American Express UK Pension Plan

Annual Implementation Statement – year ending 31 December 2024

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Section 1: Introduction

This document is the Annual Implementation Statement ("the statement") prepared by the Trustee of the American Express UK Pension Plan ("the Plan") covering the Plan year ("the year") from 1 January 2024 to 31 December 2024.

The purpose of this statement is to set out:

- Details of how and the extent to which, in the opinion of the Trustee, the Trustee's policies on engagement and voting as set out in the Statement of Investment Principles (the "SIP") have been adhered to during the year; and
- A description of voting behaviour (including the most significant votes made on behalf of the Trustee) and any use of a proxy voting services during the year.

The SIP is a document which outlines the Trustee's policies with respect to various aspects related to investing and managing the Plan's assets including but not limited to: investment managers, portfolio construction and risks.

The latest version of the SIP can be found online here: https://buckuk.com/amex/wp-content/uploads/2023/10/SIP-September-2023-Final.pdf.

Over the year, the Trustee has made no changes to the SIP.

In preparing this statement, the latest version of the SIP dated September 2023 has been considered.

The SIP linked above reflects the latest version of the SIP.

Section 2: How the Trustee has adhered to the engagement and voting policies

The Trustee's policies on voting and engagement as stated in the SIP are:

- The Trustee believes that responsible ownership may add value to the Plan's assets over the relevant time period. The Trustee therefore seeks to appoint managers who can demonstrate good practice in voting/engagement where relevant.

- For most of the Plan's investments, the Trustee expects the investment managers to invest with a medium-term to long-term time horizon, and to use their engagement activity to drive improved performance over these periods. The Trustee invest in certain strategies where such engagement is not deemed appropriate, due to the nature of the strategy and the investment time horizon underlying decision making. The appropriateness of the Plan's allocation to such mandates is determined in the context of the Plan's overall objectives.

- As Plan assets (excluding the buy-in) are held through pooled investment products, the Trustee has effectively delegated day to day investment management to its investment managers, but acknowledges that any actions taken by the investment managers are on the Trustee's behalf. The Trustee therefore seeks to manage the risks and opportunities associated with ESG by ensuring the Plan's approach to the selection and retention of investment managers involves an appropriate assessment of investment managers' ESG capabilities. Whilst pooled investment products can offer the ability to act collectively to influence companies and provide other benefits such as lower costs, there are also drawbacks, such as the level of control the Trustee has over how its voting policy and preferences are exercised. Having considered this issue, the Trustee has decided that the benefits of pooled funds outweigh the drawbacks given the Plan's size. However, the Plan still informs the managers that its policies are aligned with those of the PLSA's Voting and Engagement Guidelines. The Trustee then invites the investment managers to highlight any significant areas of difference between their policy and the Plan's.

- In addition to aligning their policies to the PLSA's Voting and Engagement Guidelines, the Trustee has also set two areas of stewardship as priorities which are communicated to the investment managers. These areas are "Board leadership and company purpose" and "Climate change and sustainability". The Trustee considers these areas important for members' best interests. "Board leadership and company purpose" helps ensure that effective and successful leadership continues to generate value for shareholders which drives return for members. "Climate change and sustainability" helps to ensure that the risks and opportunities arising from climate change are properly monitored.

- All of the Plan's investment managers that invest in physical equities are signed up to the UK FRC Stewardship code.

- The Trustee monitors the stewardship activities of the vehicle managers to determine whether the Trustee is comfortable with the engagement they undertake.

- Alignment between a manager's management of the Plan's assets and the Trustee's policies and objectives are a fundamental part of the appointment process of a new manager. Before investing, the Trustee will seek to understand the manager's approach to sustainable investment (including engagement) and that they are aligned with the PLSA's Voting and Engagement Guidelines. When investing in a pooled investment vehicle, the Trustee will ensure the investment objectives and guidelines of the vehicle are broadly consistent with its own objectives.

- To maintain alignment, managers are provided with the most recent version of the Plan's Statement of Investment Principles on an annual basis and are required to explicitly confirm that the Plan's assets are managed in line with the Trustee's policies as outlined in that statement.

- Should the Trustee's monitoring process reveal that a manager's portfolio is not aligned with the Trustee's policies, the Trustee will engage with the manager further to encourage alignment. If, following engagement, it is the view of the Trustee that the degree of alignment remains unsatisfactory, the manager will be terminated and replaced.

- The Trustee appoints its investment managers with an expectation of a long-term partnership, which encourages active ownership of the Plan's assets. When assessing a manager's performance, the focus is on longer-term outcomes, and the Trustee would not expect to terminate a manager's appointment based purely on short term performance. However, a manager's appointment could be terminated within a shorter timeframe due to other factors such as a significant change in business structure or the investment team.

The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights. As the Trustee delegates responsibility for the exercising of voting rights to the Plan's investment managers, it is the responsibility of the Trustee to monitor, review and engage with investment managers with respect to how they have undertaken these activities, rather than for the Trustee to undertake this activity.

The same policy applies to corporate engagement with the management of companies the Plan is invested in. This too is delegated to the Plan's investment managers because the Trustee believes that those managers are best placed to manage this engagement and the Trustee monitors, reviews and engages with the managers on how they have undertaken these activities on their behalf, and how consistent this is with the stewardship priorities outlined above

Over the year, the Trustee has undertaken the following actions in line with these policies as set out below:

- The Trustee wrote to all of its investment managers, including a copy of the current SIP, asking them to identify any areas where they believed that the manager was not managing the Plan's assets in accordance with its principles. The Trustee also communicated the Plan's stewardship priorities, these areas being "Board leadership and company purpose" and "Climate change and sustainability". For those managers where voting and stewardship is relevant, the Trustee also included the PLSA Stewardship Guide And Voting Guidelines 2024 and asked the managers where their approach differs to those outlined by the PLSA.

- The Trustee's' investment advisor assesses each of the Plan's investment managers through both broad investment due diligence and specific sustainable investment assessments. These assessments are reviewed (and updated where necessary) on a quarterly basis (for investment due diligence) or annual basis (for sustainable investment assessments) and include considerations relating to sustainable investment across the following 5 areas:

    1. **ESG resources & integration**: How managers integrate risks and opportunities relating to Environmental, Social and Governance factors within their investment research and decision-making.

2. **Portfolio influence**: The extent to which Managers' policies and practices influence portfolio structure

3. **Policies**: Whether Managers have policies in place at a product and firm level across a range of Environmental, Social and Governance factors

4. **Voting:** Managers' proxy vote decision-making and execution process (where applicable), including disclosure of policy and results.

5. **Engagement:** Managers' process for proactive corporate engagement (where applicable), including disclosure of engagement activity.

Over the year, the Plan's managers were viewed positively across the majority of these areas. Any changes in the investment due diligence ratings or the investment advisor's opinion of a fund are communicated to the Trustee.

Section 3: Voting information

The Plan is invested in a diverse range of asset classes. However, this document focusses on the equity investments which have voting rights attached. The Plan holds equities in the following standalone equity funds and multi asset funds:

- **LGIM Adaptive Cap ESG Equity Fund:** Global equity index fund which includes considerations to climate change and sustainable investment factors through allocation weightings and exclusions.
- **BlackRock Global Equity (Passive):** pooled fund that invests in listed global equities and tracks a market capitalisation-based index.
- **Fulcrum Absolute Return Fund:** multi asset fund targeting returns above inflation by investing in a range of asset classes including equities, bonds and other diversifying strategies.
- **Ninety One Diversified Growth Fund (until 15 March 2024):** multi asset fund targeting returns above inflation by investing in a range of asset classes including equities, bonds and other diversifying strategies.

As set out in the SIP, the Trustee's policy is to delegate the exercising of rights (including voting and stewardship) and the integration of ESG considerations in day-to-day decisions to the Plan's investment managers, but acknowledge that any actions taken by the investment managers are on the Trustee's behalf. This section sets out the voting activities of the Plan's equity investment managers over the year, including details of the investment managers' use of proxy voting, with particular focus on the topics of "Board leadership and company purpose" and "Climate change and sustainability". The Trustee believes that the voting practices demonstrated below by the managers may add value to the Plan's assets over the relevant time period.

The Plan's investment managers have their own voting policies which determine their approach to voting, and the principles they follow when voting on investors' behalf. All investment managers also use voting proxy advisors which aid in their decision-making when voting. Details are summarised in the table below:

Manager	Use of proxy advisor services:
LGIM	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 LGIM's proxy provider votes in accordance with their position on ESG, LGIM have put in place a custom voting policy with specific voting instructions.
BlackRock	BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams – Americas, Asia-Pacific and Europe, Middle East and Africa - located in seven offices around the world. The analysts with each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BIS team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines. While BlackRock subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into their vote analysis process, and they do not blindly follow their recommendations on how to vote. BlackRock primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that their investment stewardship analysts can readily identify and prioritise those companies where BlackRock's own additional research and engagement would be beneficial. Other sources of information BlackRock use include the company's own reporting (such as the proxy statement and the website), our engagement and voting history with the company, and the views of our active investors, public information and ESG research.
Fulcrum	Fulcrum use Glass Lewis as their proxy advisor. Fulcrum's default choice is to vote in line with the recommendation provided by Glass Lewis. Fulcrum uses Glass Lewis's climate change overlay solution for proxy voting guidance from a sustainable finance perspective.
Ninety One **(Until 15 March 2024)**	Ninety One use Institutional Shareholder Services (ISS) research for their proxy voting. Once ISS provide Ninety One with research recommendations, Ninety One's internal Engagement and Voting team assess the recommendations and engagement history, particularly on more contentious issues.

The below table sets out the voting activity of the Plan's equity investment managers, on behalf of the Trustee, over the year:

Fund	Voting activity
LGIM Adaptive Cap ESG Equity Fund	**Number of meetings at which the manager was eligible to vote**: 3,106 **Number of resolutions on which manager was eligible to vote**: 35,924 **Percentage of eligible votes cast**: 99.7% **Percentage of votes with management**: 78.4% **Percentage of votes against management**: 20.2% **Percentage of votes abstained from**: 1.4% **Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser:** 13.8%
BlackRock Global Equity (Passive) Fund	**Number of meetings at which the manager was eligible to vote:** 2,990 **Number of resolutions on which manager was eligible to vote:** 38,730 **Percentage of eligible votes cast:** 98% **Percentage of votes with management:** 95% **Percentage of votes against management:** 4% **Percentage of votes abstained from:** <1% **Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser:** <1%
Fulcrum Absolute Return Fund	**Number of meetings at which the manager was eligible to vote:** 636 **Number of resolutions on which manager was eligible to vote:** 13,837 **Percentage of eligible votes cast:** 100.0% **Percentage of votes with management:** 83.8% **Percentage of votes against management:** 15.3% **Percentage of votes abstained from:** 1.0% **Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser:** 6.9%
Ninety One Diversified Growth Fund (Mandate terminated on 15 March 2024. Voting data covers full reporting period and therefore may include information from after the termination of the mandate)	**Number of meetings at which the manager was eligible to vote:** 50 **Number of resolutions on which manager was eligible to vote:** 725 **Percentage of eligible votes cast:** 91.7% **Percentage of votes with management:** 94.6% **Percentage of votes against management:** 5.4% **Percentage of votes abstained from:** 0.2% **Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser:** 3.3%

The following table outlines the most significant votes cast by the Plan's investment managers on the Trustee's behalf over the year.

LGIM Adaptive Capped ESG Equity Fund

Company: Shell Plc

Meeting Date: 21 May 2024

Type of resolution: Climate

Resolution: Approve the Shell Energy Transition Strategy

Company Management Recommendation:-

How the manager voted: Against

Summary: A vote against is applied. LGIM acknowledge the substantive progress the company has made in respect of climate related disclosure over recent years, and LGIM view positively the commitments made to reduce emissions from operated assets and oil products, the strong position taken on tackling methane emissions, as well as the pledge of not pursuing frontier exploration activities beyond 2025. Nevertheless, in light of the revisions made to the Net Carbon Intensity (NCI) targets, coupled with the ambition to grow its gas and LNG business this decade, LGIM expect the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050. LGIM seek more clarity regarding the expected lifespan of the assets Shell is looking to further develop, the level of flexibility in revising production levels against a range of scenarios and tangible actions taken across the value chain to deliver customer decarbonisation. Additionally, LGIM would benefit from further transparency regarding lobbying activities in regions where hydrocarbon production is expected to play a significant role, guidance on capex allocated to low carbon beyond 2025 and the application of responsible divestment principles involved in asset sales, given portfolio changes form a material lever in Shell's decarbonization strategy.

Vote outcome: Passed the resolution

Company: Applied Materials, Inc

Meeting Date: 7 March 2024

Type of resolution: Governance

Resolution: Elect Director Thomas J. Iannotti

Company Management Recommendation: -

How the manager voted: Against

Summary: A vote against is applied as LGIM:

i) Expects the Chair of the Board to have served on the board for no more than 15 years and the board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.

ii) Expects the Chair of the Committee to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background.

iii) Has had concerns with the remuneration practices for the past year.

Vote outcome: Failed the resolution

Blackrock Global Equity Fund

Company: Toyota Motor Corp. **Meeting Date:** 18 June 2024 **Type of resolution:** Climate Action Plan **Resolution:** Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement **Company Management Recommendation:** - **How the manager voted:** Against **Summary:** We believe this proposal is not in the best interest of shareholders. **Vote outcome:** Failed the resolution
Company: Tesla, Inc. **Meeting Date:** 13 June 2024 **Type of resolution:** Governance **Resolution:** Declassify the Board of Directors **Company Management Recommendation:** - **How the manager voted:** For **Summary:** Directors should be elected annually to discourage entrenchment and allow shareholders sufficient opportunity to exercise their oversight of the board. **Vote outcome:** Passed the resolution

Fulcrum Absolute Return Fund

Company: Amazon.com Inc.

Meeting Date: 18 May 2024

Type of resolution: ESG

Resolution: Shareholder Proposal Regarding Report on Plastic Packaging

Company Management Recommendation: -

How the manager voted: For

Summary: The proposal requests the Board to issue a report on how the Company could reduce its plastics footprint by making all packaging curbside recyclable, reusable, or compostable, and setting goals for overall plastic packaging reduction in alignment with the Pew Report to significantly reduce ocean plastic pollution.

Glass Lewis recommended voting against the resolution, citing the Company's significant actions and disclosures on minimizing its plastic footprint and improving packaging sustainability. However, Fulcrum supported the proposal, emphasizing the need for immediate and sustained commitments to reduce plastic use and make packaging recyclable, reusable, or compostable, as competitors have set goals for 2025. They highlighted the Pew Report's findings that reducing plastic production is the most effective solution to cut ocean plastic pollution by 80% by 2040.

Vote Outcome: Failed the resolution

Company: Tesla Inc

Meeting Date: 9 June 2024

Type of resolution: ESG

Resolution: Shareholder Proposal Regarding Deep-Sea Mined Minerals in the Supply Chain Concern

Company Management Recommendation: -

How the manager voted: For

Summary: The proposal requests that the Company commit to a moratorium on sourcing minerals from deep sea mining, aligning with the principles in the Business Statement Supporting a Moratorium on Deep Sea Mining.

Glass Lewis acknowledges the growing attention to this issue among auto manufacturers and suggests the Company could enhance its disclosure on the matter. However, they believe the commitment to a moratorium should be determined by the board and management, not shareholders, and recommend voting against the proposal. In contrast, supporters highlight that several EV manufacturers have already committed to a global moratorium on deep sea mining, citing environmental, legal, technological, and financial risks. They argue that by committing to this moratorium, the Company would join other major companies in protecting ecosystems and reaffirming responsible sourcing, and therefore, Fulcrum voted for the resolution.

Vote Outcome: Failed the resolution

Ninety One Diversified Growth Fund

Company: Intuit Inc.

Meeting Date: 18 January 2024

Type of resolution: Climate

Resolution: Report on Climate Risk in Retirement Plan Options

Company Management Recommendation: For

How the manager voted: Against

Summary: Intuit has a robust transition plan in place, making additional disclosure on retirement plan assets and investments unnecessary. Thus, the manager voted against the resolution.

Vote outcome: Failed the resolution

Section 4: Conclusion

The Trustee believes that the Plan's engagement policy as outlined in the SIP has been adhered to over the year.

Following monitoring of the Plan's investment managers over the year, and reviewing the voting information outlined in this statement, the Trustee is satisfied that LGIM, BlackRock and Fulcrum are acting in the Plan members' best interest and are effective stewards of the Plan's assets.

The Trustee will continue to monitor the investment managers' stewardship practices on an ongoing basis.