Implementation Statement

Bosch UK Retirement Benefits Scheme

Purpose of this statement

This implementation statement has been produced by the Trustees of the Bosch UK Retirement Benefits Scheme (the "**Scheme**") to set out the following information over the year to 31 December 2022:

- how the Trustee's policies on exercising rights (including voting rights) and engagement activities have been followed over the year.
- the voting activity undertaken by the Scheme's investment managers on behalf of the Trustees over the year, including information regarding the most significant votes.

Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at 31 December 2022 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in August 2020 and has been made available online here: https://www.bosch.co.uk/defined-benefit-db-scheme/

At this time, the Trustees have not set stewardship priorities / themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks. The Trustees focused reviewing and aligning the investment strategy with the Scheme's long-term target over the period.

How voting and engagement policies have been followed

Based on the information provided by the Scheme's investment managers, the Trustees believe that their policies on voting and engagement have been met in the following ways:

- The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers.
- Annually the Trustees receive and review voting information and engagement policies from all the asset managers, which they review to ensure alignment with their own policies. The Trustees believe that the voting and engagement activities undertaken by the asset managers on their behalf have been in the members' best interests.
- The Scheme is planning to appoint a new manager for the protection assets in 2023 and stewardship was considered as part of the manager selection exercise, alongside all other material factors.

Prepared by the Trustees of the Bosch UK Retirement Benefits Scheme
15 May 2023

Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Scheme's Growth Portfolio on behalf of the Trustees over the year to 31 December 2022. The Gilts, Buy and Maintain and Investment Grade Corporate Bonds held with LGIM as well as the Schroder Equity Portfolio Cash Fund have no voting rights and limited ability to engage with key stakeholders given the nature of the mandates.

The Scheme fully disinvested from the Schroders Global Equity Fund and LGIM Global Equity 60:40 Index Fund in early July 2022. As a result, the voting summary and the significant votes for these funds below covers the 12-month period to 30 June 2022 instead.

Voting Data for Bosch Section

Manager	Schroders	LGIM	Walter Scott
Fund name	**Global Equity Fund**	**Global Equity 60:40 Index**	**BNY Mellon Long Term Global Equity Fund**
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.		
No. of eligible meetings	157	3,244	46
No. of eligible votes	2257	41,040	702
% of resolutions voted	93%	100%	100%
% of resolutions abstained [1]	0%	0%	0%
% of resolutions voted with management[1]	86%	82%	98%
% of resolutions voted against management[1]	14%	18%	2%
Proxy voting advisor employed	ISS	ISS	ISS
% of resolutions voted against proxy voter recommendation	4%	12%	9%

[1] As a percentage of the total number of resolutions voted on

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beyond the expected

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustee over the year to be set out. The guidance does not define what constitutes a "significant" vote. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme's stewardship priorities / themes. At this time, the Trustees have not set stewardship priorities / themes for the Scheme, but will be considering the extent that they wish to do this in due course, in line with other Scheme risks. So, for this Implementation Statement, the Trustees have asked the investment managers to determine what they believe to be a "significant vote". The Trustees have not communicated voting preferences to their investment managers over the period, as the Trustees are yet to develop a specific voting policy.

Schroders, LGIM and Walter Scott have provided a selection of votes which they believe to be significant. In the absence of agreed stewardship priorities / themes, the Trustees have selected three votes from each manager, that cover a range of themes to represent what it considers the most significant votes cast on behalf of the Scheme. To represent the most significant votes, the votes of the largest holdings relating to each topic are shown below.

It is worth noting that Schroders view all votes against management as a significant vote. They therefore rank the significance of their votes against management, firstly by management say on climate votes, secondly by environmental and social shareholder resolutions, thirdly by any shareholder resolutions and finally by the size of holding. The Trustees selected the top 3 votes by this rank as the most significant votes.

A summary of the significant votes provided is set out below.

Schroders, Global Equity Fund

	Vote 1	Vote 2	Vote 3
Company name	Amazon.com, Inc.	Alphabet Inc.	Microsoft Corporation
Summary of the resolution	Report on Efforts to Reduce Plastic Use	Report on Physical Risks of Climate Change	Report on Gender/Racial Pay Gap
How the manager voted	For	For	For
Rationale for the voting decision	Shareholders would benefit from additional information on how the company is managing risks related to plastic	Schroders feel that shareholders would benefit from increased disclosure regarding how the company is assessing and managing its climate change risks	While the company provides granular workforce diversity data, this proposal goes beyond existing disclosure by showing any structural inequalities which may exist within the organisation.
Criteria on which the vote is considered "significant"	Vote against management; shareholder resolution on environmental issue; top 10 holding of this Fund	Vote against management; shareholder resolution on environmental issue; top 10 holding of this Fund	Vote against management; shareholder resolution; top 10 holding of this Fund

LGIM, Global Equity 60:40 Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Royal Dutch Shell Plc	Apple Inc.	Microsoft Corporation
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	4%	0.9%	0.8%
Summary of the resolution	Resolution 20 - Approve the Shell Energy Transition Progress Update	Resolution 9 - Report on Civil Rights Audit	Elect Director Satya Nadella
How the manager voted	Against	For	Against
Rationale for the voting decision	LGIM acknowledge the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030, as well as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, they remain concerned of the disclosed plans for oil and gas production, and would benefit from further disclosure of targets associated with the upstream and downstream businesses.	A vote in favour is applied as LGIM supports proposals related to diversity and inclusion policies as they consider these issues to be a material risk to companies.	LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight.
Outcome of the vote	80% votes against	54% votes for	95% votes for
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
Criteria on which the vote is considered "significant"	LGIM considers this vote significant as it is an escalation of their climate-related engagement activity and their public call for high quality and credible transition plans to be subject to a shareholder vote.	LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.	LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO .

Walter Scott, BNY Mellon Long Term Global Equity Fund

	Vote 1	Vote 2	Vote 3
Company name	Prudential	TJX	Industria de Diseno Textil SA
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.2%	2.1%	1.4%
Summary of the resolution	Authorise issue of equity without pre-emptive rights	Advisory Vote to Ratify Named Executive Officers' Compensation	Approve Novation of the Former Executive Chairman's Post-Contractual Non-Compete Agreement
How the manager voted	Against Management	Supported Management	Against Management
Rationale for the voting decision	Due to potential dilution greater than 10%	They supported the remuneration proposal which subsequently failed at the AGM.	Compensation and stock option plans were not reasonable or excessive dilution
Outcome of the vote	96.2% votes for	50% votes for (failed)	97.9% votes for
Implications of the outcome	All significant votes are reviewed and approved by the Investment Stewardship Committee. Any potential learnings from their significant votes are then taken into account for periodic reviews of their Proxy Voting Policy.		
Criteria on which the vote is considered "significant"	Vote against management	Case-by-case identification of significant vote with management due to proposal failing at AGM	Vote against management

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme's gilts and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

The engagement data for the funds disinvested over the year are given for the 12 months to the nearest quarter end in which the disinvestment took place. For the Schroder Global Equity Fund, the LGIM Global Equity 60:40 Index Fund and the LGIM Investment Grade Corporate Bond All Stocks Index Fund this is 30 June 2022.

Manager	Schroders	LGIM	LGIM	LGIM	Walter Scott
Fund name	Global Equity Fund	Global Equity 60:40 Index	Investment Grade Corporate Bond All Stocks Index Fund	Single Dated Gilt Funds and Single Dated Index Linked Gilt Funds	BNY Mellon Long Term Global Equity Fund
Number of entities engaged	*	381	*	*	3

Manager	Schroders	LGIM	LGIM	LGIM	Walter Scott
on behalf of the holdings in this fund in the year					
Number entities engaged at a firm level in the year	3,022	605	605	585	10

*Schroders and LGIM were unable to provide this information at the time of asking.

Examples of engagement activity undertaken over the year to 31 December 2022*

*for those funds which were disinvested over the year, the example engagements provided are over the year to 30 June 2022.

Schroders

Schroders continued their engagements with a number of banks in order to understand their exposure to the fossil fuel industry. Although "net zero" is gaining momentum across the world, overall levels of commitment remain low in the banking sector. At the time of their initial analysis in the middle of 2020, less than 20% of the global banks included in their universe had committed to aligning their financing activities with the goals of the Paris Agreement or a national net zero ambition, or committed to set a science-based target. This is linked to SDG 13 climate action. Schroders have engaged with over 50 banks on fossil fuel financing. Typically, they engage with investor relations. However, when they feel escalation is required, they might engage with the Chairman or other board members. Over the last twelve months, Schroders seen a huge amount of positive momentum on this issue, with banks strengthening fossil fuel policies, improving climate risk disclosure and committing to align their financing portfolios with the goals of the Paris Agreement. They have identified a breakaway group of leading banks that already have, or will soon have, targets and detailed plans backing their financing commitments and are well positioned to finance the global energy transition.

But Schroders also identified hurdles around data collection, lack of internal resources available to support this issue, and concerns around the lack of an established portfolio measurement and target setting methodology. For these companies, engagement has helped Schroders point banks towards good practice they have seen elsewhere. But ultimately, banks that do not show progress on the issues Schroders have raised with them may have environmental ratings downgraded in future assessments. Schroders plan to engage additional banks and extend their scorecard to include other types of financial companies such as insurers.

LGIM

Engagement: Toyota

LGIM originally started their engagement with Toyota in September 2021, alongside fellow shareholders. Their second meeting was held earlier in 2022 to discuss climate change, board composition and capital allocation. They spoke with TMC's Chief Sustainability Officer. Throughout these meetings, which were attended by Toyota's investor relations team and chief sustainability officer, LGIM expressed our concerns around the company's cross shareholdings, the lack of supervisory function at the board level given the low level of independence, and the company's climate transition strategy and related public policy engagements.

In September 2022, LGIM spoke with one of the outside directors on the board and were able to have a candid conversation about how outside directors add value to the board and the quality of board discussions. Given the company's size and influence at Japan's largest business federation and in industry associations, they have always questioned the company's lobbying stance and its alignment with a 1.5°C world. LGIM are delighted to see improved transparency from the company as they published their views on climate public policy in December 2021. Nonetheless, they view corporate transparency to be the first step and hope that this will enable them to have more in-depth conversations on its views on climate and how the company plans to shift its strategy.

Walter Scott

Intuitive Surgical: Environment- Carbon Footprint

Walter Scott's engagement policy targets regular and constructive interactions with company management and expressly cites the review of environment as an example of desirable engagement.

Members of the Research team at Walter Scott led the engagement starting in 2022. During an Investor Relations conference call Walter Scott pressed for Intuitive to further consider the impact of its carbon footprint. Intuitive will start TCFD alignment beginning with the filing of the 2022 sustainability report in Q1 2023. Furthermore, they hope to follow that up with a CDP report, which depends on their reporting cycle. Marshall Mohr (ex CFO) is leading these developments in his new role as head of business services. In addition, Intuitive have also hired a new head of sustainability and social responsibility from Stanford, Fahmida Bangert.

Walter Scott aim to continue monitor the development of this by looking at Intuitive's level of disclosure in their Sustainability Report in early 2023.

Voting Data for BSH Section

The voting data for the funds disinvested over the year are given for the 12 months to the quarter end in which the disinvestment took place. For the BlackRock Aquila Life 30:70 Currency Hedged Global Equity Index Fund this is 30 September 2022.

Manager	BlackRock
Fund name	**Aquila life 30:70 Currency Hedged Global Equity Fund**
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.
No. of eligible meetings	5,605
No. of eligible votes	62,057
% of resolutions voted	95%
% of resolutions abstained	2%

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Manager	BlackRock
% of resolutions voted with management[1]	92%
% of resolutions voted against management[1]	8%
Proxy voting advisor employed[1]	ISS
% of resolutions voted against proxy voter recommendation	0%

Significant votes

BlackRock were not able to provide information regarding the size of the Fund's holdings at the vote date nor the outcomes and implications of the votes. Hence, this information has been omitted here.

BlackRock, Aquila life 30:70 Currency Hedged Global Equity Fund

	Vote 1	Vote 2	Vote 3
Company name	Rio Tinto Limited	China Tower Corporation Limited	Intel Corporation
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Data not provided	Data not provided	Data not provided
Summary of the resolution	Approve Climate Action Plan	Elect Deng Shiji as Director and Authorize Board to Fix His Remuneration	Report on Third-Party Civil Rights Audit
How the manager voted	For	Against	Against
Rationale for the voting decision	BIS determined that it is the best interests of clients	Vote against director due to concerns of gender-related diversity at the board level	The company already has policies in place to address the request being made by the proposal, or is already enhancing its relevant policies.
Outcome of the vote	Pass	Pass	Fail
Implications of the outcome	BlackRock are encouraged by the actions the group has taken to date and their improving transparency in this regard. They will continue to engage to further assess progress, especially in relation to the group's strategy of "combining investments in commodities that enable the energy transition with actions to	Not only are BlackRock concerned that the lack of gender diversity on the company's board may undermine board effectiveness and hence potentially impact the company's ability to create long-term shareholder value. The proposed board composition also fails to comply with the local	Intel's continued commitment to advance DEI and to hold leadership accountable to investors, and other stakeholders, through the publication of such disclosures, support for this shareholder proposal is unwarranted. BIS will continue to monitor Intel's

[1] As a percentage of the total number of resolutions voted on

	Vote 1	Vote 2	Vote 3
	decarbonise [our] operations and value chains."	regulatory requirements of HKEX before the next scheduled election of the board.	progress in advancing workforce engagement.
Criteria on which the vote is considered "significant"	BlackRock look for companies to demonstrate they have strategies in place that address and are resilient to a range of scenarios, including likely decarbonization pathways well below 2°C, as well as global ambitions to limit temperature rise to 1.5°C.	In BlackRock's experience, greater diversity in the board room contributes to more robust discussions and more innovative and resilient decisions. High-performing boards play an important role in developing strong management teams, on which the long-term success of companies depend. It is their view that diversity in the board room leads to better long-term economic outcomes for companies.	In BlackRock's experience, companies that build strong relationships with their stakeholders – including their workforce who executes their long-term strategy - are more likely to meet their strategic and financial objectives, while poor relationships may create adverse impacts that could expose companies to legal, regulatory, operational, and reputational risks and jeopardize their long-term success

Fund level engagement

The engagement data for the funds disinvested over the year are given for the 12 months to the quarter end in which the disinvestment took place. For the BlackRock Aquila Life 30:70 Currency Hedged Global Equity Fund this is 30 September 2022.

Manager	BlackRock	LGIM	LGIM
Fund name	Aquila Life 30:70 Currency Hedged Global Equity Fund	Buy and Maintain Credit Fund	Single Dated Gilt Funds and Single Dated Index Linked Gilt Funds
Number of engagements undertaken on behalf of the holdings in this fund in the year	3,184	-	-
Number of entities engaged on behalf of the holdings in this fund in the year	1,993	-	-
Number of engagements undertaken at a firm level in the year	3,773	711	711

Examples of engagement activity undertaken over the year to 31 December 2022*

*for those funds which were disinvested over the year, the example engagements provided are over the year to 30 September 2022.

BlackRock

Engagement: Samsung

Samsung Electronics Co., Ltd. (Samsung) is South Korea's largest company in market capitalization and one of the world's largest manufacturer of electronics and computer peripherals. The company employs more than 260,000 people and has a presence in 74 countries.

BlackRock Investment Stewardship (BIS) has conducted multi-year engagements with the company to discuss a range of topics that can help drive long-term shareholder value. Their engagements with Samsung often involve discussions about climate and energy transition risks.

In October 2020, the South Korean government announced its commitment to achieve carbon neutrality by 2050. A year later, the country enhanced its 2030 Nationally Determined Contribution (NDC) target. Since then, many South Korean companies have publicly released their respective carbon neutrality targets and climate-related strategies to align with the government's ambitions. Based on Samsung's current sustainability reporting and disclosures, the company has yet to state any carbon neutrality goals. Furthermore, its greenhouse gas (GHG) emissions target of 70% reduction from 5.17 tonnes of CO2e/KRW 100 million in 2008 expired in 2020 and has not been refreshed. As part of BlackRock's ongoing engagements with Samsung on behalf of their clients, they sought to better understand and assess the company's plans to publish an update to its climate strategy, progress in defining GHG emissions reduction targets, as well as overall approach to navigating the energy transition.

LGIM

Engagement: Capricorn

The actions of Capricorn's board in 2022 in seeking to merge with other energy companies raised some concerns for LGIM about the company's governance and decision-making process, given the potential negative impact such decisions would have on Capricorn's shareholders.

The first proposed merger with Tullow Oil, an Africa-based oil company, was announced in June 2022. LGIM's Investment Stewardship and Climate Solutions teams spoke directly with Capricorn's management team and directors to voice their concerns about the proposed transaction, as it didn't seem to advance the energy transition strategy for Capricorn's shareholders, in light of the increased exposure to oil prices and geographical risks. Additionally, LGIM believed that such merger would have resulted in increased financial leverage and dramatically elevate climate transition risks. In further conversations with Capricorn, they asked detailed questions about the process they had gone through in terms of deciding on this merger and whether other alternatives were considered. Nevertheless, despite mounting opposition from LGIM and other shareholders, Capricorn and Tullow initially proceeded with the merger before a decision was taken by Capricorn to abandon it, citing concerns about market conditions and external factors as the reason.

The second merger proposal with NewMed, an Israeli-based natural gas producer, was met with rising suspicion and even less support than the first and they met again with Capricorn to voice their concerns. LGIM were not the only shareholder to have questioned the Capricorn board's actions, and one of its largest shareholders, Palliser Capital, became more vocal about its objections to the proposed NewMed deal, which has also begun to attract attention and criticism in the press. As a result of these unpopular proposals, Palliser Capital has called for an Extraordinary General Meeting to be held in January 2023, for shareholders to vote on a complete overhaul of the board while requesting the deposition of seven directors, including the CEO, and the appointment of six new members instead.