

BP Pension Fund



2024 Stewardship Report

1 January to 31 December 2024



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Foreword

Welcome to our third Stewardship report



As the Trustee of the BP Pension Fund (the Fund), we are committed to fulfilling our responsibilities as an asset owner and long-term investor. We recognise that

by practising stewardship¹ effectively and integrating Environmental, Social and Governance (ESG) factors into the Fund's investments, we can contribute to the delivery of long-term sustainable investment returns, which is in the best financial interest of our members.

Our responsible investment (RI) beliefs² are set out in our RI policy and underpin our overall RI strategy. Stewardship is an important and established component of our strategy and our stewardship activities cover a wide range of material and systemic issues. We pay significant attention to three stewardship priorities: climate change, human rights, and board composition and oversight, which apply across all markets and can have potential risk-return implications for investments in the Fund.

The Fund's asset managers are required to comply with our RI policy, which outlines our expectations for them to consider ESG factors when making investment decisions, where possible to do so. Our managers' oversight process includes assessment of their compliance with the RI policy. We also emphasise to our managers the value we place on a robust stewardship approach evidenced by outcomes-focused case studies.

As active asset owners, we exercise our voting rights for the Fund's holdings directly rather than via asset managers, which allows us to review and consider responsible long-term behaviour. We regularly collaborate with other investors to expand our knowledge, share best practice, and optimise our stewardship efforts to protect and enhance the Fund's investments over the long term.

This Stewardship report covers the period from 1 January to 31 December 2024, and we believe it represents a fair and balanced summary of our stewardship approach and activities over this period. I hope you find it informative and if you have any questions or comments, please contact the team using the details on the final page of this report.

Brendan Nelson
Chair

**BP Pension Trustees Limited on behalf of
the BP Pension Fund**

¹ We define stewardship as the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

² Our RI beliefs are set out in our [RI policy](#).

Alignment to 2020 UK Stewardship Code principles

The following table sets out where the key elements of the 12 principles of the Financial Reporting Council (FRC) 2020 UK Stewardship Code (stewardship principles) are covered in this report.

Principle	Section	Page/s
1 Purpose, Strategy and Culture	1.1, 1.3	5, 11-12
2 Governance, resources, and incentives	1.2, 1.5	6-10, 19
3 Conflicts of interest	1.7	20-21
4 Promoting well-functioning markets	2.4	30-38
5 Review and assurance	2.8	47
6 Beneficiary needs	1.6	20
7 Stewardship, investment and ESG integration	1.4, 2.1, 2.2, 2.3	13-18, 22-24, 25-26, 27-29
8 Monitoring asset managers and service providers	1.5, 2.3	6-10, 27-29
9 Engagement	2.4	30-38
10 Collaboration	2.4	30-38
11 Escalation	2.4	30-38
12 Exercising rights and responsibilities	2.5, 2.6	39-45, 46-47

BP Pension Fund overview

1.1. Purpose

The Fund is a UK defined benefit, occupational pension scheme, whose corporate sponsor is BP p.l.c. (bp). Its members comprise current and former employees of bp and their dependants³ and the benefits provided are based on factors including the members' age, length of service and final salary prior to leaving or retiring from bp. The Fund closed to new members in 2010 and closed to the future accrual of benefits in 2021. All members are now either deferred members, pensioners, or their dependants. The Fund's membership profile as at 31 December 2024 is outlined below.

Age	0-49	50-59	60-69	70-79	80-89	90+	Total
Deferred pensioners	3,918	6,982	2,261	750	127	12	14,050
Pensioners	9	1,048	9,490	13,102	6,922	1,441	32,012
Dependants	172	236	956	2,686	3,954	1,617	9,621
Total	4,099	8,266	12,707	16,538	11,003	3,070	55,683

The Fund's sole corporate trustee is BP Pension Trustees Limited (BPPTL or the Trustee), a wholly-owned subsidiary of bp. As Trustee of the Fund, our purpose is to meet the following goals:

- Paying accrued benefits as they fall due in accordance with the Fund's rules and relevant legislation.
- Administering the Fund while fulfilling all relevant duties, considering the interests of all relevant stakeholders, and acting with prudence and reasonableness as the role entails.

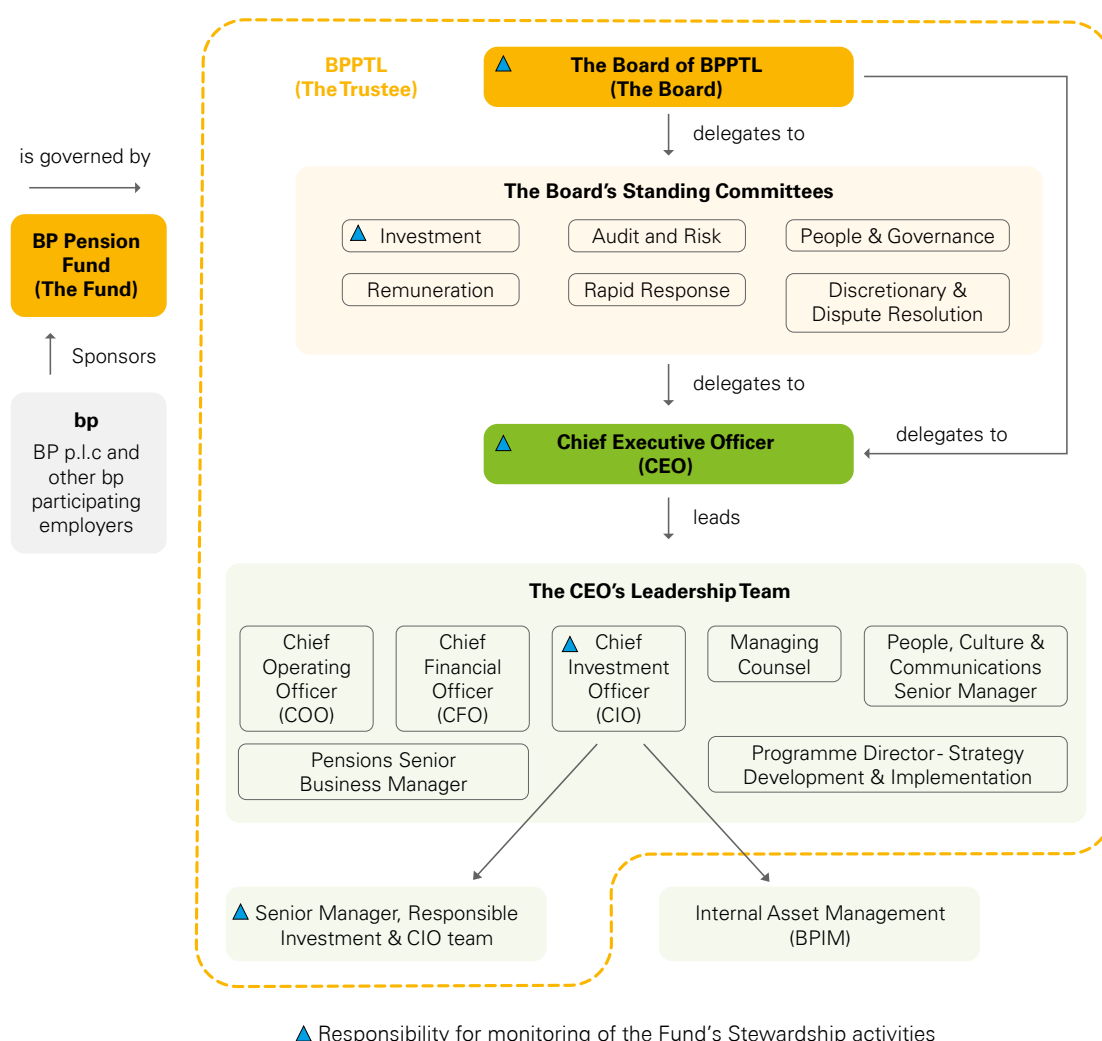
³For simplicity, we refer to 'members' rather than 'beneficiaries' throughout this report.

1.2. Governance

The Trustee's organisational and governance structure is designed to support the Fund in achieving its purpose of providing accrued benefits to members, while ensuring transparency and visibility of Trustee Executive activities to the Trustee Board and its Committees.

Overview

- The Trustee Executive, led by the Chief Executive Officer (CEO) and their Leadership Team, has been given delegated authority for the executive management of the Trustee and the Fund (within parameters set by the Trustee Board).
- The Trustee Executive provides and discusses its quarterly reports informing the Trustee Board and its Committees of its activities.
- At each of the Trustee Board and standing Board Committee meetings, the respective Chair encourages open debate and constructive challenge in relation to any proposals put forward by the Trustee Executive.
- The governance structure facilitates timely, effective decision-making during the meetings by individuals with the appropriate skills and experience.
- The overall governance structure is periodically reviewed to ensure it remains fit for purpose in view of the evolving UK pensions governance landscape, with the last review having taken place in 2022. The existing structure provides the Trustee with specific contingency arrangements if a significant event arises.



Governance in relation to stewardship

The Trustee recognises the significant role stewardship plays in fulfilling the Fund's purpose. Explained below is how the Trustee Executive's governance structure enables oversight and accountability for effective stewardship. The Trustee Board, the Board's Committees and the CEO, supported by the Chief Investment Officer (CIO) and Senior Manager, Responsible Investment, form the core governance structure monitoring and managing the Fund's stewardship activities.

Board

- The Board has the appropriate processes, systems, people, and procedures in place to manage the Fund, its investments and risks that arise, in line with its duties, powers and discretions.
- The Board's Governance Principles (BGP) set out the Board's overarching governance framework and structure which support it in conducting its role.
- The Board comprises ten Directors – including the Chair (nominated by bp), four further bp-nominated Directors, four member-nominated Directors and an independent Director.
- Under the BGP, the Board endeavours to have the appropriate balance of skills, diversity, experience, independence, and knowledge to enable the effective discharge of its role and responsibilities. The Directors must complete an induction programme and continue receiving training and education throughout their directorship, including in relation to our stewardship priorities.

Board's Committees

- The Board retains overall responsibility for the investment strategy, including the stewardship strategy and setting the overall stewardship priorities, although certain decision-making powers are delegated to its Committees.
- All Committees report directly to the Board and are provided with support and sufficient advisory resourcing to enable them to undertake their duties independently.
- A high-level summary of each of the Board's Committees is set out below:

Investment Committee	Evaluates proposals for investment strategy or policy decisions prior to any recommendations made to the Board; oversees and monitors the implementation of the Trustee's investment strategy and ongoing responsible investment application, inclusive of stewardship activities and ESG-related risk management.
Audit and Risk Committee	Monitors the effectiveness and integrity of the Fund's financial reporting, systems of internal control and risk management, internal and external audit processes.
People and Governance Committee	Oversees the people capabilities for the Fund, including succession planning, as well as broader governance oversight.
Remuneration Committee	Reviews and makes recommendations to the Board on remuneration policies and monitors its implementation.
Discretionary & Disputes Resolution Committee	Determines any exercise of discretion of the Trustee following referral of a case to it and determines the appropriate course of action in relation to complaints.
Rapid Response Committee	Responds to any event which may impact the sponsor's ability to support the Fund or have an immediate material adverse impact on the Fund.



Chief Executive Officer

The Board delegates the day to day running of the Fund to the CEO, who leads the Trustee Executive organisation. The CEO's responsibilities include:

- Supporting the Board in achieving its goals.
- Assisting the Board in discharging its responsibilities by proposing matters for the Board's determination.
- Conducting the executive management of BPPTL and the Fund.
- Overseeing the RI policy's effective implementation and ongoing application, including with regards to stewardship.



Chief Investment Officer

The CIO leads the investment team, which is made up of the CIO team and separately, BPIM, the Fund's internal asset manager. The CIO's duties and responsibilities in relation to stewardship include:

- Developing, implementing, and maintaining the Fund's investment strategy while managing the investment risk and ESG factor-related risks.
- Providing oversight of the Fund's asset managers, including in relation to stewardship activities which are largely focused on the stewardship priorities defined later in this report.



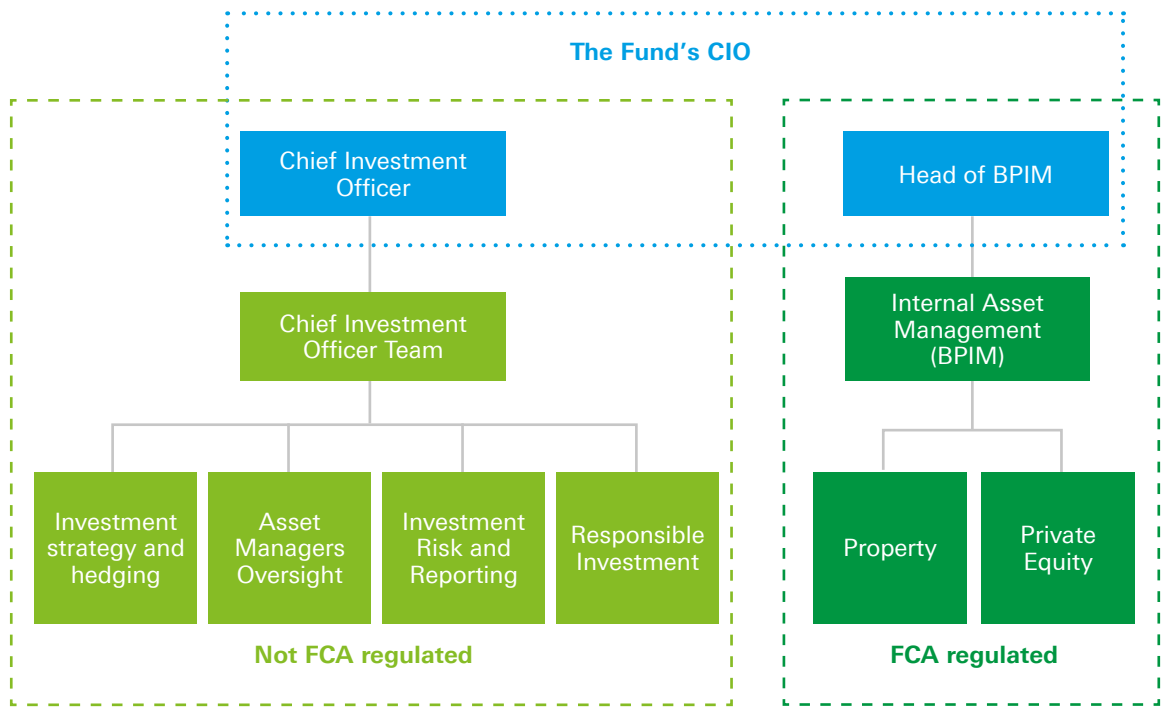
Senior Manager, Responsible Investment

The Senior Manager, Responsible Investment leads the RI team, and their duties include:

- Developing the Fund's RI policy and embedding responsible investment principles and practices across the Fund.
- Delivering the Fund's stewardship activities, which includes focusing on the stewardship priorities approved by the Board and other ESG factor-related risks as appropriate.
- Maintaining alignment and compliance with the Fund's regulatory obligations pertaining to responsible investment.
- Influencing our asset managers to continue to develop responsible investment practices across their portfolios and organisations as appropriate.

Investment team

The Trustee Executive’s investment team, which is led by the Fund’s CIO and comprises the functions presented in the diagram below, is responsible for delegating certain day to day decisions for buying and selling investments to BPIM and to its external asset managers.



The “dual-hatted” role of the CIO, as head of BPIM⁴, entails providing leadership to the Trustee Executive’s investment team and the internal asset manager BPIM, with careful management to ensure both roles are as distinct as possible.

BPIM is a Financial Conduct Authority (FCA) regulated, wholly-owned investment management subsidiary of the Trustee and manages the property and private equity mandates on behalf of the Fund. These mandates account for 12.5% of the total strategic asset allocation as at 31 December 2024. As with our external asset managers, BPIM is required to comply with our RI policy. In addition, BPIM also implements its own RI principles, which are more specific to the property and private equity asset classes.

⁴ The Head of BPIM fulfils Senior Manager Function 1 and 3 roles. Senior Manager roles are the chief execution function (SMF 1) and executive director function (SMF 3), pursuant to the FCA Senior Manager Certification Regime (SMCR).

1.3. Values and culture

How we work

We believe that the Trustee Executive maintaining a strong organisational culture is instrumental in ensuring we achieve the Fund's purpose. As employees of bp, the members of the Trustee Executive team adhere to bp's Code of Conduct, which provides principles-based guidance for ways of working.

The Trustee Executive's values and behaviour statements highlighted below support the nurturing of an open, professional, and respectful culture and demonstrate how the organisational culture contributes towards achieving the Fund's purpose.

Purpose and integrity



- ✓ We act in service of our members, delivering and protecting their accrued benefits and safeguarding the Fund's assets.
- ✓ We maintain a risk-aware mindset and work with integrity – always doing the right thing.
- ✓ We are mindful of employees' wellbeing, creating a safe working environment – both physically and mentally.

Excellence



- ✓ We hold ourselves to ambitious standards of excellence in delivery.
- ✓ We adopt a continuous improvement mindset and have the confidence to speak up, to challenge constructively.
- ✓ We share ideas and collaborate to achieve a common goal and promote efficiency and effectiveness.

Respect and equality



- ✓ We take time to truly listen to, hear the opinions of others, and remain open-minded so all employees feel they can contribute.
- ✓ We treat our people and members equitably and how we would like to be treated.
- ✓ We recognise and value excellence in others.

Values and culture in relation to stewardship

The Trustee Executive is required to comply with the Fund's RI beliefs (see section 1.4). Its organisational culture supports the application of those beliefs across the team, which enables a clearer and more concerted approach to implementing strong stewardship practices across the Fund. This translates into holding us, as the Trustee, to account for practicing effective stewardship with our asset managers, stakeholders and relevant financial market participants.

It is recognised that the culture of an organisation can evolve in response to various pressures and influences. The Trustee Executive monitors and assesses feedback from our employees in order to drive positive change wherever possible.

Continued communications and engagement model

The Trustee Executive's main forms of communication and engagement with employees are the following:

- Monthly newsletters with key highlights relating to the Fund's activities and employee announcements.
- Townhall meetings which cover a variety of topics, delivered by a range of speakers from across the Fund, and interactive elements such as live polls to encourage audience participation.
- The Fund's intranet site which contains various relevant documents (i.e. policy, procedures, organisational charts), and provides a forum to post updates and conversation threads relevant to the Fund's employees.

1.4. Approach to investment stewardship

Investment objective

Our Statement of Investment Principles (SIP) incorporates our RI policy. The SIP explains how the assets of the Fund are to be invested and outlines the principles which govern the strategic investment decisions. These investment principles are set by the Trustee Board and reflect our underlying beliefs about investment objectives, governance, risk and responsible investment, and they encompass an integrated risk management approach.

The Trustee's investment objective is to invest the Fund's assets in a responsible manner that considers downside risk such that the assets are expected to be sufficient to pay benefits to members and their dependents in accordance with the Fund's governing documents as and when they fall due, minimising the reliance on the sponsor. In accordance with this objective, the Trustee aims to maintain a position where sufficient assets are available to cover all expected liabilities, plus an additional buffer for unexpected adverse events.

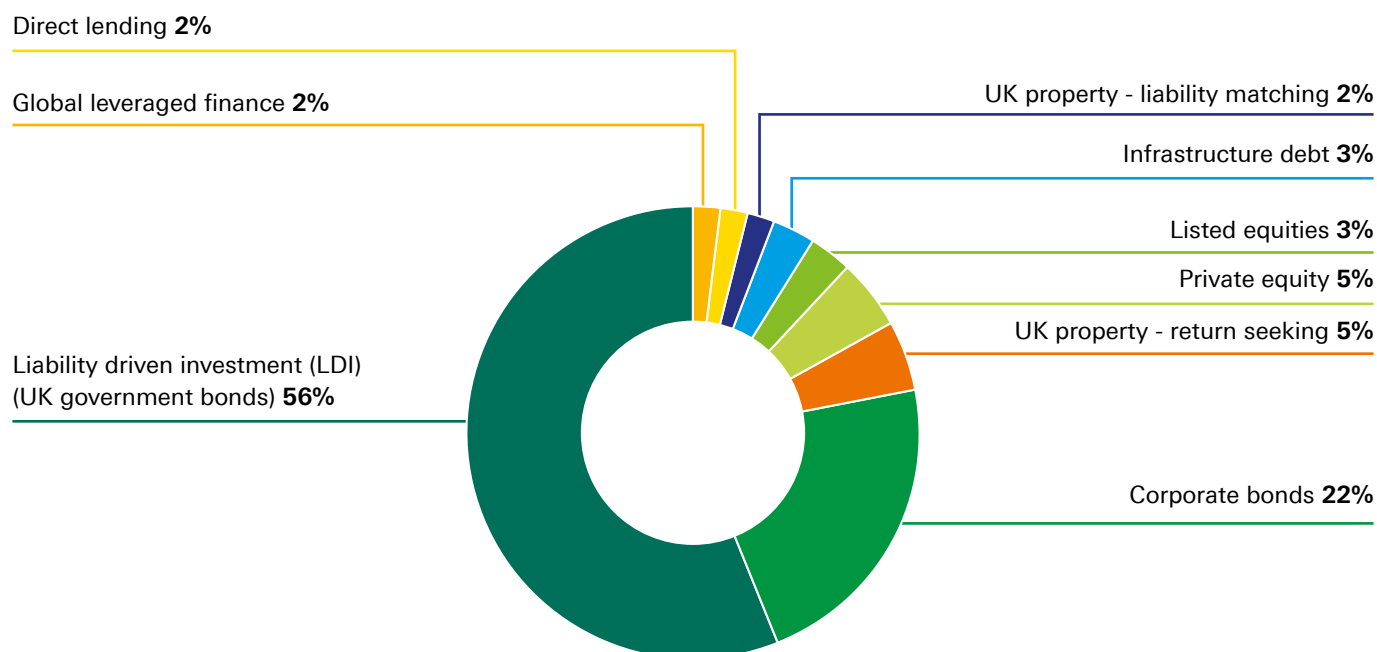
Investment strategy

The Fund is invested in assets that are diversified by asset class, geography, sectors, liquidity and across asset managers. This helps achieve the Trustee's overall strategic risk-adjusted return objective. The liquidity risk is managed by having sufficient assets that are available and relatively easy to sell so that benefits can be paid as and when they are due.

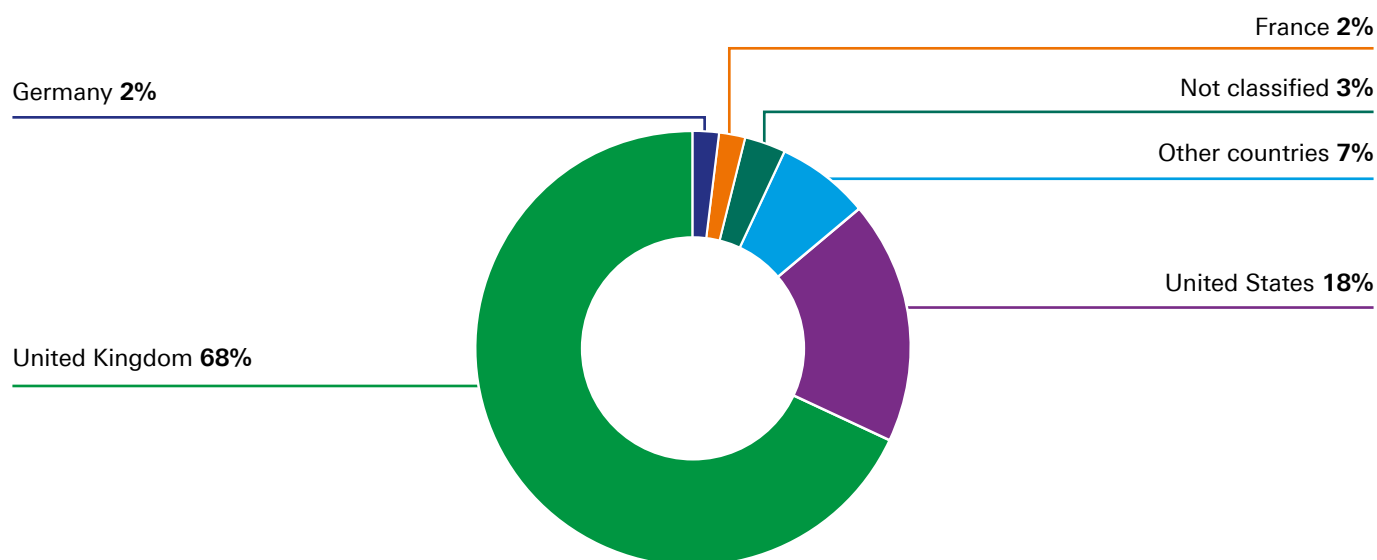
This strategy has enabled us to gradually build up the funding level, while concurrently managing the risk, and subsequently steer towards protecting the Fund from downside loss. This approach has seen a continued reduction in the Fund's exposure to growth assets during 2024. Overall, the Fund's asset allocation is oriented towards closely matching the Fund's liabilities and maintaining a sufficient funding level.

The Fund holds approximately £18 billion in assets as at 31 December 2024, and the investment time horizon is long-term, with pension benefits still expected to be in payment for decades to come. The Fund's investments include listed equities, bonds and other securities issued by corporate or non-corporate (e.g. government) entities, across both public and private markets. We refer to these entities as "investee companies" or "issuers" and we hold our asset managers to account in how they invest the Fund's assets and how they engage with these entities.

Fund's strategic asset allocation as at 31 December 2024⁵



Fund's exposure by country of risk as at 31 December 2024



⁵ Please note the asset allocation figures may not add up to 100% due to rounding.

ESG factors

Over the long-term, all investments by their very nature will have exposure to specific risks, including those related to ESG factors. These risks have the potential to affect an investee company or issuer's business model and value drivers, affecting its financial performance and subsequently the value of the investment. For this reason, we believe that investee companies and issuers that demonstrate a sound awareness of ESG and other risks and seek to mitigate them, are more likely over the long-term, to outperform those that do not.

Our approach to stewardship

We recognise that strong stewardship practices are instrumental to the effective management of ESG risks and we have aligned the Fund's stewardship activities with the principles of the UK Stewardship Code. In order to fulfil the Fund's purpose, our broader strategy focuses on applying stewardship principles effectively across four areas: investment strategy, governance, resourcing, and mindset, as described below. These areas are also assessed in our managers' approach to stewardship.



Investment Strategy

Seeking to achieve appropriate risk-adjusted returns while investing in a responsible manner



Governance

Operating a robust governance and risk management framework which supports the decision-making process



Resourcing

Investing in the culture and capabilities of our people, including the systems and processes we use to deliver our work



Mindset

Recognising that a continuous improvement mindset will increase our ability and focus to deliver strong results

Each year, we set our specific priorities against the backdrop of the Fund's position, our management priorities, and any key external developments.

All key investment-related priorities set for 2024 have been achieved and we provide some examples below.

- ✓ We followed our quarterly and annual manager monitoring process for all our asset managers, including reviewing the effectiveness of their implementation of our stewardship priorities.
- ✓ We introduced a more structured RI agenda for the quarterly meetings with our asset managers, focusing more on the integration of our stewardship priorities, and added a semi-annual meeting designed to discuss with them the progress on engagements they have been prioritising as well as other firm-wide processes and enhancements they have put in place.
- ✓ We conducted a nature and biodiversity risk assessment of the Fund's investments and facilitated a nature-specific training session to the investment team, Investment Committee and Board.
- ✓ We collaborated with other asset owners and asset managers via organisations we are a member of. This included active participation in two Institutional Investors Group on Climate Change (IIGCC) working groups (details in section 2.4).
- ✓ We produced our annual Climate Change report covering the 2023 scheme year in line with the Department of Work and Pensions climate regulations.
- ✓ We shared our feedback with the Principles for Responsible Investment (PRI) on their proposed new strategy in response to their consultation, 'PRI in a changing world'. We also responded to the PRI annual questionnaire and retained signatory status to the organisation, covering the 2023 scheme year.
- ✓ We retained signatory status to the UK Stewardship Code, covering the 2023 scheme year. This status was initially obtained in August 2022.

Our responsible investment policy

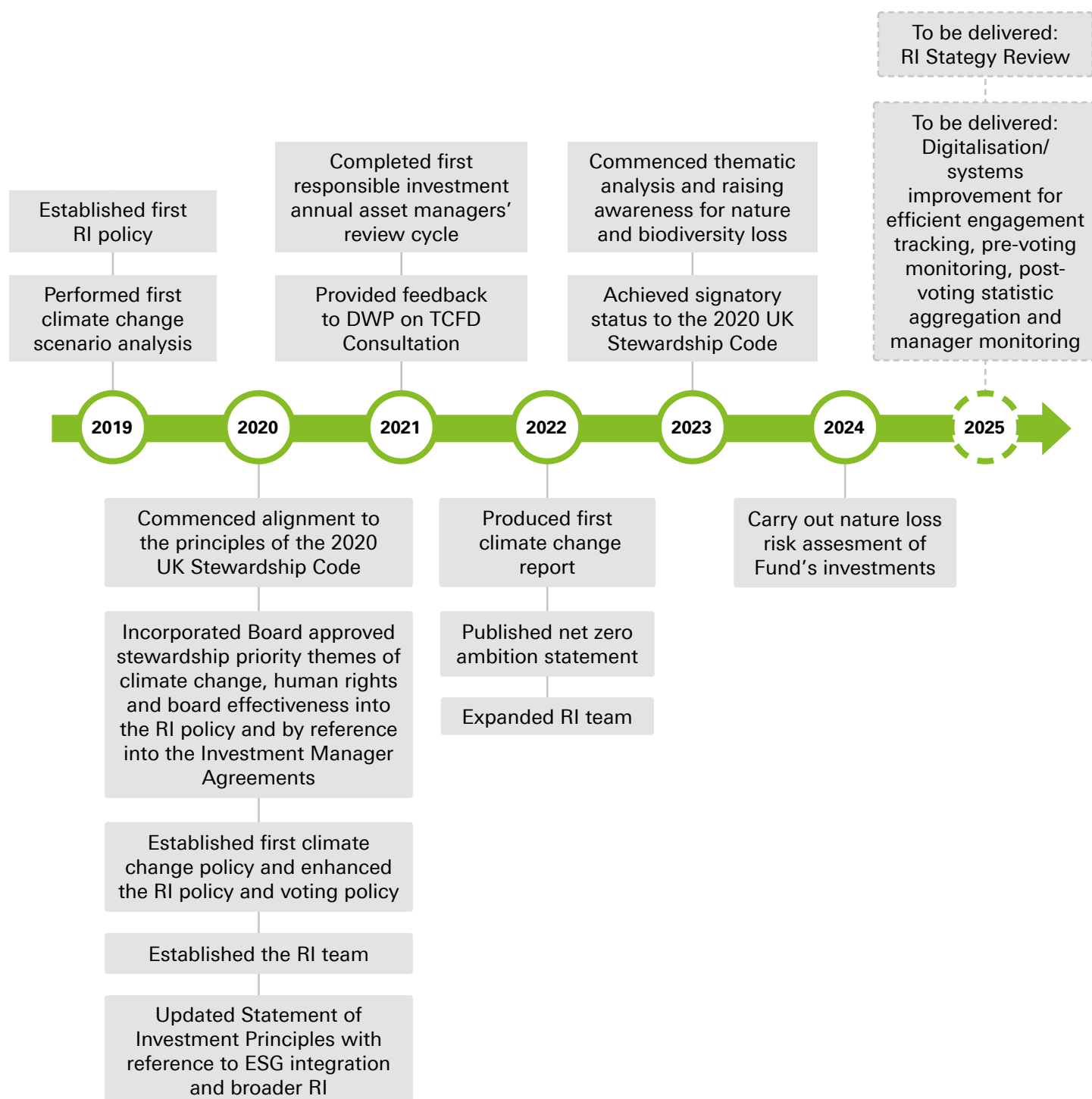
The Trustee's RI policy incorporates our voting policy and climate change policy. It formalises and sets out how we seek to implement our RI beliefs, which form part of our overall investment beliefs.

In our RI policy we outline the Fund's three key stewardship priorities of climate change, human rights and board composition and oversight. These themes are considered as significant factors representing potentially financially material systemic risks to the Fund. One of the principal means by which we mitigate these risks is through the Fund's stewardship activities.

Our responsible investment beliefs

- A** Investing responsibly and achieving long term risk-adjusted returns which allow the Fund to meet its liabilities as they fall due are consistent with each other.
- B** ESG factors may create both risks and opportunities for the Fund and can be financially material.
- C** The nature of the liabilities is a key consideration and typically implies a long-term investment horizon, over which we expect ESG factors to become increasingly important.
- D** Stewardship can and should be applied in respect of all the Fund's assets as is practical. Engagement with investee companies and asset managers is an effective method of instigating change and may increase long term risk-adjusted returns.
- E** Exercising our voting rights is an important part of active ownership.
- F** We expect our asset managers to take appropriate steps to incorporate potentially material ESG factors into their investment analysis and decision-making. The asset managers we instruct to invest on behalf of the Fund are obliged to continue to behave and invest in line with our expectations.

We review our RI policy every two years to keep it consistent with regulatory changes and to improve our approach to stewardship for the Fund. The following diagram highlights important milestones we have reached on our responsible investment journey since establishing this policy.



1.5. Resourcing of stewardship activities

In addition to a dedicated RI team led by our Senior Manager, Responsible Investment, the broader investment team is also expected to incorporate stewardship into their responsibilities as appropriate.

Employee incentivisation and training during 2024



Incentivisation

We include responsible investment and stewardship accountabilities in our annual objectives, with all members of the investment team having a responsible investment goal feeding into their overall performance. This reinforces the expectation that responsible investment remains a principal focus area for the whole team and not only the more specialist team members.



Training

We adopt a continuous improvement mindset and encourage ongoing learning. In 2024, we subscribed to “Responsible Investor⁶” to enhance our access to responsible investment insights and analysis and to promote continuous education. This has supported us in deepening our understanding of responsible investment issues and practices and recent industry trends and has facilitating well-informed decision-making.

Training received in 2024:

The key training topic focused on in 2024 was nature loss and its increasing significance as a systematic risk. The training was delivered in collaboration with appointed consultant to the Trustee Board. Two detailed nature loss training sessions were also provided to the investment team.

These training sessions allowed for a deeper understanding of the following:

- The context and significance of nature loss and how it relates to investments
- A detailed overview of methodology for the risk assessment
- Discussion on key findings from the analysis.

Advisers, data and service providers

Over time we have been refining the quality of ESG-related information we request from our asset managers in relation to the investments they manage on our behalf. For additional information we predominantly refer to widely used and publicly-accessible ESG information and data sources where appropriate. If further analysis is required, for example, to support regulatory reporting requirements, we may commission our external advisers or a specialist data provider. Access to the additional information, data, and analysis enables us to have an independent level of oversight of our managers’ delivery in respect of our RI policy.

We have access to a panel of appointed independent advisers with strengths and specialisms in different areas. Each independent adviser has specific objectives linked to its support on ESG and stewardship matters as relevant, which are agreed with the Trustee. We follow an annual process of assessment against each of the relevant objectives of advisers on the Trustee’s panel.

Additionally, we rely on data and service providers to assist us in carrying out specific activities (i.e. proxy voting, calculating emission metrics for the Fund, climate change scenario modelling). We monitor the effectiveness of our data and service providers’ delivery on an ongoing basis and provide regular feedback.

⁶Provider of news, market analysis, and data on ESG and sustainability across financial markets.

1.6. Members

The Trustee's primary duty is to provide the accrued benefits to members and their dependents when they fall due as set out in the Fund's Trust Deed and Rules. In addition to this primary focus, we are conscious that our members may have views on our investment strategy and its implementation, so we provide them with regular communications as outlined below.

We provide members with a series of communications via post, email and/or made available on the dedicated members' website, PensionLine. During 2024, our communications to members included the following:

- Our annual newsletter
- Further regular updates and broader information sources provided via PensionLine (where work was undertaken to further improve member experience and site navigation)
- The Trustee's annual report and financial statements
- Our annual Implementation statement, Climate Change report and Stewardship report

1.7. Management of conflicts of interest

From a stewardship perspective, conflicts of interest may arise between the interests of bp and the Trustee; or they may arise between the employees and the interests of the Fund, bp, the Trustee or BPIM and their respective Boards of Directors.

Effective management of conflicts of interest remains central to our decision-making. While not all conflicts can be avoided, through transparent acknowledgement of their existence and appropriate management (including communication, education and training), the risks can be managed appropriately such that they do not affect stewardship-related decision-making. Where appropriate, we seek assurance from third party advisers, consultants, and internal audit on the adequacy of our policies and controls.

The broader measures we take to avoid or manage conflicts of interest include:

- ✓ **Training** – all Fund employees and Trustee Directors receive regular training on conflicts of interest.
- ✓ **Policy adherence** – all Fund employees and Trustee Directors are required to adhere to the bp code of conduct and the Trustee board has its own policy to address specific conflicts that may arise between those parties and other stakeholders. We identify conflicts of interest with third party suppliers during onboarding and on an ongoing basis.
- ✓ **Restrictions** – the Fund is restricted from investing directly in bp, which minimises the risk of conflicts in relation to our sponsor.
- ✓ **Disclosure requirements** – all Fund employees and Trustee Directors must disclose actual, potential, and perceived conflicts of interest and where appropriate, suitable measures are put in place to manage them. A similar approach is taken with service providers, and suppliers where an employee has a relationship or interest.

- ✓ **Record-keeping** – Fund employee conflicts are recorded in the bp conflicts of interest register whilst Board conflicts are recorded in a Fund-specific conflicts register, managed by the Fund's Company Secretary.

From a stewardship perspective, we have arrangements in place that require the identification and recording of potential, perceived and actual conflicts of interest as they arise, and we take steps to manage them fairly and appropriately. For example, all asset managers, including BPIM, must disclose material stewardship-related conflicts of interest in our annual RI questionnaire. Stewardship-related conflicts which have been identified and managed, are disclosed in our Stewardship report.

For example, conflicts may arise in relation to our stewardship activities when:

- Trustee Directors may be bp employees, which could give rise to conflicts between their duties to bp and duties to the Fund, or they may be members of the Fund which could give rise to conflicts between their duties to the Fund and their personal circumstances.
- External asset managers or their employees may be incentivised to act to benefit themselves rather than their client (the Fund) or may engage with investee companies in such a way that conflicts with other managers' or the Fund's position.
- The Fund's position or stewardship activities may conflict with the position of the sponsor.
- The Fund's employees or Trustee Directors may be a director of, have business interests or have relationships with one of our investee companies, external managers, professional advisers, or other counterparties and may have obligations that conflict with their obligations to the Fund.

In circumstances where actual, potential or perceived conflicts of interest arise, appropriate action is taken to address these. For example, appropriate steps would be taken so that the relevant individual or entity does not participate in the related voting or engagement activity (whether directly or collectively with other investors).

At present, no stewardship-related conflicts have been identified, however, as set out above, we keep this under regular review.

Stewardship in practice

Consistent with our RI beliefs, we undertake responsible investment across the Fund's investments wherever practical. As outlined in our RI policy, there are four main elements to our approach in terms of our focus: asset classes, asset manager selection and monitoring, reporting and engagement and voting.

This section details how we apply stewardship considerations across the Fund's investments, including the integration of ESG factors, and explains our approach to direct and collaborative engagement, supplemented with case studies.

2.1. Stewardship priorities

The Fund's three stewardship priorities of climate change, human rights and board composition and oversight are considered as significant factors representing potentially financially material systemic risks to the Fund. In addressing these priorities, we focus on actions that can be taken either through our own stewardship efforts (direct) or through our asset managers' stewardship efforts (indirect).



Climate change

Climate change has scientifically proven impacts on the natural environment, the human population, and the global economy. These impacts, together with their inherent social and political implications, can create material financial risks for the Fund's investments. Examples of key activities and progress we made in 2024 include:

- ✓ Strengthening our engagement with asset managers on the importance of effective stewardship with top carbon-emitting companies, and more broadly with all relevant issuers, on their credible transition plans which support long-term financial performance.
 - We continued to emphasise to our managers the importance of providing us with outcome-focused engagement case studies, as evidence of their actions and their alignment with our approach.
- ✓ Assessing performance against our absolute financed greenhouse gas (GHG) emissions target⁷, set out in the 2023 Climate Change report, versus benchmark metrics as of 2021.
 - Although we observed some meaningful reductions since we first reported emission metrics as of 2021 we feel that financed emissions metrics are volatile in nature and can be significantly influenced by other factors like asset allocation and market valuation, hence we are not drawing any definitive conclusions from this decrease.

⁷ The Fund's regulatory climate change related target is to aim to reduce the identified portfolio-related absolute financed emissions (Scopes 1 and 2) across our publicly listed equities and corporate bond mandates by at least 50% by 2030. This target is reviewed on an annual basis.

- ✓ Progressing in the implementation of our Net Zero Ambition through a number of focused meetings with our corporate bond managers to understand their capabilities to support us in meeting our Net Zero Ambition.
 - All managers demonstrated thought-out systematic approaches to managing portfolios towards the net zero transition. One of the key considerations discussed was how our asset managers prioritise which issuers to engage with, given these may differ from the Fund's highest emitters.
- ✓ Contributing to climate-related initiatives (i.e. IIGCC) alongside other investors to help drive meaningful progress towards a resilient net zero future.
 - We participated in two IIGCC working groups.
 - We reviewed the updated 2024 IIGCC Net Zero Investment Framework to understand the principles and metrics suggested for a broader set of asset classes, such as sovereign debt, infrastructure debt, property.



Human Rights

We believe that financial returns should not be prioritised at the cost of violating the core values of our society. All people have the right to live with fairness, dignity, equality, and respect. The Universal Declaration of Human Rights and other international principles are the bedrock set to protect those who may face abuse or are neglected or isolated across the world.

- ✓ The Fund's investments include companies and issuers with complex global supply chains. We continued to emphasise to our asset managers the importance we place on ensuring these companies and issuers are monitored and challenged on their management of potential exposure to human rights violations.
 - Between 2023 and 2024 we observed that more asset managers were engaging with investee companies on modern slavery and a fair living wage, and on a more frequent basis. The number of asset managers providing meaningful case studies demonstrating engagement for change on human rights increased in 2024.



Board composition and oversight

The refinement of our priority from board effectiveness to board composition and oversight, has enabled a more specific focus and closer monitoring of progress.

Corporate boards have a primary role to represent shareholders' interests and ensure executives do not take excessive risks whilst maintaining a forward-looking view on the use of assets.

The composition of a board should include individuals with diverse experience, skills and expertise that align with the company's needs. These board members should also exercise their fiduciary duties to oversee prudently all aspects of the companies' operations and to work well as a group to fulfil their role and objectives. Suitable board composition and oversight underpins most companies' successful response to concerns around ESG factors.

- ✓ We are conscious of the different standards that apply in different jurisdictions and between asset classes, so we encourage our asset managers to engage with investee companies to apply best practices where available, and to seek adherence to their local corporate governance code guidelines or refer to the International Corporate Governance Network (ICGN) guidelines.



Other ESG considerations




In addition to the Fund's stewardship priorities, we engage on other stewardship themes and ESG issues raised by our asset managers, e.g. those identified through shareholder resolutions at general and extraordinary meetings.































- ✓ For example, we recognise that nature loss can represent a significant risk for many sectors. Some sectors are particularly dependent on ecosystem services – which are the benefits humans derive from ecosystems such as the provision of food and raw materials, water purification and soil formation. The disruption of these ecosystem services can have significant impacts on companies or issuers reliant on these for their business activities, and consequently on their investors.
- ✓ The Trustee's collaborative efforts such as our participation in the Asset Owners Council, will support us in further expanding our knowledge, sharing best practice, and exchanging our experiences with respect to new themes and related analysis, including nature and biodiversity.

2.2. Asset classes

The impact and relevance of each ESG factor varies with the characteristics and implementation of a given asset class. Given our current asset allocation, we use the following framework, outlined in our RI policy, as a guide to indicate and manage our expectations pertaining to ESG integration, engagement and reporting for each asset class.

There are three levels of expectations we can assign:

	We expect our asset manager(s) to integrate/engage/report.
Likely	
	We are aware of few asset managers that currently integrate/engage/ report and/or it may only be possible on a limited portion of assets.
Possible	
	We do not expect to find asset managers who are able to integrate/engage/report on a meaningful portion of their assets and/or ESG is not yet a meaningful risk factor for the respective asset class.
Unlikely	

Asset class	Integration	Engagement	Reporting
Public listed equities			
Developed Markets: Corporate Debt and Sovereign Debt			
Emerging Markets: Corporate Debt and Sovereign Debt			
Global Leveraged Finance			
Infrastructure Debt			
Direct Lending			
Private Equity			
UK Property			
Liability Driven Investments (UK Government Bonds)			
Derivatives			

During 2024 we continued to request of our asset managers provision of substantive evidence of ESG integration in their approaches and decision-making. Some of those examples are presented below.

Example: ESG-linked loans in private credit

Asset Manager: Barings

Asset class: Direct Lending

Context: ESG-linked loans in private credit are aimed to incentivise borrowers to protect and enhance the company's value by improving specific ESG related practices. In essence, lenders can customise loan agreements with specific ESG or sustainability provisions or key performance indicators (KPIs). If a company meets these criteria, it can benefit from a reduction in its borrowing costs. Although such ESG-linked margin ratchets provide borrowers with incentives to reduce their interest payments, the risk reduction benefits from these changes aim to compensate lenders for the small reduction in returns.

Activity: Since 2022, Barings has adopted the policy of offering an ESG-linked margin ratchet on all new platform deals, which significantly increased the opportunity for setting KPIs in new loan agreements. The manager has shared examples of investments in the Fund's portfolio where ESG factors relevant to our stewardship priorities were linked to margin ratchets. European borrowers tend to be more likely to agree to these KPIs, which are then tracked and assessed annually by an independent third party. Our manager continues to negotiate with additional borrowers to activate these ratchets where applicable and aspires to extend coverage beyond European borrowers.

Example: ESG factors impact on creditworthiness

Asset Manager: Oak Hill Advisors (OHA)

Asset class: Global Leveraged Finance

Context: OHA's approach to the integration of ESG factors in the global leveraged finance asset class aims to identify financially material ESG issues that impact a company's creditworthiness. OHA uses the Sustainability Accounting Standards Board (SASB) materiality framework to help identify industry-specific ESG factors that might affect a company's financial condition and operating performance. Analysts score these factors, which are then integrated into overall E, S, and G scores for consideration in investment decisions. These scores are reviewed annually.

Activity: Throughout the year, OHA have shared with us several examples where their investment decisions were taken in consideration of specific company related ESG factors, which they deemed to have potential risk and return implications, either positive (leading to an increase in investment size) or concerning (leading to a divestment).

2.3. Asset managers

Asset managers – selection

In the process of evaluating potential asset managers, we examine how consistently and effectively they incorporate ESG factors both from a long-term risk management and valuation standpoint as well as from an opportunity perspective. This includes their integration of ESG into investment processes, their business focus and operational infrastructure, and engagement activities. We also assess whether the asset managers apply the necessary resources to carry out the stewardship activities we expect from them. The specific methods we use to encourage good stewardship practices include the following:



Investment Manager Agreements

Our investment mandates with each of our asset managers incorporate our RI policy, which outlines our expectation of all of our asset managers to integrate potentially significant ESG factors, including our three stewardship priorities, into their investment analysis, decision-making, and engagement activities with investee companies or issuers.



Segregated Mandates and Pooled Investment Funds

We review the investment objectives and guidelines of pooled funds to align with our investment policies, including our RI policy. For segregated mandates, we may establish stewardship guidelines within our investment manager agreements where appropriate. Currently, all of the Fund's investments are managed under segregated mandates.



Exclusions

We prefer engagement over exclusion and at present we do not have an exclusions policy, except for barring our asset managers from investing in securities issued by bp, to limit further exposure to the Fund's sponsor and to minimise the risk of conflicts of interest in relation to our sponsor. While some of our asset managers may have their own exclusions policy, either at the firm level or pertaining to certain mandates, none of those exclusions are incorporated in our agreements with those managers.



Assessment Period

We appoint asset managers with the expectation of a long-term partnership, which promotes active ownership of the Fund's assets (except in the case of our passive portfolios). When evaluating an asset manager's performance, the focus is on longer-term outcomes and the assessment takes place over a medium- to long-term period, with a minimum of three years.

Asset managers – monitoring

Setting clear stewardship expectations for our asset managers and holding them accountable for meeting those expectations is a crucial part in being a responsible steward of the Fund's assets. We expect our asset managers to invest in line with our RI policy and engage with investee companies or issuers in the best interests of the Fund and its beneficiaries. Our asset manager monitoring approach is a form of assurance and it is consistent for all asset managers, including BPIM, and comprises the following:

✓ **Encouraging strong stewardship standards:** We expect our asset managers to adhere to the principles of the UK Stewardship Code and we have been actively encouraging some of our asset managers to become signatories to this code, an international equivalent, or a principles based organisation like UN PRI. We are pleased that 12 of our managers retained their signatory status to the UK Stewardship Code last year and all of our managers are UN PRI signatories.

✓ **Monitoring stewardship activities on a quarterly basis:** We conduct quarterly investment review meetings with our asset managers to discuss investment results, receive updates on business, positioning or personnel changes, progress in their stewardship and engagement activities. A member from the RI team is always present during these meetings.

✓ **Reviewing RI progress and stewardship activities in depth on an annual basis:** Each year we carry out a formal assessment of our managers' compliance with the Fund's RI policy. It is based on a questionnaire which we request our managers to fill out annually, and a follow up RI review meeting. Through this annual RI review process, we gain deeper insights into our managers' RI related activities and outcomes, potential revisions in relevant policies or changes to resources. The RI designated annual meetings allow us to have better understanding of our managers' progress in practical RI application and discuss substantive engagement case studies pertaining to the Fund's stewardship priorities. These meetings play a vital role in our asset manager monitoring governance process, allowing us to thoroughly assess our managers' progress in ESG integration, stewardship, and engagement activities across all asset classes and mandates to the extent possible. In 2024 we added a semi-annual round of meetings with each of our managers, to discuss progress on issuer engagements they have been prioritising and support our effort in timely tracking of our managers' engagements.

✓ **Sharing constructive feedback on an ongoing basis:** Our manager monitoring processes foster stronger collaborative relationships with our asset managers. This has allowed us to influence positive stewardship practices more actively where we have identified potential to do so. Over the past few years, we have consistently emphasised to our asset managers the importance of robust and efficient tracking of their engagements. It was very encouraging to see that the majority of our asset managers made noteworthy progress in this area throughout 2024.

The following table provides a high-level summary of key assessment criteria and our findings related to our asset managers' activities in 2024.

Key criteria	Assessment
Institutional alignment with our RI policy (Mindset)	All of our asset managers evidenced their adherence to our RI policy and demonstrated year on year progress. We found the managers' responses on stewardship activities to be of a higher standard than in previous years. Last year we evaluated two managers as having met only the minimum standard with regards to stewardship. They have both improved their approach, either to a good or a high standard.
Resourcing	The resourcing levels for RI activities vary greatly between managers, which can affect the application of ESG integration and engagement. All but one manager, have dedicated RI teams. Most managers disclosed the size of their RI functions and many provided average years of relevant experience.
ESG integration	All managers evidenced that ESG considerations are taken into account in various investment processes. This year we focused on better understanding their methods of ESG integration and noted improvement in their ability to evidence the Fund's stewardship priorities being integrated into decision-making. Some of our managers also provided examples on integrating nature loss considerations which was a positive development.
Engagement	Our managers continued to engage with investee companies and issuers in relation to our stewardship priorities where appropriate and relevant. Although we have seen more evidence of higher quality engagement case studies than in previous years, we continue the dialogue on alignment of our managers' engagement efforts with our expectations. Many of our managers are investing in data platforms with a focus on engagement recording and tracking which is encouraging.
Reporting	In general, most asset managers made a concerted effort to provide comprehensive responses to our annual RI questionnaire. Overall, we have seen an improvement in the quality and timeliness of responses.

2.4. Engagement

The Fund's direct engagement

Most of our investment management functions are carried out by external asset managers, of whom we expect to exercise certain rights and responsibilities in relation to the assets they have invested in on our behalf. This includes our managers' engagement with underlying companies or issuers on relevant matters on our behalf, though excludes our managers' use of voting rights for listed equities which we have retained internally within the Fund (see section 2.5 for further details). Due to this outsourced investment model, we do not interact directly with investee companies and issuers, except via BPIM engaging with relevant counterparties within the property mandate (see example below).

We do believe however that direct engagement with investee companies can be an effective method to address wider issues such as market regulation or systemic risks. In the section 'Systemic risks and policy engagement', we provide some examples of our direct engagement on these crucial subjects.

Example: Sustainability themed engagement with tenants

Asset class: Property

Context: Over the past two years BPIM Property team have been engaging with tenants on improving the sustainability profile of the assets. The team is cognisant of the Minimum Energy Efficiency Standard (MEES) legislation that states that landlords cannot let a property that has an Energy Performance Certificate (EPC) rating of E or below. According to the legislation, all properties must have an EPC of C by 2030, with an interim EPC of B by 2027.

Action: BPIM continues its tenant engagement exercise initiated in 2023 with the aim of building relationships with tenants and understanding their approach to sustainability and any relevant commitments they made. During 2024 BPIM contacted around 90% of the tenants and shared information on how landlords and tenants could collaborate to improve the sustainability of the buildings and reduce energy bills, for example solar panel installation and Electric Vehicle (EV) charger initiatives.

Outcome: Whilst response rate was relatively low, BPIM found these conversations positive, with tenants being proactive and engaged with many of the initiatives. BPIM observed that many of the respondents had sustainability commitments and a strategy in place. For example, one of the tenants provided information about its net zero ambition across its own operations by 2035 and its plans to use 100% renewable energy across its estate by the end of 2025. Other tenants expressed interest also in proactively looking at installing solar panels and either have LED lighting installed or have plans to do so. In 2025 BPIM will continue to engage with tenants and working with JLL, their managing agent, to streamline the tenant engagement approach. This will ensure all interactions with tenants remain consistent and co-ordinated across different teams.

The Fund's direct engagement with asset managers

We expect our asset managers to present detailed case studies across various issues related to our stewardship priorities. We encourage them to ensure that each engagement has a set objective, plan and clear expectations for the investee companies. We then discuss a number of these case studies during our monitoring meetings with them often seeking further details to ensure we can accurately evaluate their efforts.

Example: Counterparty ESG engagement programme

Asset class: Liability Driven Investment (LDI)

Context: Given the LDI mandate represents a substantial part of our asset allocation, we have significant exposure to various counterparties included on our panel.

Action: Over multiple years, we have engaged with Insight on strengthening their application of RI principles in relation to the LDI asset class. We encouraged them to consistently incorporate ESG considerations in the selection and ongoing assessment of these counterparties, as well as consider developing more structured engagements with the counterparty banks on our panel. In 2022, Insight initiated structured engagements with key counterparties to address selected material ESG issues. Responding to evolving regulations and stakeholder expectations, in Q2 2024, Insight expanded the focus of their counterparty engagement to include other areas, for example natural capital and human rights. In 2024, we discussed with Insight the importance of structured and comprehensive monitoring of the programme's progress, including findings and further steps. We encouraged additional resourcing, transparency in prioritisation of counterparties for further engagement, and the necessity of a forward looking timeline and milestones.

Outcome: Insight has been very receptive and appreciative of our feedback. In our view they made significant progress in the counterparty ESG engagement programme, as well as improved reporting on progress and key findings. This enhanced reporting allowed us to better track their actions and outcomes. While pleased with the progress, we aim to continue to engage with Insight on allocating additional resources to this significant engagement programme.

The Fund's direct engagement with data and service providers

Where appropriate, we look to share our views and feedback with our data and service providers, for example by contributing to consultations or attending roundtables, an example of which is below.

Example: Participation in ISS Governance Policy Roundtable

Context: The Fund's proxy voting platform provider, ISS, sought investor feedback on future voting policy developments concerning corporate governance issues, at their ISS Governance Policy Roundtable. A member of the Fund's RI team participated in this roundtable, which was also attended by representatives from various investment managers and asset owners.

Action: During the roundtable, investors shared their views and feedback on ISS's future voting policies. The Fund's RI team member actively participated in discussions, providing insights and perspectives on the voting approach in relation to key corporate governance issues (such as executive remuneration). Multiple participants expressed their opinions openly and stressed the importance of ISS adequately incorporating feedback into their policies.

Outcome: The roundtable served as a platform for constructive dialogue, aiming to improve future policy developments and enhance corporate governance practices. It provided a collaborative environment where diverse viewpoints on corporate governance were shared. This engagement underscored the need for ISS to strengthen their approach to incorporating investors' feedback into their voting policies.

The Fund's collaborative engagement

We recognise the importance of working together with other investors to progress the responsible investment agenda and optimise our stewardship efforts. Our membership of the organisations and forums set out below has enabled us access to insights into best practices, access research materials, and have a platform to collaborate with other investors. It also offers us an efficient route to provide input and feedback to the relevant regulators and contribute to debates on improvement which are essential in our approach to addressing major systemic risks for the Fund.

We recognise that there is continuous scope to evolve in how we invest in a responsible manner, and as such we periodically evaluate our existing memberships, further industry initiatives and organisations.

Organisations and forums the Fund takes part in

Asset Owners Council (AOC)

- The AOC is a group of UK asset owners convened under their own initiative, focussed on responsible investment, with links to the UK Stewardship Regulators Group and the secretariat is run by the PRI. The purpose of the group is to share ideas, best practices and collaborate on UK corporate governance matters. In addition to self-convened thematic sub-groups, the AOC maintains links with the UK Stewardship Regulators Group, and other industry groups where relevant (i.e. UN PRI, ICGN).
- The Fund's Senior Manager, Responsible Investment co-chaired the AOC between Sept 2023 and Dec 2024 and remains a member of the AOC Steering Group.

Institutional Investors Group on Climate Change (IIGCC)

- The IIGCC is a forum for collaboration between asset owners and asset managers to help drive forward considerable progress towards achieving net zero and a more resilient future.
- Since joining in 2022, we have been using the IIGCC platform as a learning tool to gain insight into how we can integrate climate change considerations into our investment strategy.
- With the aim to expand our collaborative engagement, the RI team contributed to two IIGCC working groups over the last year:
 - *Sovereign Bonds and Country Pathways Working Group (2023-2024)*:
The group's focus was integrating net zero considerations for sovereign bonds and its work resulted in the publication of a discussion paper in April 2024 outlining target-setting guidance for the sovereign bonds asset class with a view to increasing its adoption into net zero investment strategies.
 - *Sector Decarbonisation Roadmaps Working Group (2024)*:
The group's focus was development of sector decarbonisation roadmaps, and it completed its cycle with the publication of the position paper which outlined principles for policymakers to consider in developing sectoral decarbonisation pathways and supporting policy frameworks.
 - Participation in these working groups allowed us to share our perspective as an asset owner. For instance, we were able to emphasise how exposure to sovereign debt for liability-matching needs would require a different approach compared to other forms of investments.

Principles for Responsible Investment (PRI)

- The PRI is a leading proponent of responsible investment, which supports its signatories in incorporating ESG factors into their investment and ownership decisions.
- We became a signatory to the PRI in 2008 and remain aligned with the PRI's six principles. We use the PRI framework to report on our responsible investment activities each year. We commonly access the PRI's research to read case studies and gain insight into best practices. We share feedback directly to the PRI and through its signatory consultations.

Pensions and Lifetime Savings Association (PLSA)

- The PLSA champions improvements in pension policy for members and provides a forum for UK pension schemes to discuss best practices and key issues.
- We regularly access PLSA guides, research materials and attend their conferences to help inform our approach.

Our asset managers' direct engagement

As in previous years, through the annual RI review process, asset managers shared with us evidence of their stewardship activities. Based on that process we were able to quantify the number of asset managers who provided significant engagement examples based on their asset class expectations in our framework.

In 2024 we accounted only for case studies that demonstrated engagements for enacting change. The tightened approach reflects our focus on the quality of the engagement over the quantity. Encouragingly, the number of examples relating to climate change, human rights and board composition and oversight increased by two, three and one respectively. This is illustrated in the table below.

Stewardship priorities	Number of asset managers	
	2023*	2024
Climate change	8/15	10/15
Human rights	5/15	8/15
Board composition and oversight**	8/15	9/15

*The figures in this table only account for managers that provided engagement for change examples, hence the difference in the 2023 figures compared to the last report.

** In 2023 we referenced *Board effectiveness* which in 2024 has been updated to Board composition and oversight which we consider an aspect of Board effectiveness.

Examples of our asset manager's direct engagement

Example: Incorporation of ESG targets in climate strategy

Engagement led by Nikko Asset Management (Nikko AM)



Stewardship priority: Climate change

Asset class: Listed Equities

Context: The industrial gas and engineering company is playing a vital role in the energy transition which was the principle reason for the manager's investment decision. However, due to the nature of its operations, the company represents the largest carbon footprint in the manager's portfolio in terms of Scopes 1 and 2 GHG emissions.

Action: Nikko AM initiated engagement with this company in 2022 to discuss important considerations to take into account for the credible and successful execution of the company's climate strategy. This included adoption of meaningful ESG targets and the management's remuneration to be linked to those. Whilst the company made substantial improvements in these areas, Nikko AM continued engaging with the company as it saw further potential for improvement. For example, they emphasised the need for the GHG emissions targets linked to annual bonus payouts, to be more stretching and meaningful, whilst remaining cognisant of what may be achievable.

Outcome: In 2024 Nikko AM noted the company made considerable progress in meeting the expectations set. This included the company's climate goal to be independently certified, and more ambitious targets linked to absolute GHG emissions compared to those set at the 2023 AGM.

Example: Decarbonisation projects in the housing sector

Engagement led by Macquarie



Stewardship priority: Climate change

Asset class: Infrastructure Debt

Context: One of Macquarie's borrowers is a housing association (HA) set up by local community members to improve inequality in housing provision and associated services. Macquarie received a request from the HA to incorporate additional flexibility in the lending agreement to help fund upcoming capital expenditures to meet UK government regulations on carbon emissions and mandatory health and safety requirements. The specific request was to amend the interest cover ratio (ICR) rules to cover costs for decarbonisation and health and safety projects, while still adhering to the financing terms.

Action: Macquarie's Credit team engaged with the HA to understand the drivers behind the increased capital expenditure and the rationale behind the waiver request. Macquarie reviewed the HA's updated business plan, including forecast capital expenditure assumptions, and negotiated an amendment to the ICR definition in the finance documents. Several meetings were held to ensure the HA's request was financially reasonable and aimed at achieving the optimal outcome for both parties.

Outcome: The engagement resulted in an agreed amendment to the ICR definition, providing the HA with the flexibility needed to comply with regulations and improve their housing portfolio. Additional outcomes included: negotiation of enhanced visibility with respect to the implementation of the HA's fire safety and decarbonisation works, as well as the HA's committing to upgrading properties to at least an EPC energy rating of "C" during the term of the waiver.

Example: Modern slavery and labour risks in the supply chain

Engagements led by Wellington Management



Stewardship priority: Human rights

Asset class: Global Corporate Bonds

Context: Supply chains of this large online retail and marketplace company span several regions, including those with higher risk of labour-related abuse. The company's fulfilment centres and delivery services have drawn scrutiny due to high injury rates and challenging working conditions.

Action: During 2024, Wellington engaged with the company on labour-related issues which they deemed critical to business performance due to the company's extensive global operations and large workforce. Wellington sought to understand the specific measures the company has implemented to monitor and mitigate modern slavery and forced labour risks within their supply chain particularly in China and Saudi Arabia. The manager requested detailed updates on the company's auditing processes and the role of their social responsibility team. Wellington also enquired about the company's approach to managing labour issues in Germany, where ongoing strikes have raised concerns about labour practices.

Outcome: The company has established a social responsibility team for supply chain monitoring; increased their on-the-ground presence in Asia; and used a risk-based approach for audits, focusing on high-risk areas and conducting follow-ups. They have also emphasised efforts to ensure independent mechanisms to support human rights in China and implemented standards in Saudi Arabia. In Germany, the company reported a decrease in employee participation in labour strikes and highlighted efforts to increase wages, incentives, and implement works councils to foster dialogue with employees. Wellington recognised the company's efforts, however remained concerned about the company's credibility in managing human rights risks and felt that human rights and supply chain risks remained elevated and decided to divest from the company.

Example: Enhancing executive compensation practices

Engagement led by Capital Group



Stewardship priority: Board composition and oversight

Asset class: Global Corporate Bonds

Context: As part of the Capital analyst's assessment of material risks related to a U.S.-based semiconductor design and manufacturing company, potential concerns were identified regarding executive compensation and the possibility that certain directors may be overcommitted, potentially limiting their effectiveness on the company's board.

Action: Capital Group's view is that linking compensation to appropriate performance criteria and metrics can encourage a long-term focus. On this basis, Capital Group investment associates met with senior company representatives to discuss executive compensation. The discussions covered both the short-term and long-term incentives, including considerations by the company to add performance share units with specific metrics to the long-term incentives. Capital Group's analysts shared with the company its understanding of certain relevant industry practices, including metrics that the company may wish to consider.

Outcome: The company has been receptive to Capital Group's feedback on pay practices and expressed their intention to discuss these topics at a subsequent board meeting, as well as considering aligning incentives with appropriate metrics and other pay practices. Capital Group intends to continue the engagement to understand the ongoing outcomes from the company's board discussions.

Asset managers' collaborative engagement

We encourage our asset managers to participate in various forums and industry initiatives. We believe that through combining efforts with other managers, they can engage more effectively with the Fund's larger holdings that typically have high market capitalisation and often a fragmented investor base. Additionally, we believe that interacting with other asset managers allows cross-fertilisation of different approaches to stewardship and engagement which in turn help with development of best practices and raising standards across the market overall.

Example: Water sector risks

Engagement led by Westbourne Capital

Stewardship priority: Climate change

Asset class: Infrastructure Debt

Context: The UK water industry is inherently exposed to risk associated with water management and natural capital. One of the water utilities companies has received material fines in relation to prior environmental performance and the Environment Agency (EA) and the sector regulator (Ofwat) were undertaking further investigations. In 2024, Westbourne engaged with stakeholders from the company to discuss significant challenges faced by the company and other water utilities, including the fines. In general the equity investors are better positioned to engage and influence companies, however as a debt investor, Westbourne still undertakes engagement when it identifies credit risks and sees the potential to mitigate them.

Action: Westbourne's engagement included written and in-person interactions with the company, its shareholders, Ofwat, and the Government – more specifically the Department for Environment, Food & Rural Affairs (Defra), Treasury, and UK Government Investments (UKGI). The focus of these engagements was to educate stakeholders about the challenges the company faces and convey the importance for Ofwat and the Government to take a leadership role and demonstrate support for the company to stabilise the situation. Westbourne also highlighted the potential significant adverse impacts on all stakeholders, including customers, finance providers, and other companies in the sector, if no action was taken.

Outcome: Westbourne shared their views with parties they engaged with on how to better protect the interests of all stakeholders and promote a more stable and sustainable future for the company. Through a series of these engagements, they aimed to contribute to mitigating credit risks and stabilising the finances and operations of the company by ensuring that key stakeholders understood the importance of their support and intervention. Westbourne's proactive approach was notable.

Escalation of engagement

While we believe in continuous dialogue, relationship building, and collaboration to promote lasting positive change, we acknowledge the need for the escalation of engagement in cases of material issues and/or where the company is slow to respond to concerns. We encourage our asset managers to have systems in place to facilitate the tracking and prioritisation of issues for escalation. When monitoring asset managers on their escalation activities, we request the following information:

- methods used to escalate issues with entities where engagement had not been achieving the desired outcome in reasonable timeframe
- outcomes of escalation that is ongoing or concluded within the year, which may include (but is not limited to) actions or changes made by the party engaged with, how outcomes of escalation have informed investment decisions (i.e. buy, sell, hold), changes in the escalation approach, and whether objectives were met.

Example: Strengthening independent oversight and governance

Engagement led by Nikko Asset Management (Nikko AM)

Stewardship priority: Board composition and oversight

Sector: Medical Technology | **Asset class:** Listed Equities – Active

Context: In 2022, Nikko AM engaged with a global medical technology company to understand the unexpected acquisition of a consumer technology company. The acquisition raised concerns about the checks and balances within the company's Board since at the time, the company's founder was also its CEO. Nikko AM continued engaging with the company on corporate culture and the balance of power at Board level between the CEO and other Directors. Separately, towards the end of 2022, the company faced a shareholder activist campaign, emphasising the need for increased independent oversight and greater accountability on the Board. This led to a two-year negotiation between the company management and the shareholder activist.

Action: Throughout 2024, Nikko AM took several actions to address governance concerns, which included a meeting to discuss spin-off considerations and the ongoing negotiations after a shareholder activist proposed appointing independent directors at the 2024 AGM. Nikko AM supported the proposal to appoint independent directors nominated by the shareholder activist at both the 2023 and 2024 AGMs, agreeing that independent oversight was necessary. The CEO's unilateral decisions, such as the consumer technology company acquisition, underscored the need for independent oversight, which was later reinforced by the company's last-minute postponement of the shareholder meeting.

Outcome: Shareholder activist nominees gained majority support from shareholders at both the 2023 and 2024 AGMs. At the 2024 AGM, the founding CEO received less than 40% support from shareholders, while the two new directors nominated by the shareholder activist received 70% and 61% support. Consequently, the CEO resigned, and the shareholder activist nominee director was appointed interim CEO. The board is now considered truly independent of management, which is expected to help the company unlock its true potential and value for shareholders. The market reaction was positive, with the company's share price significant rebound. Nikko AM continues to hold this investment.

Systemic risks and policy engagement

As an asset owner with investments across different jurisdictions and asset classes, systemic risks could directly affect our ability to pay pension benefits to members if they are not monitored and addressed adequately. Policy engagement helps us proactively understand systemic ESG risks in the wider economy and manage such risks in our portfolio.

In addition to ESG-related systemic risks, the Fund is exposed to the broad array of financial, political and geopolitical risks typical of the financial industry. Changes in the global economic environment can often have immediate material impacts on financial markets and their participants. We use an internally-defined Investment Risk Return Framework (IRRF) to assess the risk and performance of the Fund's investment strategy on an ongoing basis. It is regularly reviewed and updated, including the risk metrics used, to ensure its ongoing suitability for our evolving investment objectives. Additionally, the Fund has a risk framework and policy that includes consideration of the Fund's principal and emerging risks. It seeks to avoid incidents and enhance business outcomes by understanding the risk environment and allowing us to identify, assess, manage, monitor and report risks.

Moreover, we recognise that real economy decarbonisation is dependent on action from governments and policy makers, and it is important for the Fund to pursue its direct and collective engagement efforts to support policy and regulation relevant for achieving global net zero emissions by 2050 or sooner. We continue to engage with various organisations and financial industry participants. Where we have expertise and an opportunity, we try to contribute towards the well-functioning of financial markets and the overall economy.

Example: Responding to PRI's consultation

Context: In alignment with our commitment to responsible investment practices as a signatory to the PRI, we participated in the PRI consultation titled "Responding to a Changing World". This consultation aimed to gather feedback from signatories on the PRI's new strategy for working more effectively with its members.

Action: We responded to the consultation by sharing detailed feedback on their proposed strategy to support shaping a more effective and responsive approach to engaging with signatories.

Outcome: The PRI outlined their Board's strategic focus areas based on the feedback received from signatories. We support the Board's new strategy and will continue to develop our responsible investment practices and harness the PRI's resources wherever possible.

2.5. Voting

Approach to voting

Shareholder voting serves as a powerful tool for influencing investee companies to drive positive change. Through our segregated mandates across our listed equity portfolios, the Fund retains the right to exercise voting rights directly associated with our holdings. Whenever feasible, we leverage these voting rights to promote responsible long-term behaviour among the companies in our investment portfolio. We consider voting to be a crucial investor right, enabling us to express our stance on critical issues, including those related to our stewardship priorities.

Our approach to voting consists of a systematic and rigorous process which involves research and recommendations from our proxy voting adviser, Institutional Shareholder Services (ISS), as well as insights and voting recommendations from our external passive equity asset manager, LGIM. Additionally, we seek perspectives from our active asset managers, who engage directly with companies in our portfolios and as long-term investors often have well established relationships and understanding of each company's specific circumstances.

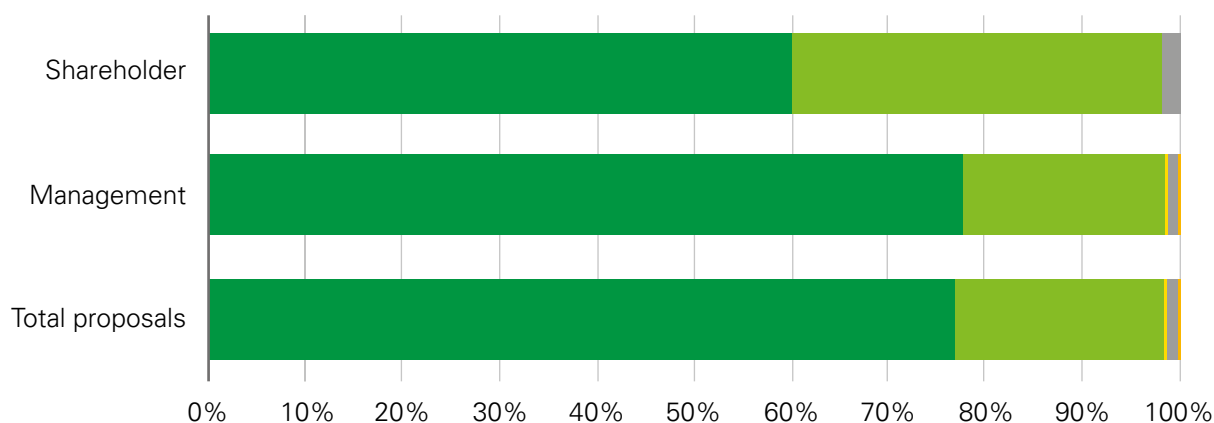
Throughout the year, we maintain a record of all votes we cast (identifying those we deem most significant) and our reasoning behind each voting decision. In 2024 we shared our voting records with our investment consultant, Redington, who used its proprietary system to aggregate voting statistics and identify significant votes based on a post-vote criteria.

We aim to prioritise the best interests of the Fund's members in our voting decisions. We exercise discretion when deciding whether to follow the recommendations of LGIM, ISS, or our other asset managers.

Proxy voting statistics

The tables on the following pages present the Fund's voting statistics from 1 January to 31 December 2024 aggregated by Redington. During the reporting period we voted on 4,171 votable proposals, accounting for 95% of all votable proposals. We voted in favour of 3,202 (77%) resolutions, voted against 907 (22%) resolutions and, abstained, withheld, or voted on "one year" items for the balance (1%). We voted against management on 1,012 resolutions (24% of total). Of these, 892 (88%) resolutions were management proposals and the rest shareholder resolutions (12%). We voted contrary to ISS recommendation on 745 resolutions (18% of the total votes). Of these, 714 (96%) resolutions were management proposals and the rest shareholder proposals (4%).

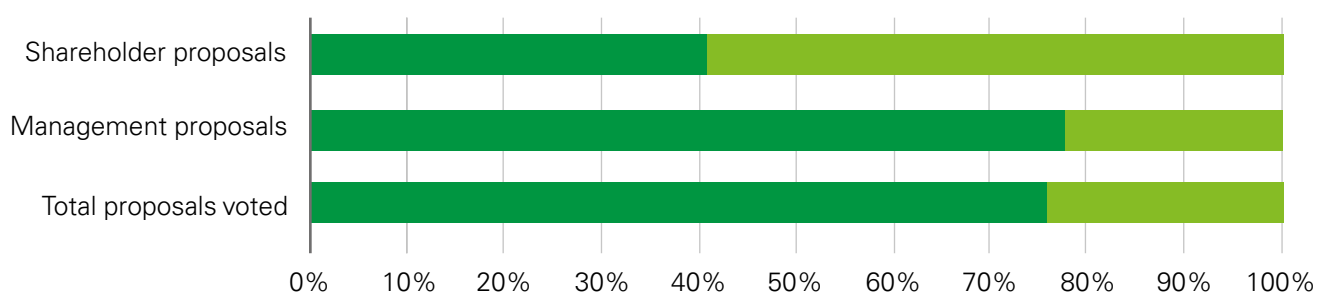
Summary of total proposals voted in 2024 based on ISS data



	Total proposals voted	Management proposals	Shareholder proposals
For	3,202	3,080	122
Against	907	830	77
Abstain	11	11	0
Withhold	47	43	4
One year	4	4	0

■ For
 ■ Against
 ■ Abstain
 ■ Withhold
 ■ One year

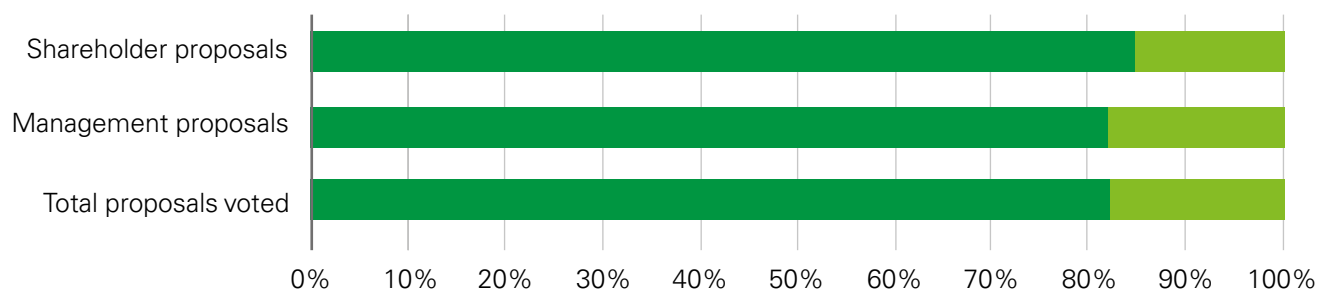
Summary of votes with and against management based on ISS data



	Total proposals voted	Management proposals	Shareholder proposals
Votes WITH Management	3,159	3,076	83
Votes AGAINST Management	1,012	892	120

■ Votes with management
 ■ Votes against management

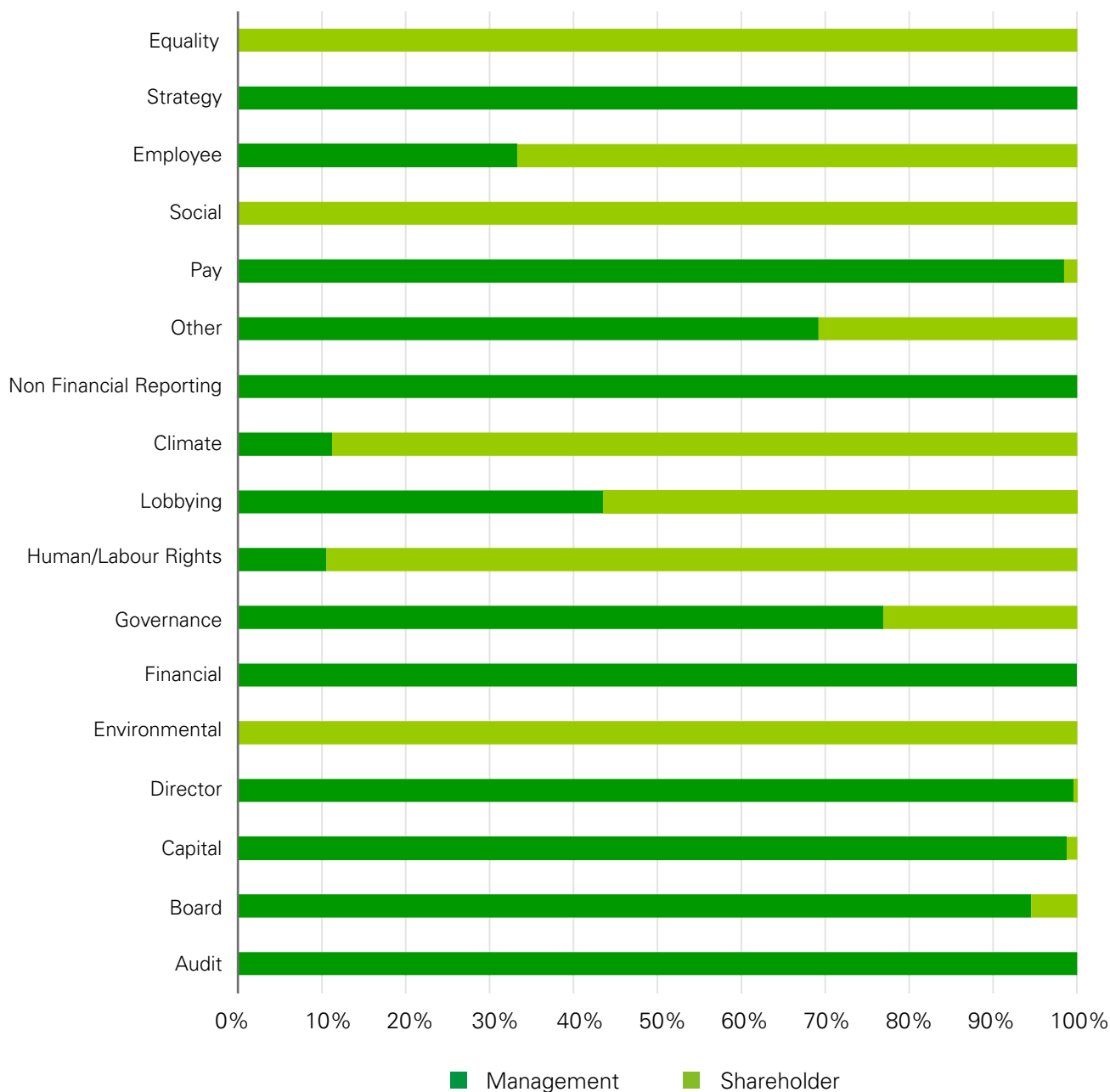
Summary of votes with and against ISS based on ISS data



	Total proposals voted	Management proposals	Shareholder proposals
Votes in line with ISS recommendation	3,426	3,254	172
Votes contrary to ISS recommendation	745	714	31

■ Votes in line with ISS recommendation
 ■ Votes contrary to ISS recommendation

**Proportion of total management and shareholder resolutions voted in 2024
(based on internal vote categorisation and ISS statistics)**



Significant votes

We give special attention to votes that we consider to be of high importance. The determination of which votes are deemed significant is based on several criteria including those specified by the PLSA. At a pre-vote level, we employ a systematic filtering process that applies uniform treatment for companies that may be included in more than one mandate, thereby refining the votes that require further examination and ultimately identifying those that fall into the category of significant votes.

As part of our process to identify significant votes, we use a tool we developed that utilises data on upcoming resolutions from our proxy voting advisor, ISS. This tool also maps these resolutions to those flagged by the PRI, Climate Action 100+, and ShareAction. Additionally, it monitors votes for our holdings that may be flagged by the UN Global Compact.

In summary, votes that meet the following criteria (which are reviewed annually) are considered significant. It is worth noting that this list is not exhaustive, and it is possible that a theme, issue, or company that was not previously deemed significant has become more prominent by the time voting decisions are made:

- The significance of the resolution itself i.e., driven by the size and public significance of the company and whether there is a significant level of investor opposition to management or a degree of media interest.
- The nature of the resolution, particularly if it encompasses the stewardship priorities relevant to the Fund and other themes we are closely monitoring.

For 2024, our pre-vote significant vote identification was complemented by Redington's proprietary system which also considers post-vote criteria (i.e. voting result). As such we have included in the examples below information on the headline vote result vs management, and the vote vs management after free float adjustment. This adjustment seeks to remove the impacts of dominant shareholders and any voting rights distortions, aiming to provide an indication of the true level of dissent among outside shareholders. Because these calculations involve a number of assumptions, the percentage disclosed here can only ever be an approximation.

Examples of significant votes during 2024



Stewardship priority: Climate change

Company Name	Canadian National Railway Company	
Sector	Rail Transportation	
Summary of the resolution	This Canadian rail transportation company sought shareholder approval for its Climate Action Plan through an advisory vote.	
Voting recommendations	Both ISS and LGIM supported this resolution.	
Our vote	We supported this management resolution.	
Rationale for our vote	The company's climate transition plan includes clear targets, specific actions, and a strong governance framework.	
Headline vote result vs management	5%	
Vote vs management after free float adjustment	5%	



Stewardship priority: Human rights

Company Name	Meta Platforms, Inc.	
Sector	Social Media	
Summary of the resolution	A shareholder proposal requested that this US social media company publishes an independent third-party Human Rights Impact Assessment examining the use of artificial intelligence driving its targeted advertising practices.	
Voting recommendations	Both ISS and LGIM were in favour of this resolution.	
Our vote	We supported this shareholder resolution.	
Rationale for our vote	We believed that this report could provide more transparency on the company's management of human rights-related risks related to targeted advertising.	
Headline vote result vs management	17%	
Vote vs management after free float adjustment	54%	

Company Name	The TJX Companies, Inc.	
Sector	Retail	
Summary of the resolution	A shareholder proposal called for a report assessing the effectiveness of current company due diligence in preventing forced, child, and prison labour in this US retail company's supply chain.	
Voting recommendations	ISS opposed this resolution while LGIM supported it.	
Our vote	We supported this shareholder resolution.	
Rationale for our vote	A vote in favour was applied as we consider human rights issues carry the potential to be a material risk to retail companies' supply chains.	
Headline vote result vs management		20%
Vote vs management after free float adjustment		20%



Stewardship priority: Board composition and oversight

Company Name	Honeywell International Inc.	
Sector	Industrial Conglomerates	
Summary of the resolution	A shareholder proposal requiring an Independent Board Chair at this US industrial conglomerates company.	
Voting recommendations	ISS opposed this resolution while LGIM supported it.	
Our vote	We supported this shareholder resolution.	
Rationale for our vote	An Independent Board Chair is a best practice we firmly support, and which is gradually becoming accepted practice in the US market.	
Headline vote result vs management		26%
Vote vs management after free float adjustment		26%

2.6. Property and Private Equity – Rights and Responsibilities

In addition to voting rights related to our listed equity holdings, we are mindful of our rights and responsibilities across other assets, for example related to property and private equity investments made by our internal manager, BPIM.

Property

As a real estate landlord, BPIM often engages with tenants when they wish to make improvements to the buildings they occupy. These improvements might relate to building safety or ESG upgrades such as adding solar panels or EV charge points. BPIM collaborates with the tenants in order that the works are in accordance with the lease terms and are executed properly. In certain situations, BPIM may offer to contribute towards the cost of these works.

In terms of enforcing our rights and responsibilities, BPIM employs external managing agents to regularly inspect properties within the portfolio to confirm the tenant is occupying in accordance with the lease provisions and the ongoing value of the asset is maintained.

Private equity (PE)

BPIM's investor rights are strictly limited by the governing documents given it is investing via limited partnership structures that are the standard legal structures for all of the investments within the PE portfolio. This is an intentional requirement to maintain the 'limited liability' status of all investors (who are referred to as 'limited partners'). This structure protects the relevant fund's investors in the same way that shareholders are largely protected from legal responsibility of the actions of executives of companies.

Limited Partner rights will be limited to specifically-defined voting opportunities to change key commercial terms, and in exceptional circumstances often the ability to remove the management of the fund and/or elect for an early termination of the fund. Therefore, a limited partner's ability to influence the management and approach that the general partners take in the day-to-day management of the fund, including the influence or control they may exert on the underlying corporate entities within the fund, is substantially limited.

Prior to investing, BPIM's PE team conducts a thorough due diligence process to ensure they are comfortable that the manager will adopt a suitably responsible approach, as dictated by the fund documents, prospectus, and responses to diligence questions. Although BPIM as an investor has a degree of informal commercial influence in communicating preference or required standards that it expects managers to meet during this fund-raising process, and while an active investor, ultimately the General Partner will set out its position and the extent it is legally bound in its fund documentation and promotional communications with prospective investors. It is usual to see limited/minimal legal commitments to specific conduct, beyond adhering to local laws and regulations.

Investors cannot collectively negotiate in direct collaboration with other prospective investors to set terms. This is where independent industry bodies are key in engaging with multiple stakeholder groups and can provide industry guidelines and best practice documents with the aim of improving standards and transparency. BPIM is a member of the British Private Equity & Venture Capital Association (BVCA) and the Institutional Limited Partners Association (ILPA) and proactively engages with both in formulating and the promotion of best practice.

In recent years, third party service providers (for example RepRisk which BPIM uses to actively monitor their investments) have also increased the accountability of managers to broader stakeholders by filtering publicly available information as a paid for service that investors and others can subscribe to.

2.7. Reporting

In addition to the reports made publicly available (set out earlier in this report) we consistently provide updates on our responsible investment progress to the Trustee Board and relevant Committees. In accordance with regulations, our annual implementation statement is included in the Fund's annual report and financial statements.

2.8. Assurance of our stewardship approach

Given our overall outsourced investment model, most stewardship activities taken on behalf of the Fund are conducted by our asset managers. As such, an important form of assurance is our monitoring and oversight of our asset managers, as described in detail in previous sections.

We periodically review the validity and applicability of our stewardship priorities and assess the effectiveness of our implementation approach since establishing our RI Policy. Additionally, we engage with independent experts and consultants to provide unbiased assurance and additional oversight on our stewardship practices, offering valuable insights that could lead to improved strategies and execution. We regularly seek external validation that the guidelines of our RI policy are effectively implemented.

We consistently interact with our counterparts and conduct in-house research to align our stewardship approach with the best practices of asset owners and to identify potential areas for further enhancement.

Here are some instances where we sought assurance:

- During the inception of our RI policy, we sought advice from our strategic adviser, Redington.
- We have a systematic review process in place so that our investment policies remain current, suitable, and reflect our ambition for stewardship and responsible investment.

Additionally, during 2024 the Fund undertook an audit focused on RI, including stewardship. The Fund consistently looks to continuous improvement in terms of learnings around process, compliance, automation and technology digitalisation.

As the field of stewardship and responsible investment assurance evolves, we continue to leverage independent insights to identify ways to improve our approach to ESG integration and stewardship.

Our external advisers have reviewed this report and provided their feedback. With the assurance this provides, the Trustee is satisfied that this report accurately, clearly, and informatively summarises our stewardship activities and outcomes.

Looking ahead

As responsible and active asset owners, we are dedicated to managing our assets in a manner that prioritises our Fund, while also acknowledging the long-term effects of our investment choices on both the environment and society.

Through this report we aim to present the improvements and developments we made over the course of 2024 which we believe provide a meaningful means of progressing both the effectiveness of our and our asset managers' stewardship activities, and the breadth and relevance of the issues we consider. We take pride in the efforts we have made during the reporting period to refine our approach to stewardship and responsible investment.

While our responsible investment approach covers the full range of material ESG issues, we expect that climate change, human rights, and board composition and oversight will continue to warrant a targeted approach with a clear focus on the long-term sustainable investment outcomes for the benefit of our members. In 2025 we plan to carry out a review of our RI strategy to ensure it continues to be fit for purpose.

Although we have made meaningful improvements to our stewardship approach this year, especially in the way we monitor managers, we recognise that effective stewardship relies on continuous improvement. We plan to concentrate some of our efforts on documenting, streamlining and automating our systems and processes for gathering accurate data, with a focus on engagement tracking and manager monitoring. We will also continue to focus on engaging with our managers on implementing approaches aligned with our Net Zero Ambition. Nature loss will remain an area of focus, and we plan to harness the risk assessment of our Fund's investments to continue to monitor our asset managers and raise their awareness of the importance of reviewing risks related to nature loss.

We look forward to further advancing our stewardship activities and sharing in future reports the improvements that we make and the outcomes that we achieve.

Glossary

Asset Manager(s)	BPIM and/or the external organisation(s) appointed to manage investment mandates on behalf of the Fund.
Board of Directors to BP Pension Trustees Limited (the Board/ the Trustee)	The Board has the appropriate processes, systems, people, and procedures in place to manage the Fund, its investments and risks that arise, in line with its duties, powers and discretions.
Board Governance Principles (BGP)	Principles which set out the Board's overarching governance framework and structure and which support it in conducting its role.
BP Investment Management Limited (BPIM)	BPIM is the Fund's internal asset manager, responsible for managing the property and private equity mandates on behalf of the Fund. BPIM is an FCA regulated, wholly owned investment management subsidiary of the Trustee.
BP Pension Fund (Fund)	The Fund is a UK defined benefit, occupational pension scheme, whose corporate sponsor is BP p.l.c. (bp). The purpose of the Fund is to provide benefits as set out in the Fund's Trust Deed and Rules, for approximately 57,000 members.
BP Pension Trustees Limited (BPPTL/ Trustee)	BPPTL is a wholly owned subsidiary of BP p.l.c. and is responsible for paying pensions and other specified benefits in accordance with the Fund's rules and relevant legislation, and administering the Fund while fulfilling all relevant duties, considering the interests of all relevant stakeholders, and acting with prudence and reasonableness as the role entails.
BP p.l.c. (bp)	BP p.l.c. is the organisation that had initially set up the defined benefit pension scheme, and they are the corporate sponsor of the Fund, which means it would be responsible for paying additional contributions to the Fund in the event of any shortfall of assets relative to the Fund's liabilities following a triennial actuarial valuation.
CDP	The CDP is a not-for-profit charity formerly known as the Carbon Disclosure Project, which runs a global disclosure system to help investors, companies, cities, states, and regions to report and manage their environmental impacts.
Code of Conduct	A principles-based guide as to how the Fund's employees work established by our sponsor, bp.

Environmental, social, and governance (ESG)	The categories under which investors classify non-financial risks and/or opportunities which would have the potential to affect an investee company or issuer's business model and value drivers, thereby affecting its financial performance and subsequently the value of the investment.
Financial Conduct Authority (FCA)	The FCA is the UK's regulatory body responsible for regulating the conduct of financial services providers, investment firms and consumer credit firms to ensure that UK financial markets are honest, competitive, and fair.
Financial Reporting Council (FRC)	The FRC regulates auditors, accountants, and actuaries, and sets the UK's Corporate Governance and Stewardship Codes. The FRC promotes transparency and integrity in business, and its work is aimed at investors and others who rely on company reports, audit, and high-quality risk management.
Green House Gas (GHG) emissions	Gases that trap heat in the atmosphere, with the main ones being carbon dioxide (CO ₂), methane, nitrous oxide, and various synthetic chemicals.
GRESB	Global Real Estate Sustainability Benchmark provides validated ESG performance data and peer benchmarks for investors and managers to improve business intelligence, industry engagement and decision-making.
Member(s)	The members of the Fund comprise current and former employees of bp and their dependants.
Net Zero Ambition	The Fund's Net Zero Ambition is to transition its investments to achieve net zero GHG emissions for the whole portfolio by 2050, or sooner, and see a reduction of at least 50% GHG emissions across public listed equity and corporate bond mandates by 2030. We believe adopting this Net Zero Ambition will help us to contribute to real economy decarbonisation, while effectively managing the Fund's climate-related risks and opportunities. Achieving our Net Zero Ambition, is dependent on governments and policy makers delivering on their existing commitments and providing necessary new policy changes.
Paris Agreement	A legally binding international treaty on climate change which was adopted by 196 parties in 2015. The goal of the Agreement is to keep "the increase in the global average temperature to well below 2°C above pre-industrial levels" and pursue efforts "to limit the temperature increase to 1.5°C above pre-industrial levels". In recent years, world leaders have stressed the need to limit global warming to 1.5°C by the end of this century.
Pension and Lifetime Savings Association (PLSA)	The main UK body which brings together the pensions industry and other parties to raise standards, share best practice, and support their members. Their aim is to help people to achieve a better income in retirement.

Principles for Responsible Investment (PRI)	The PRI is an independent international not-for-profit organisation that encourages investors to use responsible investment to enhance returns and better manage risks. It acts in the long-term interests of its signatories, the financial markets, and economies in which they operate, and ultimately the environment and society as a whole.
Responsible investment (RI)	An approach to investment which involves the consideration of environmental, social and governance issues when making investment decisions and influencing investee companies and/or issuers (known as active ownership or stewardship). This approach complements traditional financial analysis and portfolio construction techniques.
Responsible Investment policy (RI policy)	The RI policy supplements the Fund's SIP. It covers the Trustee's approach to responsible investment and incorporates our voting policy and climate change policy.
RSA	Return Seeking Assets
Statement of Investment Principles (SIP)	A legally required document for pension schemes that comprises a written statement of the investment principles governing decisions about investments.
Task force on climate-related financial disclosures (TCFD)	A task force comprising members from across the G20, convened by the Financial Stability Board to develop recommendations on the types of disclosures companies should make to support investors, lenders, and insurance underwriters in appropriately assessing and pricing risks related to climate change.
Trust Deed and Rules	The Fund's governing documentation.



Link to referenced documents

Investment, Stewardship and Climate change related documents

Important information

The information contained in this report may cover general activity on stewardship, investments, voting, responsible investment, climate, ESG, including opinions, prospects, results, forward-looking statements. Use of forward-looking terminology using words such as 'may,' 'believe,' 'aim,' 'will,' 'should,' 'expect,' 'anticipate,' 'seek,' 'intend', or the negatives thereof or other variations (together, 'forward-looking statements') are not a reliable indicator of performance of the Fund. There can be no assurance that any of the matters set out in these forward-looking statements are attainable, will actually occur or will be realised or are complete or accurate.

The Trustee has prepared this report for the Fund based on internally developed data, publicly available information, and third-party resources with whom it has contractual relationships. Although we believe the information obtained from third party sources to be reliable, it may not be independently verified, and we cannot guarantee its accuracy or completeness.

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Contact details:

BP Pension Trustees Limited
Chertsey Road
Sunbury-on-Thames
Middlesex
TW16 7BP

bpPensionFundRI@bp.com