Implementation Statement ("IS")

DB (UK) Pension Scheme

Scheme Year End – 31 December 2023

The purpose of the Implementation Statement is for us, the Trustee of the DB (UK) Pension Scheme (the "Scheme"), to explain what we have done during the year ending 31 December 2023 to achieve certain policies and objectives set out in the Statement of Investment Principles ("SIP"). This statement includes:

1. A summary of any review that has taken place and changes made to the SIP over the Scheme year, and

2. 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

3. 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.

Specifically, the SIP sets out policies in relation to Risk, Asset Allocation Strategy and Monitoring Investments, ESG Considerations, Arrangements with Investment Managers and Monitoring Investment Managers' Costs. We have set out our approach to meeting each of these policies, across the DB and DC Sections, along with specific examples from the Scheme year which demonstrate how each policy has been met.

With specific regard to the voting and engagement activity of our investment managers over the Scheme year, most of the Scheme's material investment managers were able to disclose adequate evidence of voting and/or engagement activity. In our view, the activities completed by our managers align with our stewardship priorities, and our voting policy has been implemented effectively in practice.

Not all of our investment managers were able to provide all of the engagement information requested. We will engage with these managers to encourage improvements in their reporting as set out in our Engagement Action Plan.

Changes to the SIP during the year

We reviewed the SIP during the year and updated it in December 2023.

The changes that took place included:

- Revised wording on Environmental, Social and Government (ESG) stewardship policies, including voting, engagement, how to incorporate members' views on non-financial matters, and arrangements with investment managers.
- Reflected changes to the strategic allocation to the DB Section, following a third bulk annuity purchase in Q4 2023 and subsequent strategy review. This review was consistent with the long-term objectives for the Scheme, to ensure a prudent investment approach to meet the Scheme's liabilities and to build sufficient assets to purchase insurance contracts.
- Clearly defining investments that are considered under the "Defined Contribution Section" and the "AVC section".
- Revised wording on the purpose and objective of the Scheme's default arrangements for the DC Section.
- Revised asset allocation wording.
- Updated wording to reflect the Trustee's policy on the use of illiquid investments, in line with new regulations.

The Scheme's latest SIP can be found here:

https://pensioninformation.aon.com/deutschebank/fileviewer.aspx?FileID=14138&FileName=DB%20(UK)%20Pension%20Scheme%20SIP_December%202023_Approved.

How the policies in the SIP have been followed

In the table below we set out what we have done during the year to meet the policies in the SIP.

Defined Benefit ("DB") Section

Objective ***Set an investment strategy with regards to meeting the Scheme's liabilities as they fall due, plus an agreed level of outperformance relative to the required returns to meet the liabilities.***	The Trustee purchased a Bulk Purchase Annuity Agreement (the "Annuity") with Legal and General Assurance Society ("LGAS") in September 2023 for a portion of the Scheme's liabilities. The Trustee agreed to a rebalance of the assets following the purchase of the annuity. Shortly after the Scheme year end, a review of the mandates held was undertaken to consider suitable changes as the Scheme progresses towards its long-term goal to purchase insurance contracts.
Risk ***The Trustee has identified a number of key risks within the investment strategy, which it monitors through a number of different means.***	To manage mismatching risk, the Trustee has implemented a Liability Driven Investment ("LDI") strategy, where the assets aim to move in line with the liabilities. This is reviewed on a quarterly basis. The Trustee and its advisers manage the cashflow requirements, to ensure that there is sufficient liquidity to meet ongoing cashflow requirements. The appointed administrator for the Scheme, Aon, monitors and manages daily cashflow requirements. Investment Manager risk is managed by quarterly manager performance monitoring. The Trustee supplements this by meeting with its managers at least once a year. The Trustee has taken steps to ensure that the assets are sufficiently diversified. This includes rebalancing ranges and also limits on the portion of assets to be held with one investment manager. Asset allocation is provided at least on a quarterly basis and when weights diverge from the targets, the Trustee and its adviser assesses if any adjustments are needed. The Trustee delegates monitoring of daily collateral to its LDI manager. In addition to this, the Trustee has developed its own collateral policy and monitors collateral, against predefined rebalancing points at least quarterly. The largest risk underlying the Annuity Policies are that of LGAS and Aviva defaulting. The Trustee considered the credit strength of the insurers as part of its due diligence process and on an ongoing basis.
Asset Allocation Strategy and Monitoring Investments	The Trustee reviewed its strategic allocation through 2023, implementing the following: • Purchased an Annuity Policy with LGAS to secure a portion of the Scheme's liabilities. • Removed its allocation to Global Equities and Multi Asset Credit in favour of liability matching assets, to ensure that sufficient collateral requirements were met and to de-risk the scheme. The Trustee has developed a suitable asset allocation for the total Scheme assets, and also a long-term strategic allocation for the assets excluding the Annuities. Rebalancing ranges have been agreed in relation to the asset allocation, with relevant steps taken to rebalance the portfolio on an ad-hoc basis. Ongoing performance and asset allocation is monitored through quarterly investment reporting provided by the investment adviser.
Environmental, Social and Governance considerations ***The Trustee believes that environmental, social and governance ("ESG"), including climate change, are important factors when making investment decisions. At the stock level, the Trustee has delegated these considerations to the***	The Trustee regularly reviews the ESG related issues which may impact on the Scheme's investments. A part of the insurer selection undertaken in 2023, the Trustee considered EG, including climate change, as part of the due diligence process. The Trustee encourages the investment managers to engage on ESG issues, including climate change. The Trustee expects managers to adopt the Financial Reporting Council's UK Stewardship code and adhere to the UN Principles for Responsible Investment or similar codes relevant to the particular asset class. The Trustee produced the IS over the year, where ESG engagement activity across managers was reviewed.

investment managers, having first agreed an appropriate benchmark and investment restrictions.	Over the year, the Trustee had responsible investment training sessions with its investment adviser. These sessions provided the Trustee with updates on the evolving climate risks in preparation for the annual Task Force on Climate Financial Disclosures ("TCFD") report.
Arrangements with Investment Managers	The Trustee monitors its investment managers on an ongoing basis. This is through the following: • Its custodian provides independent performance measurement services. The custodian provides performance monitoring on a quarterly basis and covers a range of different time periods. • An annual review of the arrangements with the investment managers which considers business updates, team changes in additional to concentration and holdings analysis. • The Trustee receives quarterly reports from its investment managers, which provides commentary on the performance and detail of any changes to the portfolios. The investment managers also provide any additional reporting, such as stewardship reports on an annual basis.
Monitoring Investment Managers Costs	The Trustee receives an annual manager fee report from its investment adviser. This report focuses on the ad-valorem charges. The Trustee and its investment adviser collate annual cost transparency reports that cover all investment managers in line with the appropriate Cost Transparent Initiative ("CTI") template for each asset class. The CTI templates help the Trustee better understand transaction costs and other hidden costs, such administration and auditing fees. ClearGlass collected and provided a cost transparency report and the Trustee's investment advisers highlighted specific areas of interest.

Defined Contribution ("DC") Section

The DC Section is formed of the Additional Voluntary Contributions ("AVCs") Section and the Bankers Trust Section.

- The AVC Section relates to additional voluntary contributions (other than AVCs transferred into the Scheme from the Bankers Trust UK Pension Plan), and include contributions paid to the Scheme in respect of the member as a result of a salary sacrifice made by a member under the employer's flexible benefit arrangement.
- The Bankers Trust Section relates to the Defined Contribution Section of the Bankers Trust UK Pension Plan and legacy AVCs transferred into the Scheme.

Objective *To make available a range of pooled funds in which members of the Scheme are able to invest;* *To make available a sufficient range of asset classes which the Trustee believes will enable members to invest in a manner which reflects their attitude to risk and proximity to retirement; and* *The Trustee's objectives regarding the default arrangement is to provide capital preservation whilst achieving cash deposit returns before the application of charges.*	The default arrangement for the Deutsche Bank AVC section during the Scheme year was the Standard Life Money Market Pension Fund. The default arrangement for the Deutsche Bank Bankers Trust section during the year was the Standard Life Deposit and Treasury Pension Fund. More information about the default arrangement is disclosed in the full SIP and Chairman's Statement. Additional detail is also disclosed further below. Both the AVC and Bankers Trust sections comprise a range of funds in which members' funds are invested and cover various asset classes including equities, fixed income, property and cash. Further information about these funds is disclosed in the annual Chair's Statement and Statement of Investment Principles, which can be accessed via the following link: https://pensioninformation.aon.com/deutschebank/welcome1.aspx Overall, the Trustee believes that the range of funds made available to new investments satisfies the objective of providing a range of investments from a variety of asset classes that are suitable for members' investment objectives and constraints including attitude to risk and proximity to retirement.

Risk *The Trustee has identified a number of key risks within the investment strategy, which it monitors through a number of different means.*	The Trustee has considered a number of risks that members in the DC section are potentially exposed to within the SIP. The Trustee's belief is that responsibility falls to members to ensure that risk appropriate to their own specific circumstances is properly managed, and the Trustee's key duty is to provide sufficient choice within the available fund range to allow members to meet this responsibility. . During the year the Trustee received reporting from its advisor which covered the performance of the funds in the AVC and Bankers Trust arrangements. This reporting concluded that the available funds were performing as expected given prevailing market conditions., Further information about these reviews is discussed in the next section. During the course of the Scheme year the Trustee issued communications to all members, detailing the funds that are available within the Scheme, their 'investment status', their absolute performance and Total Expense Ratio. The Trustee also emphasised the need for members to check that their investments continue to align with their investment objectives. Overall, this communication exercise helps to raise member awareness of the risks identified in the SIP. Separately, the Trustee, with support from its investment adviser, conducted a security of DC assets review. The review considered the different issues with regards to the financial protection of assets within the AVC and Bankers Trust sections. The review focussed on the financial strength of platform providers, legal and financial protections in place regarding underlying funds, and an overview of the actions taken to mitigate asset security risks. The review concluded that the risk of loss associated with the current arrangement is low and there is appropriate due diligence and protections in place to mitigate risks as far as possible.
Asset Allocation Strategy and Monitoring Investments	As mentioned above, during the year the Trustee received reporting from its advisor which covered the performance of the funds in the AVC and Bankers Trust arrangements. This reporting concluded that the available funds were performing as expected given prevailing market conditions. The latest such report was received in December 2023. Over the course of the Scheme year, changes were made to several Aberdeen Standard Investments ("abrdn") funds: abrdn Life UK Smaller Companies Fund, abrdn Life Sterling Inflation Linked Bond Fund, and abrdn Life Sterling Long Dated Government Bond Fund. These funds were closed in April 2023 due to difficulties in attracting the levels of inflows anticipated and a gradual decline in the amount of monies invested. In February 2023, following approval by shareholders, the abrdn Corporate Bond Fund merged into the Sterling Corporate Bond Fund as part of the investment manager's effort to consolidate their fund range. These fund changes have been reflected within the appropriate switch forms, and communicated with those members affected. The default arrangement for the Scheme was the Standard Life Money Market Pension Fund for the AVC section and Standard Life Deposit and Treasury Fund for the BT section. The default arrangements were last reviewed in 2022 and found to be satisfactory. The next review is scheduled to take place in 2025.
Environmental, Social and Governance considerations *The Trustee believes that environmental, social and governance ("ESG"), including climate change, are important factors when making investment decisions. At the stock level, the Trustee has delegated these considerations to the investment managers, having first agreed an appropriate benchmark and investment restrictions.*	The Trustee monitors the voting and engagement record of its managers and providers, via its investment advisers (results of which are set out in the relevant section of this document), but in line with its policy, has not taken action based on the results of this monitoring. The Trustee has made the Standard Life Ethical Pension Fund and Standard Life HSBC Islamic Global Equity Index Fund available to members in the AVC section, who would like to invest in funds with these specific considerations. The Trustee added the Legal and General Investment Management ("LGIM") Future World global Equity Index Fund to the range of funds available to Bankers Trust members. This fund offers wider ESG integration with a low-cost, passive, responsible investment approach, allowing ESG-tilted index exposure across multiple regions.

Arrangements with Investment Managers	The Trustee monitors the managers of funds on an ongoing basis. The Trustee received an annual report from their investment advisers which highlighted the performance of funds in which members are invested versus their respective Associate of British Insurers ("ABI") sectors. During the Scheme year the Trustee was broadly comfortable with the performance of each of its investment managers and does not feel that any need to be reviewed in greater detail. The Trustee also reviewed the engagement activity carried out by the fund managers over the course of the Scheme year via the IS.
Monitoring Investment Managers Costs	The Trustee reviewed the Total Expense Ratios (TERs) for all of the funds across both the AVC and Bankers Trust sections as part of the annual investment reviews. Detail around the TERs and the transaction costs for each fund over the 12 months to 31 December 2023 were also included in the annual Chair's Statement. The Chairman's Statement also included illustrations that assess the impact that the cost and charges have on the potential returns achieved by representative members invested in the default arrangements as well as two other comparator funds – a fund with the highest combined cost and charges and a fund with the lowest combined cost and charges. The Trustee recognises that fees charged on some investment offered within the DC section are high, relative to the value provided by the investments. Where this is the case, the Trustee has in the past taken action to close these funds to new investments. Towards the end of the Scheme year, the Trustee began to consider how this fund range could be rationalised in order to ensure the funds offered continue to provide value to the Scheme's members.

Our Engagement Action Plan

Based on the voting and engagement activity undertaken by our managers, we have decided to take the following steps over the next 12 months:

DB Investment Managers

- At the time of writing, BlackRock did not provide fund-level engagement information. The manager is still in the process of collating the information. We will write to the manager to inform them of our expectations of better disclosures in future.

We will invite each of our investment managers to a meeting to get a better understanding their engagement practices, and how these help us fulfil our Responsible Investment policies.

DC Investment managers

- While LGIM did provide a comprehensive list on fund level engagements, which we find encouraging, it did not provide detailed engagement examples specific to the fund in which we are invested, as per the Investment Consultants Sustainability Working Group ("ICSWG") industry standard, and also did not provide firm level engagement information. We will write to LGIM to better understand its engagement practices and discuss the areas which are behind those of its peers.

- M&G did not provide voting policy details and whether it uses any proxy voting advisor(s), which is a critical item for any equity investment manager. We will write to M&G to better understand its engagement practices and discuss the areas which are behind those of its peers.

Our managers' voting activity

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 Environmental Social Governance ("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

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. We believe that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. 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.

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

Voting statistics

The table below shows the voting statistics for the Scheme's material funds (funds that account for 10% or more of the assets) with voting rights for the year to 31 December 2023

	Number of resolutions eligible to vote on	**% of resolutions voted**	**% of votes against management**	**% of votes abstained from**
DC Investment Manager				
LGIM - World (ex UK) Equity Index Fund	35,367	99.9%	22.1%	0.1%
LGIM - UK Equity Index Fund	10,517	99.8%	5.8%	0.0%

Source: Manager

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 material managers use proxy voting advisers.

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.

	Description of use of proxy voting adviser(s) ***(in the managers' own words)***
Aberdeen Standard Investments ("Abrdn") (Underlying fund manager for Aberdeen Standard Investments, abrdn, Standard Life Investments)	We utilise the services of Institutional Shareholder Services ("ISS") for all our voting requirements and have a bespoke policy in place with them.
Legal and General Investment Management ("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 we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. For more details, please refer to the Voting Policies section of this document.

Source: Managers

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Scheme's investment manager 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 (or potential) investee companies (or issuers) 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 funds invested in by the Scheme.

Funds	**Number of engagements**		**Themes engaged on at a fund level**
	Fund level	**Firm level**	
BlackRock - UK Bonds	Not provided	3,768	Not provided
M&G - Alpha Opportunities Fund	9	297	**Environment** – Climate Change, Natural Resource Use/Impact, Pollution and Waste. **Social** – Conduct, Culture & Ethics, Human and Labour Rights, Human Capital Management, Inequality and Public Health. **Governance** - Board effectiveness related to diversity, independence or oversight. Leadership, Remuneration and Shareholder rights.
Royal London Asset Management ("RLAM") - UK Bonds	148	708	**Environment** - Climate Change; Natural Resource Use/Impact **Social** - Public Health **Governance** - Board Effectiveness - Other **Other** - Transition, Technology
Aberdeen Standard Investments ("Abrdn")	-	2,008	**Environmental** – Climate, Environment **Social** – Labour management, Human Rights & Stakeholders **Governance** – Corporate behaviour, Corporate Governance
JP Morgan Asset Management ("JPMAM") (Underlying fund manager for majority Utmost funds)	-	2,062	**Environment** - Climate change, Pollution, Waste, Natural resource use/impact **Social** - Human capital management, Human and labour rights, Conduct, culture and ethics **Governance** - Board effectiveness – Diversity, Independence or Oversight, Leadership - Chair/CEO, Remuneration
LGIM - World (ex UK) Equity Index Fund	611	-	**Environment** - Climate Impact Pledge, Climate Change, Deforestation **Social** – Gender Diversity, Income Inequality, Public Health **Governance** – Remuneration, Board Composition, Nominations and succession
LGIM - UK Equity Index Fund	370	-	**Environment** - Climate Impact Pledge, Climate Change, Energy **Social** - Ethnic Diversity, Income Inequality, Gender Diversity **Governance** – Remuneration, Board Composition, Nominations and succession **Others** - Company Disclosure & Transparency, Corporate Strategy

M&G Investments ("M&G") (Underlying fund manager for the Prudential funds)	-	297	**Environment** - Climate change, Pollution, Waste, Natural resource use/impact **Social** - Human capital management, Public health, Inequality **Governance** - Board effectiveness – Diversity, Independence or Oversight, Remuneration

Source: Managers. The following managers themes provided are at a firm-level due to the significant number of funds in the DC arrangements and none of these as a singular fund being at a material level:

- *Abrdn*
- *JPMAM*
- *M&G*

Data limitations

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

- BlackRock did not provide fund level engagement information.
- LGIM did provide fund level engagement reporting but not in the ICSWG industry standard and also did not provide the firm level engagement data.
- M&G did not provide the proxy voting advisor(s) policy as requested.

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

This report does not include commentary on the Scheme's liability driven investments, synthetic credit portfolio and cash because of the limited materiality of stewardship to these asset classes.

Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Scheme's manager. 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:

LGIM – World (ex UK) Equity Index Fund	**Company name**	Royal Bank of Canada
	Date of vote	5 April 2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.2
	Summary of the resolution	Resolution D - Report on 2030 Absolute Greenhouse Gas Reduction Goals
	How you voted	For
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was sent to the company ahead of the meeting.
	Rationale for the voting decision	We have embedded scope 3 disclosure and targets into our minimum expectations for all sectors, with specific detail within individual sectors. We will generally support resolutions that seek to expand and improve the level of emissions disclosure and target-setting for the high-emitting sectors in line with energy scenario analysis and market expectations of absolute reductions over time.
	Outcome of the vote	Fail
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with the company and monitor progress.
	On which criteria have you assessed this vote to be "most significant"?	Pre-declaration and Thematic – Climate: LGIM considers this vote to be significant as we pre-declared our intention to support. We continue to consider that decarbonisation of the banking sector and its clients is key to ensuring that the goals of the Paris Agreement are met.
LGIM – UK Equity Index Fund	**Company name**	Glencore Plc
	Date of vote	26 May 2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	2.4
	Summary of the resolution	Shareholder resolution "Resolution in Respect of the Next Climate Action Transition Plan"
	How you voted	For
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM co-filed this shareholder resolution and pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, there was regular communication with the company ahead of the meeting.
	Rationale for the voting decision	In 2021, Glencore made a public commitment to align its targets and ambition with the goals of the Paris Agreement. However, it remains unclear how the company's planned thermal coal production aligns with global demand for

	thermal coal under a 1.5°C scenario. Therefore, LGIM co-filed this shareholder proposal (alongside Ethos Foundation) at Glencore's 2023 AGM, calling for disclosure on how the company's thermal coal production plans and capital allocation decisions are aligned with the Paris objectives. This proposal was filed as an organic escalation following our multi-year discussions with the company since 2016 on its approach to the energy transition.
Outcome of the vote	Fail
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with the company and monitor progress.
On which criteria have you assessed this vote to be "most significant"?	Pre-declaration and Engagement: LGIM considers this vote to be significant as LGIM co-filed this shareholder resolution as an escalation of our engagement activity, targeting some of the world's largest companies on their strategic management of climate change.

Source: Manager