

IMPLEMENTATION STATEMENT

The Trustees of The London Clinic Limited (1974) Retirement Fund

The Trustees of the 'Trustees of the London Clinic Limited (1974) Retirement Fund' have prepared this implementation statement in compliance with the governance standards introduced under the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (as amended). Its purpose is to demonstrate how, and the extent to which, the Fund's Statement of Investment Principles (SIP) dated 22 September 2021 has been followed, if there has been any review of the SIP and how the policies on voting, stewardship and engagement have been followed. This statement covers the period 1 January 2023 to 31 December 2023.

A. Voting and Engagement Policy

The policy as set out in the SIP in respect of voting, stewardship and engagement is in summary as follows:

- i. The majority of the Fund's portfolio invests via pooled investment funds, meaning that the Fund investments are pooled with those of other investors. It can be harder for those invested in pooled funds to exert their influence, given the other investors with a stake, but the Trustee still monitors and engages as much as possible.
- ii. Voting decisions on stocks are delegated to the investment manager of the pooled funds held by the Fund.
- iii. SEI, the Fund's Fiduciary Manager, or the investment manager of a third party pooled fund, has full discretion for undertaking engagement activities in respect of the investments.
- iv. Where the investment manager is SEI, they have pooled their holdings in their funds with other investors and employed a specialist ESG provider for voting and engagement services.
- v. SEI will report on voting and engagement activity to the Trustee on a periodic basis together with its adherence to the UK Stewardship Code. The Trustee will consider whether the approach taken was appropriate or whether an alternative approach is necessary. The Fiduciary Manager is a signatory to the UK Stewardship Code 2020.
- vi. The Trustee will assess the Fiduciary Manager's performance against objectives annually including how well the Fiduciary Manager is aligned with the SIP in terms of ESG factors.

The Trustee is of the opinion that this policy has been followed during the year. In light of the above and otherwise, the Trustee has considered their policy in regard to voting and stewardship and concluded that

- o The current policy is appropriate and no further action is required at this stage, albeit the Trustee will continue to monitor the performance of this policy and SEI's performance in the future.

B. Voting Record

Partners Capital themselves do not hold stocks and thus have not exercised any voting rights on the Trustee's behalf during the year.

During the period from 1 January 2023 to 31 December 2023, across the Fund's holdings¹ the voting behaviour for the equity funds is shown in the below table.

Fund Name	CT Global Responsible Equity Fund	Lazard Global Sustainable Equity Fund
ISIN	IE00B19H3542	IE00B8DH0X69
Number of Votable Meetings	50	46
Number of Votable Items	768	722
% of Items Voted	95.6%	88.4%
% of votes with management	93.8%	95.0%
% of votes against management	5.6%	5.0%
% of votes other	0.7%	0.0%

C. Significant Votes

A highlight of some of the significant votes during the period are shown in the table below.

Lazard considers most significant votes in the following order: firstly, any "Say on Climate" management proposal, secondly, a select group shareholder proposals where they voted for the proposal and against management, thirdly, any votes considered controversial by their investment professionals, and lastly any managerial proposal where they voted against management. The resultant proposal buckets are then ranked by the company's average holding within the fund over the period under review to identify the top votes.

Columbia Threadneedle (BMO) considers significant votes based on one or more of the following criteria: materiality of issues and impact on shareholder value, votes against the recommendation of the Board, size of the shareholding relative to the total portfolio, materiality of the vote to engagement outcomes and finally size of the holdings in the company.

¹ SEI has shown voting data for the relevant quarters the fund was invested in.

Company Name	Held in Fund(s) (% size of holding)²	Theme	Date of Vote and Outcome	Vote Decision and Significance of vote
Apple Inc.	CT Global Responsible Equity Fund (0.09%)	Gender/Racial Pay Gap	10/03/2023 Against	Voted for the proposal. The proposed enhanced disclosure would help the board and shareholders better assess existing and potential future risks related to human capital management.
Mastercard Incorporated	CT Global Responsible Equity Fund (0.07%)	Lobbying Payments and Policy	27/06/2023 Against	Voted for the proposal. Comprehensive, aggregate disclosure on political spending is best practice. Disclosure should include all state and local donations including support for 527 organizations and ballot initiatives. In addition, the company should identify key relationships with trade associations that engage in lobbying on the corporations behalf, as well as describe its policies and processes for giving. We ask that the board provide ultimate oversight for political donations.
Intuitive Surgical, Inc.	CT Global Responsible Equity Fund (0.03%)	Gender/Racial Pay Gap	27/04/2023	Voted for the proposal. The proposed enhanced disclosure would help the board and shareholders better assess existing and potential future risks related to human capital management.
eBay, Inc.	CT Global Responsible Equity Fund (0.02%)	Corporate Governance	21/06/2023 Against	Voted against the proposal. This plan could lead to excessive dilution. On early termination, all share-based awards should be time pro-rated and tested for performance, including in the event of a change of control. Incentive awards to executives should be clearly disclosed and include robust and stretching performance targets to reward strong performance and drive shareholder value over a sufficiently long period of time.
Linde Plc	CT Global Responsible Equity Fund (0.06%)	Corporate Governance	24/07/2023 Abstain	Voted abstain. The Company should put in place a policy to increase gender diversity on the board. In developed markets, our minimum expectation is that women should comprise at least 27% of the board. In the context of increasingly complex international accounting standards, the audit committee benefits from members who have a good and recent understanding of the accounting rules and of the audit process.

² % holding as at last day of the quarter in which vote occurred.

Americold Realty Trust	CT Global Responsible Equity Fund ($<0.01\%$)	Corporate Governance	16/05/2023 Against	Voted against the proposal. The Company should put in place a policy to increase gender diversity on the board. In developed markets, our minimum expectation is that women should comprise at least 27% of the board.
Accenture Plc	CT Global Responsible Equity Fund (0.04%)	Corporate Governance	01/02/2023 Against	Voted against the proposal. Nominees who also serve as executive officers at publicly listed companies are expected to hold no more than one external directorship to ensure they have sufficient time and energy to discharge their roles properly, particularly during unexpected company situations requiring substantial amounts of time.
Watts Water Technologies, Inc.	Lazard Global Sustainable Equity Fund (0.23%)	Management - Amend Certificate of Incorporation to Allow Exculpation of Certain Officers	17/05/2023 Against	Voted against the proposal which is warranted, as the company is controlled and decisions regarding the company's response to shareholder litigation would be made by a board that lacks accountability.
Zoetis Inc.	Lazard Global Sustainable Equity Fund (0.19%)	Shareholder - Provide Right to Call a Special Meeting at a 10 Percent Ownership Threshold	18/05/2023 Against	Voted for the proposal which is warranted. This shareholder proposal includes a 10 percent ownership threshold which shareholders may view as a more reasonable threshold than the 25 percent threshold proposed by the board in Item 4. This proposal would also represent an improvement to shareholder rights, as shareholders do not currently have the right to call special meetings.
IQVIA Holdings Inc.	Lazard Global Sustainable Equity Fund (0.21%)	Shareholder - Provide Right to Call a Special Meeting at a 10 Percent Ownership Threshold	18/04/2023 Against	Voted for the proposal which is warranted as the right to call special meetings at a 10 percent ownership threshold would enhance shareholders' rights and the precatory proposal inherently affords the board flexibility to maintain appropriate safeguards against abuse.
Taiwan Semiconductor Manufacturing Co., Ltd.	Lazard Global Sustainable Equity Fund (0.18%)	Management - Amend Procedures for Endorsement and Guarantees	06/06/2023 For	Voted against the proposal, no compelling rationale provided and may expose the co. to unnecessary risks.
Colgate-Palmolive Company	Lazard Global Sustainable Equity Fund (0.16%)	Shareholder - Adopt Share Retention Policy For Senior Executives	12/05/2023 Against	Voted for the proposal is warranted as the more rigorous guidelines recommended by the proponent may better address concerns about creating a strong link between the interests of top executives and long-term shareholder value.

Danaher Corporation	Lazard Global Sustainable Equity Fund (0.16%)	Shareholder - Require Independent Board Chair	09/05/2023 Against	Voted for this proposal is warranted. The board leadership structure is currently comprised of a cumbersome three-headed structure including a lead independent director, a relatively new CEO and a former CEO and company founder who continues to serve as executive chair. In this case, an independent chair policy would simplify the current board leadership structure, which could promote more effective independent oversight and also streamline responsibilities. In addition, there are continued pledging concerns at the company suggesting that shareholders would benefit from the most robust form of independent oversight, in the form of an independent chair. Furthermore, this proposal is not overly prescriptive and would not require an immediate change to the current board leadership structure, providing the board with flexibility to implement an independent chair policy as it sees fit.
Hexagon AB	Lazard Global Sustainable Equity Fund (0.14%)	Management - Elect Director	02/05/2023 For	Voted for the candidates John Brandon (Item 12.2), Brett Watson (12.6) and Erik Huggers (12.7) is warranted due to a lack of concern regarding the suitability of these individuals in particular. A vote against candidates Marta Schorling Andreen (Item 12.1), Sofia Schorling Hogberg (Item 12.3) and Gun Nilsson (12.5) is warranted due to their non-independent status on a board with an insufficient level of overall independence. Additionally, it should be noted that candidates Sofia Schorling Hogberg (Item 12.3) and Gun Nilsson (12.5) hold non-independent status on both the audit and remuneration committees, which both has an insufficient level of independence.
Deere & Company	Lazard Global Sustainable Equity Fund (0.03%)	Shareholder - Submit Severance Agreement (Change-in-Control) to Shareholder Vote	22/02/2023 Against	Voted for the proposal is warranted given that it is positive for shareholders to have the ability to vote on severance amounts that exceed market norms, the proposal applies only to future severance arrangements, and the proposal offers flexibility as to when the board may seek shareholder approval of a new or renewed severance arrangement, such as at the next annual meeting.

D. Engagement Activity

A highlight of some of the engagements during the period are shown in the table below.

Lazard's Stewardship Committee have established three overarching stewardship priorities to guide their engagement endeavours:

1) Climate Change: with an emphasis on engaging in dialogue with companies to understand the risks and opportunities of transitioning their operations, products, and supply chains towards a Net Zero 2050 goal.

2) Diversity: with an emphasis on board level gender and ethnic diversity, as well as encouraging improvements within workforce diversity

3) Executive compensation: encouraging a transition away from shareholder primacy and incentivising management to deliver performance that benefits both shareholders and stakeholders, with an emphasis on integrating climate and diversity into compensation plans.

Meanwhile Columbia Threadneedle's key engagement endeavours have been around Climate Change, Labour Standards, and Corporate Governance.

Below, we provide examples of engagement activity across the two funds and managers.

Company Name	Held in Fund(s)	Theme	Objective	Description
CVS Health Corp	CT Global Responsible Equity Fund	Public Health	Call with Chief Sustainability Officer on sustainability topics	We spoke to the company's Chief Sustainability Officer and Investor Relations about a number of ESG topics. We began the call by applauding the company's ESG disclosure which is very advanced and contains data not often disclosed by healthcare companies, such as social compliance audit findings. The company's Chief Sustainability Officer stressed that transparency is key for the company and that the CEO is very thoughtful about the way CVS discloses information. She also shared that they are refreshing emissions data of previous years and, following the acquisitions of Oak Street and Signify, they will be undertaking an assessment on how they impacted CVS' work. The Chief Sustainability Officer explained that as CVS is transforming slightly away from retail and traditional insurance more in the direction of value-based care, they want to make sure that the ESG strategy stays closely aligned. The company also shared their latest work on enhancing safety training and programs internally, which we were pleased to hear about. We finally expressed our interest in seeing more evidence on how CVS drives savings for patients, which is an ongoing issue for

				Pharmacy Benefit Managers. The company stated they would take this back to management. The company was unable to share details on a case of forced labour in the supply chain and will share more on this via email.
Apple Inc	CT Global Responsible Equity Fund	Labour Standards	Dialogue with IR on governance, carbon neutrality, supply chain, responsible AI	We had a dialogue with Apple's Investor Relations Team for an update on its newly published civil rights audit report, its commitment to its freedom of association assessment, approach to Responsible AI, supply chain labour standards, carbon neutrality strategy and governance. The Apple team were not able to elaborate further regarding our questions. It stated that its human rights assessment related to freedom of association will be completed before the end of the year. It did not give further clarity on which of the 40 recommendations from the civil rights audit assessment will be actioned or prioritized. On responsible AI, it reiterated it hasn't published specific AI principles and it is continuing to monitor regulatory and industry efforts and ensuring it develops inclusive technology. On carbon neutrality, it reiterated its commitment to use high quality credits (ones that are real, measurable, quantifiable, and avoid double counting) and ones by international standards. It focuses on supplier engagement through communication expectations and ratcheting up of commitments. On governance, Apple acknowledges it has long tenured board members and is planning succession while taking diversity into consideration. It previously used external board evaluations but stated its current internal feedback process (open conversation with structured elements) is effective and is not using an external evaluator at this time.
Kubota Corp	CT Global Responsible Equity Fund	Labour Standards	Call with IR and Sustainability on governance, human capital and climate risks	We had a positive call with members of Kubota's IR and sustainability teams. The call focused on corporate governance, board diversity, climate risk management, human capital management and supply chain risk management. The board have recently implemented a third-party board evaluation which is positive. They noted that gender diversity remains difficult for the company, particularly at board-level. They are considering overseas directors, which could be positive given

				<p>their high share of overseas revenues. They will be strengthening the ESG component of their executive remuneration with quantitative targets. There remains uncertainty over their decarbonisation strategy and they are deliberating scope 3 targets, we encouraged this as well as further disclosure of their emissions reduction strategy for their products. Physical risks management appears to be an area that is more overlooked. They acknowledged that the President was surprised with the scoring and outcome of the employee engagement survey. Human capital is an area we will continue to monitor, as well as their supply chain oversight and due diligence.</p>
Humana Inc	CT Global Responsible Equity Fund	Corporate Governance	Call with Corporate Secretary on board diversity, health equity and transparency.	<p>We spoke to Humana's Corporate Secretary, Director of ESG strategy and members of several other departments about board diversity, health equity and transparency. The company re-iterated the leadership announcement that came out earlier that day as they have announced a new CEO who will officially start in the second half of 2024 and brings in value-based clinic experience. On board diversity, we noted that the company's board diversity is below our threshold of 27%. Humana stated to focus on including diverse backgrounds and that they have had a lot of refreshment over the past years. The board is always focused on informing the strategy. We encouraged them to add clarifications about this in the next proxy and will most likely follow up on this closer to the AGM. On health equity, we noted a number of good examples in its Impact Report and how Humana addresses bias and health literacy. The company is currently working on data collection and analysis and aims to share more data in the next impact report. We briefly discussed the Pharmacy Benefit Manager industry's reputation in terms of transparency on rebates and pricing, but the company emphasized that they do not engage in spread pricing, and they do not keep rebates which makes this less of an issue for Humana. We finally addressed Humana's star ratings which are very good and asked what the company considers a key risk to lower ratings in the future. The company explained that the rating system is inherently risky, but the company-wide focus and infrastructure helps them to continuously</p>

				improve and monitor their ratings, with success. This was a good conversation, and we will most likely reach out next year ahead of the AGM.
Taiwan Semiconductor Manufacturing (TSMC)	Lazard Global Sustainable Equity Fund	Environment	<p>TSMC is a semiconductor manufacturing with leading edge technology and scale. The company is categorised by our proprietary climate alignment assessment as “committed to aligning”.</p> <p>The company has strong reporting and transparency, but some questions remained regarding product innovation, GHG emissions, circular resources and waste, , water, and supply chain. Based on recent disclosures, a few of the company’s 2030 targets were already close to being achieved based on 2021. These targets, combined with varying baselines, suggested we may want to do a deeper dive into their level of ambition. We engaged with the company to dig into their targets to better understand the resulting impacts these may have on the</p>	<p>Key hurdles to achieving their 2030 emissions target (of returning to 2020 absolute levels) are:</p> <p>Company growth</p> <p>Limited renewable energy supplies in Taiwan. The company has been working with the government and renewable energy suppliers, so now the target is 40% in 2030 versus the original 20%</p> <p>Lack of carbon credit/offset market in Taiwan. The company was able to achieve 100% renewable energy at overseas subsidiaries and offices through purchases of RECs and none from carbon offsets. Carbon offsets will be used during grid transitioning but use in 2021 was 16x that of 2019 so something to monitor. Carbon credit guidelines require the company to purchase only from projects certified by international standards or credits issued by government institutions. The carbon credit risk management process includes auditing of development projects and development teams, scanning of negative media reports, and the assessments from rating agencies.</p> <p>Avoided emissions: each 1kWh devoted to production conserves 4kWh for the world, according to the Industry, Science, and Technology International Strategy Center.</p> <p>TSMC’s Zero Waste Manufacturing Centre (commissioned in 2023 - should replace 30% of raw materials) purpose is focused on environmental benefits and hence they are not disclosing associated cost/payback/supply resilience.</p> <p>The new Arizona fab should not incur water supply issues: Phoenix has been designated by the State as having a 100-year assured water supply, with no significant difference between drought risks at existing facilities and Arizona. Almost 100% recycled water use is possible – TSMC Arizona is in the planning stages for an on-site Industrial Water Reclamation Plant that should</p>

			<p>business model (positive/negative) and reputation, and also where and by how much the Taiwanese government may influence the targets and their achievability We engaged via email (the company does not hold ESG calls given extensive disclosure).</p>	<p>allow the site to achieve near zero liquid discharge.</p> <p>The company believes its targets to be challenging and achievable.</p> <p>We believe the company's answers are sufficient for now.</p> <p>We will continue to monitor progress on targets to ensure they remain appropriate/ambitious, and, once achieved, they are increased.</p>
Laboratory Corporation of America	Lazard Global Sustainable Equity Fund	Governance	<p>Due diligence call prior to the AGM to inform our voting decision across a range of governance related shareholder proposals. Lab Corp provides diagnostic, drug development and technology-enabled medical solutions. The meeting provided us with the opportunity to do a deeper dive into specific governance topics, such as true board independence given member tenure.</p>	<p>Require independent board chair. At the time of the engagement ISS were recommending a vote FOR this proposal. Our research indicated no evidence of improper management/governance structure, which supported a vote AGAINST. However, average board tenure of 10 years focused our deep dive questions on 1) future board refreshment and 2) the specific duties of the current lead independent director vs. the Chairman. The company noted that over the past 2 years there has been an effort to refresh the board, with 2 seats changing since 2021 and an increased focus on diversity. A further 2 board members will be reaching retirement age later this year so more change can be expected.</p> <p>Report on transport of non-human primates within the US. We felt comfortable voting against this proposal given Lab Corp has all the appropriate policies in place and there was no evidence presented of tangible mismanagement or financial impact. Management supported our view by talking us through their protocols in place for transport safety and the insurance they have in place.</p> <p>Report on risks related to fulfilling information requests for enforcing laws criminalizing abortion access. Lab Corp have a robust privacy programme in place which ensures they are already complying to data privacy laws such as HIPAA. This does allow law enforcement to request information from</p>

				<p>them, but only with a court order (i.e., not just for an investigation).</p> <p>Management answered our questions well. Their answer on the interaction and dynamic between the lead director and CEO/Chairman was thoughtful, and further board refreshment seems to be pending. In addition, this company hasn't had any material governance issues in the recent past. As a result, we voted AGAINST the proposal requiring an Independent Chair. Related to the information requests, our analysis underscored that Lab Corp implements appropriate safety protocols and complies to all necessary privacy standards. Given the company plays the role of executing the tests rather than ordering, related risks are low and we voted AGAINST the proposal.</p> <p>Following our engagement, ISS changed their vote recommendation on the Independent Chair to AGAINST, aligning with our vote decision. We note that votes for an independent chair were still significant, despite ISS's recommendation change, at 30%. The other shareholder proposals on non-human primates and abortion access received 10% and 15% support, respectively. Our view on management quality remains supported and we continue to hold the position.</p>
Infineon	Lazard Global Sustainable Equity Fund	Avoided Emissions	<p>To understand the extent to which climate solution products & services are enabling a net-zero transition. This engagement formed part of a wider set of thematic engagements aimed at understanding different methodologies for calculating avoided emissions, and hence form an internal view on emerging best practice.</p>	<p>Infineon started to calculate and disclose their avoided emissions figures 7 years ago in an effort to set them apart from their peers and prove their products are best-in-class.</p> <p>They claim their products enable their customers to avoid ~100 million tonnes of CO2 each year. This number is based on a subset of products where they have more visibility on the end-consumer, such as automotive powertrains. The avoided emissions baseline, or reference product, is the previous generation of product, not the products of their competitors.</p> <p>While they do not disclose their methodology in detail, this claim is audited by KPMG. During the engagement we flagged to Infineon our thoughts on emerging best practice, which includes a higher level of transparency.</p>

				<p>Infineon currently do not disclose their scope 3 emissions due to a lack of visibility on where all their semiconductors end up in (downstream scope 3), which would be necessary in order to make assumptions of the emissions these products create. It is due to this that Infineon have not set a science-based target, given they would need to set a target on reducing their scope 3 emissions. However, Infineon do have visibility on their upstream scope 3 emissions, with who they are engaging with and supporting their emissions reduction journey. Upstream scope 3 emissions transparency have been made easier due to the collection of data via the Integrity Next platform.</p> <p>While avoided emissions claims vs. a previous version of their own products makes their claims harder to compare to peers, we believe this methodology is appropriate for Infineon given their market share in silicon carbide power semiconductors, backed by their product performance and energy efficiency. Our view on emerging best practice for avoided emissions includes clarity on the emissions factors being used, the sources of these factors and the frequency of their update.</p> <p>We continue to have confidence Infineon's products are contributing to a greener world, and hence remains an appropriate holding for our Global Sustainable strategy. Lazard Asset Management will look to join an appropriate investor working group on avoided emissions to further develop our understanding on emerging best practice.</p>
Halma	Lazard Global Sustainable Equity Fund	Natural Capital & Governance	We engaged with Halma on key topics raised by our sustainability scorecard update, focusing on E, but also including topics within S & G. Halma is an industrial conglomerate, with products spanning Safety, Environment	Halma have made good progress on collecting emissions baseline data across all subsidiaries. They set an emissions reduction target aligned with SBTi's 1.5-degree methodology however, they are not currently looking to have this target validated until 2026. During the call we encouraged them to take the necessary next steps to try and submit this target for validation sooner than 2026 because they can take up to 2 years to be validated given the demand backlog (by which time they would likely be far behind peers). Halma were receptive to this suggestion and

			<p>and Health. Their decentralised business model (comprising of over 50 different businesses running autonomously) has meant that oversight and targets at the group level have previously been more of a challenge.</p> <p>This engagement focused on their emissions strategy, but also covered their progress on increasing DE&I (they look unlikely to meet their 2025 target), and board independence (which had fallen recently)- all topics identified by our scorecard as areas for engagement.</p>	<p>said they would consider making it a priority.</p> <p>Scope 3 emissions are split roughly as 20% upstream and 80% downstream. Almost 100% of their upstream emissions are transport, while downstream emissions are concentrated in one company with a highly energy intensive product and long asset life. Ha</p> <p>Board Independence: 2 directors will be refreshed this year as they come up to their 9-year term. They will both be replaced with independent directors.</p> <p>Halma aims to have 40-60% women on the board by 2025, but currently have 29%. Conversations on DE&I focused on their implementation of Workday, which should give them good centralised visibility on diversity across their decentralised business model, and hence enable them to make better strategic decisions on diversity in the future.</p> <p>The engagement gave us confidence that Halma is taking the necessary steps to ensure they make progress towards their net zero by 2040 target, despite not having temperature-aligned interim targets. Acknowledging the real progress that Halma has made, and not just penalising them for lacking a validated science-based target, is important for as active investors. However, industry standards continue to move the bar higher, and waiting another 3 years to submit a target for validation may start to discredit their strategy (given validation acts like an emissions reduction strategy due diligence). This is something we will continue to have an open conversation on going forwards.</p> <p>Meanwhile, Halma has taken clear steps to ensure board independence returns to previous levels, and the implementation of Workday should be pivotal for their DE&I targets. We would prefer this ambitious target, trying and failing to achieve it, rather than significantly water it down to align with their current trajectory. We agree that finding the best candidate for the job takes priority over meeting diversity targets.</p>
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				No immediate action required but we will continue to review Halma's progress over the coming years to ensure there are no clear deviations from their strategy which could make them vulnerable to greenwashing claims.
HDFC	Lazard Global Sustainable Equity Fund	Human Capital	<p>We engaged with HDFC to better understand the steps they were taking to increase the number of women in their workforce, and more generally raise the bar on financial inclusion in India.</p> <p>HDFC is one of India's largest banks, whose operations are often seen as having a wider, positive, social impact because India's population is largely un-banked. Employees are a material part of HDFC's operations, as identified by our scorecard.</p> <p>Following a previous engagement in 2021, we wanted to see progress in female representation throughout the organisation, as well as senior leadership.</p>	<p>Female representation has been improving within the company from a low base, and transparency on their pipeline of female talent throughout the organization has increased since our previous engagement. However, HDFC are still a way off their 25% women in the workforce by 2025 target, which will remain a key challenge for HDFC given the scale of the business.</p> <p>Given culture is often a barrier to women working in rural India, we were particularly impressed to hear how creative HDFC is being by creating women-only offices to ensure they are making it more culturally acceptable for women to work in rural communities.</p> <p>Female attrition remains higher than men, which HDFC attributes to family breaks. Due to this, pipeline talent for women in senior leadership narrows. To address this issue HDFC has increased their flexible working policies, and established a "Back Again" programme, which helps women return to work after a career break.</p> <p>HDFC's financial literacy workshops at their rural banking outlets play a key part in spreading economic empowerment. Mobile financial literacy programs tour the country to reach remote rural areas where there are not physical banks. Since inception, HDFC estimates that they have worked with 1.7m members of society.</p> <p>During the engagement we also touched on how extreme weather events due to climate change is affecting their loan book. 18% of HDFC's lending is within the agricultural sector, which has been mandated by the Indian Government since 1962 on the basis of food security. Weather patterns haven't caused material delinquencies over the last year, but HDFC have also increased risk management over that period with satellite imagery and use of AI.</p> <p>HDFC are making some impressive progress, both for internal employees,</p>

				<p>as well as externally within the communities they operate, when it comes to gender equality and financial inclusion. We view them a leader in this theme within emerging markets.</p> <p>We will continue to monitor HDFC's progress towards their 2025 DE&I target, with a particular interest in assessing whether their new policies filter into lower attrition rates, and hence any material cost savings for the business. In the future we would like to see their targets link to exec compensation to drive more accountability at senior leadership level.</p>
Hexagon	Lazard Global Sustainable Equity Fund	Natural Capital	<p>We engaged with Hexagon's new Head of Sustainability following her appointment earlier in the year. The objective of the engagement was to better understand her vision for Hexagon's ESG strategy. Hexagon is an industrial leader in metrology (i.e., measurement), who's products broadly enable their customers to increase efficiency, lower waste, and improve safety. Eva Carranza was appointed as Hexagon's new Head of Sustainability earlier on in the year. This engagement was the first time we had met. As highlighted in Hexagon's scorecard, we believe their ESG strategy has been</p>	<p>A full understanding Hexagon's emissions profile and current baseline has been a key priority since Eva joined, without which, they could not build a credible carbon neutral strategy. During the meeting Hexagon presented their net zero roadmap, which we were pleased to see had clear interim milestones.</p> <p>They have made good progress on understanding their scope 1 and 2 footprint, but work remains to be done on scope 3 (particularly "use of sold products" and "end of life treatment of sold products"). However, progress on gathering upstream value chain data is a big improvement and has enabled them to submit targets for SBTi validation, as well as disclose to CDP's climate questionnaire for the first time.</p> <p>Carbon offsets will be used for the 2025 carbon neutrality commitment, but not their 2030 1.5 degree aligned one.</p> <p>Hexagon are aiming for 80% of their procurement spend to be covered by validated SBTi targets by 2030, but don't have a clear view on progress made towards this yet.</p> <p>Hexagon realize that reporting their product's avoided emissions (scope 4) is the best way they can quantify their impact, and hence, are working on their own methodology for YE 2024 (to start reporting in 2025).</p> <p>Hexagon were previously lagging on disclosures; most notably their scope 1 & 2 emissions reporting, which did not cover all their operations. Despite not having made much progress in their</p>

			<p>lagging their industrial peers, particularly from an environmental perspective. Poor disclosures mean there has been a lack of necessary data to analyse their environmental footprint, as well as make a judgement on the credibility of achieving their high-level carbon neutrality target.</p>	<p>emission reduction journey so far, the clear milestones are particularly encouraging. We also note that the expansion of facilities covered under their emissions reporting has increased from 3 to over 100 in 3 years, acting as a headwind on paper to their emissions reduction figures year-over-year.</p> <p>The meeting gave us confidence that Eva's appointment as Head of Sustainability will be a positive turning point for Hexagon's ESG strategy, finally giving it the credibility and momentum in execution it had been needing.</p> <p>As the new Head of Sustainability begins to put some proper structure and targets in place for various areas of Hexagon's ESG strategy, we look forward to seeing better data, as well as interim progress on their key milestones being reported over the coming years.</p>
Iqvia	Lazard Global Sustainable Equity Fund	Human Capital & Governance	<p>Ahead of their 2024 AGM we took the opportunity to engage with IQVIA on a significant shareholder proposal from their previous AGM, as well as any controversial upcoming proposals. We also took this opportunity to engage on their cybersecurity and trial diversity efforts. IQVIA contributes to a healthier world by making clinical trials more efficient through their scale, expertise, and access to trial patients. By doing so, they speed up drug development. In 2023's AGM, IQVIA received a shareholder</p>	<p>Since IQVIA's merger a few years ago, inside ownership has significantly increased, with their largest shareholder having >10% ownership. Due to the disparity in voting results, they decided to go with a 25% threshold. For 2024's AGM they haven't received a shareholder proposal to lower this again, or any other notable/ potentially controversial shareholder proposals.</p> <p>IQVIA has been working on better analyzing and understanding the benefits of diversity within clinical trials for a while now given the importance of having a representative population during this stage. They were able to point to multiple examples of where their clinical trials have been significantly more diverse than their competitors and noted that this is now starting to become an important aspect of winning new business.</p> <p>IQVIA leverage both the HITRUST and NIST cybersecurity frameworks to ensure ample risk oversight. Focus areas include advanced threat visibility, phishing exercises, and data asset protection.</p> <p>The engagement provided interesting insights on the importance of their D&I patient recruitment capabilities and future business wins. Ability to provide necessary patient diversity during their</p>

			<p>proposal regarding the right to call special meetings: 48% of shareholders (including ourselves) voted to support a lower threshold of 10%, but the board/management proposed a 25% threshold. We were particularly interested to hear their thoughts on this given clear shareholder support for the former.</p>	<p>clinical trials increases their competitive moat and supports topline growth.</p> <p>IQVIA has been very responsive to shareholders and had adopted a number of good corporate governance practices in recent years. We are also pleased to see IQVIA's continued efforts to maintain a high level of cybersecurity risk management, with good oversight all the way up to the board.</p> <p>Takeaways from the engagement, particularly around trial diversity, continue to support the investment thesis.</p>
Boston Scientific	Lazard Global Sustainable Equity Fund	Human Capital & Environment	<p>We engaged with Boston Scientific on key topics across S and E to better assess the risks and opportunities they present to the business model. Boston Scientific contributes to a healthier world through their innovative medical device solutions. We met with members of their ESG and Human Resources team to dig into the opportunities presented to them from their continued focus on diversity initiatives, as well as more emerging opportunities such as more circular packaging/products. Regulatory risks</p>	<p>Boston Scientific believe that innovative DE&I initiatives have been a key part in raising employee satisfaction and retention over the last 10 years. We noted that voluntary employment has been ticking up in recent years, which BSX attributed to primarily to black talent poaching following the George Floyd case in 2020. Since then, they have invested \$3.5m in a multi-prong anti-racism strategy, with the aim of empowering all employees. They believe this has been key to black employee retention.</p> <p>Currently, their zero-waste goal by 2030 only relates to manufacturing and distribution. The biggest opportunity to reduce costs, while also reducing waste, will come from making products more circular. However, this will take time given the regulatory approval required to change medical devices. BSX are tackling the low hanging fruit first by improving packaging recyclability/circularity.</p> <p>The sterilisation process is the biggest use of PFAs within the industry. Boston Scientific has partnered with the government to address the issue of PFAs use within healthcare, while ensuring they are able to provide access to their life saving products.</p> <p>Boston Scientific is a leader in social initiatives, but we would like to see their voluntary turnover rate start to revert to</p>

			<p>from PFAs use were also discussed.</p>	<p>pre-2020 levels to be sure their efforts are filtering into company culture, and hence, margin accretive through lower hiring costs.</p> <p>Product circularity is an interesting opportunity within the industry, but we see this as more long-term given regulatory approval timelines.</p> <p>For now, PFAs use continues to be necessary for sterilisation throughout the industry, and hence we believe the regulatory risk associated with this to be low. We will continue to monitor this issue, as well as the work on alternative sterilisation methods such as ethylene oxide and gamma radiation.</p> <p>Takeaways from the engagement were broadly supportive to the investment thesis. We will wait for the release of their next sustainability report to determine whether their focus on social initiatives is starting to come through in improving retention figures. PFAs regulatory risks are deemed as low, but new developments will continue to be monitored.</p>
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The information relating to the significant votes is derived from public third party source(s). While the information is believed to be reliable, SEI has not sought to verify it independently. This material is intended to be for information purposes only and has been provided to SEI's client at their request. This data is not intended as promotional material in any respect.

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7 March 2024