviser, Aon Investments Limited ("Aon") who replaced Mercer in September 2022. In particular, we received quarterly Environment Social Governance ("ESG") ratings from both advisers for the funds the Scheme is invested in where available.

Each year, we review the voting and engagement policies of the Scheme's investment managers to ensure they align with our own policies for the Scheme and help us to achieve them.

The Scheme's stewardship policy can be found in the SIP:
<https://gibam.com/assets/Statement-of-Investment-Principles-Mercer.pdf>

Our Engagement Action Plan

Based on the work we have done for the IS, we have decided to take the following steps over the next 12 months:

1. Whilst we would have preferred to see significantly more detailed reporting on voting and engagement from Abrdn, and engagement from Shenkman, we divested from these managers over the reporting year and so do not deem engaging with these managers to be to the benefit of the Scheme.
2. JP Morgan did not provide us with any significant voting examples or voting statistics in relation to the Infrastructure Equity Fund held with this manager. Whilst the manager did provide an explanation for this lack of disclosure, we would still expect the manager to provide complete reporting on the votes cast in the fund we are invested in. We will meet with this manager to discuss our expectations of better disclosures in the future.
3. Schroders, Lansdowne Partners and CBRE Property were all able to provide good evidence of the engagement activity they have completed over the year, however there were some minor limitations on what they were able to provide, as set out in the Data Limitations. We will write to these managers to let them know of our expectations of improvements in their disclosures in the future.
4. CQS was only able to provide high-level engagement statistics but did not provide us enough detail on the nature of these engagements. We will meet with this manager to discuss our expectations of better disclosures in the future.
5. Consider setting stewardship priorities for the Scheme.
6. We will undertake an annual review of our investment managers' Responsible Investment policies to ensure they are in line with our own.

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

Our 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 Scheme.

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.

Voting statistics

The table below shows the voting statistics for each of the Scheme's material funds with voting rights for the year to 31 December 2022. Managers collate voting information on a quarterly basis. The voting information provided is for the year to 31 December 2022.

	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
Insight Broad Opportunities Fund	169	100.0%	0.0%	0.0%
Abrdn - Standard Global Focused Strategies	344	86.1%	13.9%	0.0%
Longview Partners - Global Equity Fund	543	100.0%	9.2%	0.0%
Veritas Global Focus CCF - Class B Shares	423	100.0%	11.0%	0.0%
Lansdowne Developed Market Equity	164	100.0%	5.5%	0.6%
JP Morgan Infrastructure Equity	Not Provided	Not Provided	Not Provided	Not Provided

Source: Managers

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.

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

	Description of use of proxy voting advisers
Insight Investment Management	We would utilise Minerva to analyse resolutions against Insight-specific voting policy templates to determine the direction of the vote, where applicable.
Abrdn - Standard Global Focused Strategies	We utilise the services of ISS for all our voting requirements.
Longview Partners - Global Equity Fund	On behalf of our institutional clients, we employ the services of the proxy voting adviser Glass, Lewis & Co, a leading independent provider of corporate governance solutions to the financial services industry. Glass Lewis fulfils two functions. Firstly, as a purely operational process, they ensure the voting instructions provided by Longview are implemented across client accounts. Secondly, Glass Lewis uses publicly available sources of information such as stock exchanges, regulators and company filings to provide research and analysis and make voting

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

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.

	<p>recommendations. Glass Lewis has partnered with Sustainalytics in order to provide additional ESG-specific information in their proxy voting analysis.</p> <p>Glass Lewis provides structured reports which detail their research and recommendations on each resolution to be voted on. Glass Lewis's report on each of the portfolio holdings is circulated to the Research Team for review. The Research Team will use the Glass Lewis research to assist its deliberations and decide how to vote. If appropriate, the decision may be to vote against Glass Lewis's recommendations and/or against management. Where the decision has been taken to vote against management, we may contact the company to engage with them if timelines allow.</p>
Veritas Asset Management LLP	VAM LLP has appointed, Institutional Shareholder Services ("ISS"), for vote execution and policy application.
Lansdowne Partners	Since 2016 the Firm has engaged with Institutional Shareholder Services ("ISS" www.issgovernance.com), the world's leading corporate governance and responsible investing solutions provider, to facilitate and assist with the voting process.
JP Morgan	N/A. The Fund targets majority and control positions to better enable the implementation of its business plans and other strategic initiatives via a disciplined and active asset management approach.

Source: Managers

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Scheme's investment managers to provide a selection of what they consider to be the most significant votes in relation to the Scheme's funds. A sample of these significant votes can be found in the appendix

Our managers' engagement activity

Engagement is when an investor communicates with current investee 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.

The table below shows some of the engagement activity carried out by the Scheme's material managers. 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 fund invested in by the Scheme

Funds	Number of engagements		Themes engaged on at a Fund-level
	Fund Specific	Firm level	
Insight Broad Opportunities Fund	34	948	Environment - Climate change and others Strategy, Financial and Reporting - Strategy/purpose, Reporting (e.g. audit, accounting, sustainability reporting) and others Environment - Natural resource use/impact and others Social - Human capital management and others
Abrdn - Standard Global Focused Strategies	Not Provided	Not Provided	Not Provided
Longview Partners - Global Equity Fund	34	948	Environment - Climate change, Social - Human and labour rights, Strategy and others. Financial and Reporting – Reporting and others Governance – Remuneration, Strategy, Financial and Reporting - Capital allocation and others Social - Human capital management and others
Shenkman High Yield Bonds	3,490	3,490	Not Provided
Schroders UK Real Estate Fund Portfolio	Not Provided	>2800	Social - (Community Relations and Culture), Environment (Communications) Sustainable Development, Collaboration & Community and others Environment – Waste and others
Veritas Global Focus CCF - Class B Shares	19	38	Environment - Climate change, Social - Human capital management (e.g. inclusion & diversity, employee terms, safety) and others Governance – Remuneration, Strategy, Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting) and others
Lansdowne Developed Market Equity Fund	648	Not Provided	Environment - Climate change, Pollution, Waste, Natural resource use/impact (e.g. water, biodiversity) and others Social - Conduct, culture and ethics, Inequality, Public health and others Governance - Shareholder rights, Leadership - Chair/CEO and others
CBRE Property	20	Not Provided	Environment - Climate change
CQS Multi Asset Credit	83	83	Not Provided
JP Morgan Infrastructure Equity	Not Provided	3277	Environment - Natural resource use/impact (e.g. water, biodiversity) and others Environment - Pollution, Waste, and others Social – Inequality, Public health and others Governance – Remuneration, Governance - Shareholder rights and others

Source: Managers

Data Limitations

At the time of writing, the following managers did not provide all the information we requested:

- JP Morgan has not provided any voting statistics or significant voting examples. The manager also did not provide detailed engagement statistics in relation to the fund we are invested in.

- Abrdn has not provided any engagement information or significant voting examples.
- Insight did not deem any of its voting activity to constitute significant voting examples.
- Shenkman's number of engagements at a fund level was reported as matching those at a strategy level, and the manager did not provide a breakdown of its engagements by theme, however, it noted the following:
Management contact is an essential part of our investment process. Frequent communication with company management allows us to fully understand the company's risk profile. While we don't track ESG engagements specifically, in 2022 our team had over 3,000 contacts with management teams. This includes over 800 small group or one-on-one contacts.
- Lansdowne and CBRE have not provided firm level engagement statistics.
- CQS did not provide a breakdown of its engagement themes.
- Schroders was unable to quantify its engagement themes at a fund level as the engagements are primarily completed by Property Managers with tenants.

We will engage with the managers to encourage improvements in reporting.

This report does not include commentary on the Scheme's liability driven investments or cash 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 Scheme’s managers. We consider a significant vote to be one which the manager considers 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

Longview Partners - Global Equity Fund	Company name	Becton, Dickinson And Co.
	Date of vote	25 Jan 2022
	How the manager voted	Against Management
	Did the manager communicate its intent to the company ahead of the vote?	No
	Summary of the resolution	Shareholder Proposal Regarding Right to Call Special Meeting
	Approximate size of fund's holding as at the date of the vote (as % of portfolio)	3.5%
	Outcome of the vote	According to Glass Lewis, 40.70% voted in favour of the resolution.
	Rationale for the voting decision	Longview supports the right of shareholders to call special meetings. However, in order to prevent abuse and waste of corporate resources by a very small minority of shareholders, we believe that shareholders representing at least a sizable minority of shares must support such a meeting prior to its calling. In this case, the Company currently maintains a provision that would allow shareholders with 25% of outstanding shares the ability to call a special meeting. The board also has in place certain best practice corporate governance provisions, such as a declassified board structure, proxy access, and no poison pill. Despite these best practices, and given the Company's size and shareholder base, we believe that a 15% special meeting threshold is appropriate. Moreover, we believe that the Company can reasonably interpret and implement this proposal within the boundaries of applicable securities laws.
	Implications of the outcome	For future proposals, Longview may consider engaging with the company prior to the vote to better understand management's stance, providing tight voting instruction deadlines allow.
	Criteria on which the vote is considered significant?	Longview has voted against management and >15% of total votes were against management
Veritas Global Focus CCF - Class B Shares	Company name	Becton, Dickinson and Company
	Date of vote	25 Jan 2022
	How the manager voted	For
	Did the manager communicate its intent to the company ahead of the vote?	No
	Summary of the resolution	Reduce Ownership Threshold for Shareholders to Call Special Meeting
	Approximate size of fund's holding as at the date of the vote (as % of portfolio)	3.2%
	Outcome of the vote	Pass
	Rationale for the voting decision	A vote FOR this proposal is warranted as a lower threshold would enhance the current shareholder right to call special meetings.
	Implications of the outcome	None to report
	Criteria on which the vote is considered significant?	Votes against management
Lansdowne Developed Market Equity Fund	Company name	4D Pharma Plc
	Date of vote	28 Jan 2022

How the manager voted	Against Management
Did the manager communicate its intent to the company ahead of the vote?	No
Summary of the resolution	Re-elect Sandy Macrae as Director
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.4%
Outcome of the vote	Pass
Rationale for the voting decision	We voted against incumbent nominees Alexander (Sandy) Macrae and Alexander (Alex) Stevenson due to a lack of diversity on the board.
Implications of the outcome	Not Provided
Criteria on which the vote is considered significant?	We voted against Management

Source: Managers