Implementation Statement, covering the Scheme Year from 6 April 2023 to 5 April 2024

The Trustee of the Citigroup Global Markets Limited Pension and Life Assurance Scheme (the "Scheme") is required to produce a yearly statement (the "Statement") to set out how, and the extent to which, the Trustee has followed its Statement of Investment Principles ("SIP") during the Scheme Year, as well as details of any review of the SIP during the Scheme Year, subsequent changes made with the reasons for the changes, and the date of the last SIP review. Information is provided on the last review of the SIP in Section 1 and on the implementation of the SIP in Sections 2 below.

The Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, the Trustee (including the most significant votes cast by trustees or on their behalf) and state any use of the services of a proxy voter during the Scheme Year. This is provided in Section 3 below.

This Statement is based on the relevant Defined Contribution (DC) SIP that was in place for the Scheme during the Scheme Year and should be read in conjunction with this SIP. As the Citigroup Global Markets Limited Pension & Life Assurance Scheme is a hybrid scheme and this statement only refers to the actions the Trustee has taken regarding the relevant DC SIP, this document should also be read in conjunction with the Defined Benefit (DB) Implementation Statement for the Scheme Year and relevant DB SIP in place during that period.

The SIP in place during the Scheme Year was the SIP dated 26 September 2022 for period between 6 April 2023 and 5 April 2024 which is available here: https://epa.towerswatson.com/doc/CIT/pdf/citigroup-statement-investment-principles-2022--.pdf

1. Last review of the SIP and changes made

No review of the SIP was undertaken during the Scheme Year. The last time the SIP was formally reviewed prior to the start of the Scheme Year was 26 September 2022 and this Statement refers to that SIP. However, the SIP has been updated following the Scheme Year end to take account of the investment strategy changes made in October 2023. More details on these investment strategy changes can be found in section 2 below.

The Trustee has, in its opinion, followed the policies in the Scheme's SIP during the Scheme Year. The following Sections provide detail and commentary about how and the extent to which it has done so.

2. Implementation of policies in the SIP

a. Reviewing the investment arrangements

The Trustee's primary objectives for the Scheme are to provide members with access to:

- an appropriate range of investment options, reflecting the membership profile of the Scheme and the variety of ways that members can draw their benefits in retirement; and
- a main default investment option (the "Default") that the Trustee believes to be reasonable for those members that do not make their own investment decisions.

The objective of the Default is to:

- generate returns significantly above inflation whilst members are some distance from retirement, but then to switch automatically and gradually into lower risk investments to improve diversification and reduce volatility as members near retirement, maintaining the potential for a modest level of growth in excess of inflation.

The strategy of the default arrangements and other investment options (two alternative lifestyle strategies and a self-select fund range) is reviewed at least every three years. The last review commenced on 16 November 2021 and was concluded in the previous Scheme Year on 7 March 2023.

As part of the review, the Trustee reviewed the Scheme's membership demographics to determine whether the target of the Default remained suitable, and it was concluded that a lifestyle strategy targeting drawdown at retirement remained appropriate for the majority of the Scheme's members. In addition, throughout the Scheme Year, various aspects of the default lifestyle strategy and alternative investment options have been reviewed including the underlying funds being used, the length of de-risking periods for the lifestyle strategies and the currency hedging exposures.

The SIP states the "Trustee will also review periodically the relevant members' use of their options at retirement or on taking benefits from the Scheme to check whether assumptions made about how members access their benefits are borne out in practice." The Trustee monitors this on an ongoing basis and did this as part of the last strategy review.

The investment strategy changes agreed by the Trustee, as set out below, were implemented during the Scheme Year in October 2023.

The Drawdown Lifestyle (the Default)

As part of the last strategy review, the Trustee reviewed the risk / return profile of the default lifestyle and whether it remained appropriate for the Scheme given membership demographics and changes in trends within the DC landscape. As a result of the review, the following changes were implemented during the Scheme Year:

- The structure of the glidepath of the Default Drawdown Lifestyle was changed to a three-phased approach with an initial de-risking period starting at 20 years to target retirement age (TRA) and with a second de-risking period starting at 10 years to TRA. The new Early-Stage Growth Fund, the first stage in the three-phased approach, has a 90% allocation to equities and 10% allocation to alternatives. The three stage approach has been implemented to allow members to benefit from a higher expected risk and return profile at the start of their pension savings journey to improve expected member outcomes, whilst still gradually reducing expected risk as they approach their target access age.
- The passive developed market equity allocation of the Early-Stage Growth Fund consists of the regional versions of the LGIM Low Carbon Transition Funds. In addition, the passive developed market equity allocation within the Growth Fund and Pre-Retirement Fund were replaced with the LGIM Low Carbon Transition regional equivalents to improve climate-risk hedging within the Default.
- BlackRock ALMA was replaced with the LGIM Diversified Fund in the Growth Fund and Pre-Retirement Fund. This change reflects the Trustee's belief that the LGIM Diversified Fund is a more suitable investment option taking into account expected risk, return and asset class diversification considerations.

Alternative lifestyles

The changes agreed for the Default Lifestyle were also implemented for the Alternative Lifestyles.

In addition, for the Cash Lifestyle, the underlying allocation of the Cash Targeting Fund was amended from 50:50 BlackRock Institutional Sterling Government Liquidity Fund and BlackRock Sustainable Sterling Short Duration Credit Fund to be 100% BlackRock Institutional Sterling Government Liquidity Fund.

Self-select investment options

As part of regular monitoring, the Trustee's investment adviser, LCP, continues to meet with fund managers. Managers that were recently flagged to be reviewed were covered in-depth as part of the strategy review. As part of the review, the Trustee also assessed the value provided to members by active management within certain areas of self-select fund range to ensure members continued to be provided with a suitable number and range of funds. As a result of the review, the Trustee implemented the following changes to the self-select investment options over the Scheme Year:

- BlackRock ALMA was replaced with the LGIM Diversified Fund in the Diversified Growth Fund – Semi-Passive. In addition, the Diversified Growth Fund – Semi-Passive was renamed to 'Diversified Growth Fund'. The reasons for this change have been covered above in the Default section.

- Following consideration of active versus passive management in each equity region and the value being added by the underlying funds, the following funds were removed from the self-select range: UK Equity Fund – Active, US Equity Fund – Active, Japan Equity Fund – Active, European (ex UK) Equity Fund – Active and Pacific Rim (ex-Japan) Equity Fund – Passive.

- The underlying fund of the Corporate Bond Fund – Active was replaced with the Wellington Global Credit ESG Fund – GBP hedged. This replacement was made due to several reasons including a decline in assets under management for the previous underlying manager, a larger opportunity set available to the new manager as it wasn't restricted to just UK and longer-duration credit and more positive views on the new manager from LCP.

The Trustee worked with its investment adviser, platform provider, administrator and communications adviser to communicate the agreed changes to members during the Scheme Year. All of the changes outlined above were implemented in October 2023.

During the Scheme Year, the Scheme's default arrangements met charge cap restrictions where relevant. The Trustee monitored the take up of the self-select fund range on a quarterly basis, which has been high in comparison to the market.

b. Manager selection, review and monitoring

The Scheme's investment adviser, monitors the investment managers on an ongoing basis, through regular research meetings. The investment adviser monitors any developments at managers and informs the Trustee promptly about any significant updates or events they become aware of with regard to the Scheme's investment managers that may affect the managers' ability to achieve their investment objectives. This includes any significant changes to the investment process or key staff for any of the funds the Scheme invests in, or any material change in the level of diversification in the fund. As part of investment manager meetings, the Scheme's investment adviser monitors the extent to which managers are acting in accordance with the Trustee's investment philosophy, including the degree to which managers are integrating the Trustee's views on responsible investment (see section 2d below for more information).

The Trustee invests for the long term, to provide for the Scheme's members and beneficiaries. The Trustee must act in the best interests of its members and beneficiaries. To achieve good outcomes for members and beneficiaries over this investment horizon, the Trustee therefore seeks to appoint managers whose stewardship activities are aligned to the creation of long-term value and the management of long-run systemic risks.

The Trustee evaluates investment manager performance by considering performance over both shorter and longer-term periods. The Trustee does this by monitoring the performance of the Scheme's investment managers on a quarterly basis through a quarterly performance monitoring report provided by the Scheme's investment adviser. The report shows the performance of each manager over the quarter, 1 year and 3 years. Performance is considered in the context of the manager's benchmark and objectives.

As mentioned in the previous section, the strategy review included analysis of the managers used by the Scheme.

As part of its regular monitoring, the Trustee is made aware of any developments with its fund managers by its investment adviser. During the Scheme year, this included the following:

- The Trustee reviewed the Partners Group Generations Fund following the proposed changes related to the Fund's allocation to private markets, liquidity, fees and dealing frequency. The Trustee, via its investment adviser, liaised with Partners Group to receive a presentation on these proposed changes. Following LCP's negotiations with Partners Group, the manager agreed to implement the increased private markets allocation whilst maintaining the current fixed fee.
- Following Credit Suisse Asset Management's parent, Credit Suisse, being taken over by UBS, LCP confirmed that it believed the Credit Suisse Commodity Index Plus Fund remained suitable for investment. However, the Fund was kept 'on watch' to monitor asset levels and development of changes in the organisation structure.

During the Scheme Year, the Trustee also undertook a value for members assessment which assessed a range of factors, including the fees payable to managers in respect of the DC Section, which were found to be very low when compared against other DC schemes. As part of the value for members assessment the Trustee also evaluated the long-term transaction costs incurred by members to ensure that they are appropriate and enable it to query any transaction costs considered to be higher than expected with the relevant investment managers. Portfolio turnover across all of the Scheme's investment managers is also reported on a quarterly basis through a quarterly performance monitoring report. As set out in the annual governance statement for the Scheme, taking all factors into account, the costs and charges members pay represent very good value when compared to the benefits the members receive in relation to the Scheme.

c. Realisation of investments

It is the Trustee's policy to invest in funds that offer daily dealing to enable members to readily realise and change their investments. All of the funds which the Trustee offered members during the Scheme Year were daily priced.

As part of the changes to the Partners Group Generations Fund mentioned above in section 2b, the Trustee via its investment adviser engaged in several discussions with Partners Group, the platform provider and the administrator regarding Partners Group proposing a change to the dealing frequency of the Fund from daily to monthly. The Trustee received advice on the implications of a move from daily to monthly dealing including consideration of how cashflows, in particular regular monthly contributions, would be invested going forward. Following consideration of these operational aspects and the various parties agreeing a method to invest regular cashflows in a way that would minimise out of market exposure and transaction costs, the Trustee agreed that it was comfortable with the change in dealing frequency from daily to monthly. The change in dealing frequency came into effect following the Scheme Year from 1 May 2024. Please note that the Partners Group Generations Fund is held only as a sub-component of the Early-Stage Growth Fund and the Growth Fund. Whilst members are able to allocate to these funds on a self-select basis, they are not able to invest in the Partners Group Generations Fund on a standalone self-select basis.

d. Financially material considerations and non-financial matters

As part of its advice on the selection and ongoing review of the investment managers, the Scheme's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to financially material considerations (including climate change and other ESG considerations), voting and engagement.

The Trustee reviews LCP's responsible investment (RI) scores for the Scheme's existing managers and funds (including those used in the Scheme's Default) on a quarterly basis as part of the performance monitoring report. These scores cover the manager's approach to ESG factors, voting and engagement. Commentary is provided for any funds with lower RI scores so that the Trustee can monitor any steps being taken by manager to improve these scores over time. In addition, an explanation is provided for any fund RI scores that change over the quarter. Over the Scheme Year two fund's RI scores worsened, one fund's RI score improved while all other funds' RI ratings remained the same. The fund scores and assessments are based on LCP's ongoing manager research programme, and it is these that directly affect LCP's manager and fund recommendations. For those funds where the RI score has worsened this in part reflected increased expectations for stewardship. The Trustee has set stewardship priorities, which are set out later in the Statement, and, with the help of its investment adviser, continue to engage with managers to encourage them to improve their stewardship practices.

The Trustee was provided a high level review of the Scheme's managers' climate credentials. This included individual manager ratings on a range of criteria along with recommendations and next steps.

The Trustee's investment adviser reviews the RI credentials of any fund recommendations that are made to the Trustee. Fund RI credentials also feed into the ongoing monitoring of the suitability of funds used by the Scheme.

The Trustee has not taken into account any non-financial matters (ie matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) in the selection, retention and realisation of investments during the Scheme Year. The Trustee recognises that some members may wish for ethical and religious matters to be taken into account in their investments and therefore it has made available the Responsible Investment Fund, which takes into account both ethical and ESG factors, and the Islamic Fund, which takes into account Islamic law considerations, as investment options available to members. The Responsible Investment Fund invests in the Columbia Threadneedle Responsible Global Equity Fund and the Islamic Fund invests in the HSBC Islamic Global Equity Index Fund.

The Trustee has also established a Climate Working Group ("CWG") with representatives from the Defined Benefit Committee and the Defined Contribution Committee (along with the relevant advisers). The purpose of the CWG was to serve as a focus group in relation to the detail of the Climate Regulations and Statutory Guidance and the wider consideration of climate-related risks and opportunities in relation to the Scheme. The CWG met twice during the Scheme Year. At both of those meetings, the CWG received input and guidance from the Scheme's DB and DC investment advisers and legal advisors on the Climate Regulations and Statutory Guidance, the consideration of climate-related risks and opportunities, and the actions/decisions required from the Trustee in relation to these.

Topics considered at those meetings included:

- The choice of climate metrics and targets, including their ongoing appropriateness;
- The ongoing suitability of the climate scenarios used and whether the scenario analysis needed to be updated (it was determined that updated analysis was not required at this stage);
- Analysis of the metrics calculations and the impact on climate-related risks and opportunities;
- Performance of the funds used by the Scheme against the climate targets set by the Trustee; and
- Recommendations for how to manage climate-related risks.

Further information regarding the work carried out by the CWG can be found in the TCFD report for the Scheme covering the Scheme Year.

The Trustee did not carry out a formal, standalone review of its investment beliefs during the Scheme Year but considered these in the context of the ongoing strategy review and the new climate change governance and reporting requirements.

e. Stewardship

The Trustee has, in its opinion, followed the Scheme's voting and engagement policies during the Scheme Year, by continuing to delegate to their investment managers the exercise of rights and engagement activities in relation to investments, as well as seeking to appoint managers that have strong stewardship policies and processes. The Trustee took a number of steps to review the Scheme's existing managers and funds over the period, as part of the review of strategy.

As part of its advice on the selection and ongoing review of the investment managers, the Scheme's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to voting and engagement.

Following the introduction of DWP's stewardship guidance, the Trustee's investment adviser provided training to the Trustee on understanding stewardship and DWP's stewardship guidance during Q4 2022. The Trustee agreed to set stewardship priorities to focus monitoring and engagement with its investment managers on specific ESG factors. At the Q4 2022 meeting, the Trustee discussed and agreed stewardship priorities for the Scheme which were: climate change, human rights, corporate transparency, and business ethics.

These priorities were selected because the Trustee felt these were important areas where voting and engagement could influence change and make a financial impact. The Trustee communicated these priorities to its managers during the previous Scheme Year in Q1 2023. The communication included the Trustee's expectation that its managers would take into account financially material factors (including climate change and other ESG factors) when investing the Scheme's assets and improve their ESG practices over time within the parameters of their respective mandates. All of the Scheme's fund managers responded to the Trustee's communication, acknowledging its priorities and accepting that they were in line with their beliefs.

The Trustee is conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustee aims to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

The UK Stewardship Code is a voluntary code for asset managers, asset owners, and service providers (such as proxy advisers, investment consultants, and data providers). Its stated aim is to encourage active and engaged monitoring of corporate governance in the interests of beneficiaries.

Partners Group became a signatory to the UK Stewardship Code over the Scheme Year. UBS, the parent company of Credit Suisse Asset Management, is also a signatory to the UK Stewardship code and Credit Suisse discloses its stewardship work as part of the UBS asset management stewardship report to the UK Financial Reporting Council.

f. Performance assessment (paragraph 8 of Appendix 1 of SIP)

The Trustee assesses the performance of the Scheme's investments on an ongoing basis as part of the quarterly monitoring reports it receives.

The performance of the professional advisers is considered on an ongoing basis by the Trustee. The Trustee reviewed all of its investment managers as part of the strategy review mentioned in section b. A number of changes were agreed during 2022 and 2023, with implementation taking place during the Scheme Year in October 2023. Any changes agreed by the Trustee were communicated to members prior to the changes being made.

The Trustee decided to retain the services of the current providers in all instances. The Trustee carries out periodic assessments of the effectiveness of its decision making and governance processes.

g. Policy towards risk (Appendix 2 of SIP)

Risks are monitored on an ongoing basis with the help of the investment adviser. The Trustee maintains a risk register in relation to its DC investment committee, and this is discussed at quarterly meetings.

The Trustee's approach to identifiable risks, given their nature, is to understand them and to address them if it becomes necessary, based upon the advice of the Scheme's investment adviser or information provided to the

Trustee by the Scheme's investment managers. These include credit risk, equity risk, currency risk, and counterparty risk.

With regard to the risk of inadequate returns, the Trustee makes use of equity and equity-based funds, which are expected to provide positive returns above inflation over the long-term. These funds are used in the growth phase of the default option and are also made available within the self-select options. These funds are expected to produce adequate real returns over the long-term.

The Trustee monitors risks inherent in the investment strategy on a quarterly basis as part of quarterly performance reporting.

3. Description of voting behaviour during the Scheme Year

All of the Trustee's holdings in listed equities are within pooled funds and the Trustee has delegated to its investment managers the exercise of voting rights. Therefore, the Trustee is not able to direct how votes are exercised and the Trustee itself has not used proxy voting services over the Scheme Year. However, the Trustee monitors managers' voting and engagement behaviour on an annual basis.

In this section the Trustee has sought to include voting data in line with the Pensions and Lifetime Savings Association (PLSA) guidance, PLSA Vote Reporting template and DWP's guidance, on the Scheme's funds that hold equities as follows:

- LGIM UK Equity Index Fund
- LGIM North American Equity Index Fund
- LGIM Europe (ex-UK) Equity Index Fund
- LGIM Japan Equity Index Fund
- LGIM Asia Pacific (ex-Japan) Developed Equity Index Fund
- LGIM Low Carbon Transition UK Equity Index Fund
- LGIM Low Carbon Transition North American Equity Index Fund
- LGIM Low Carbon Transition Europe (ex-UK) Equity Index Fund
- LGIM Low Carbon Transition Japan Equity Index Fund
- LGIM Low Carbon Transition Asia Pacific (ex-Japan) Developed Equity Index Fund
- LGIM Diversified Fund
- LGIM Low Carbon Transition Global Equity Index Fund
- JP Morgan Emerging Markets Fund
- BlackRock ALMA
- Partners Group Generation Fund
- Columbia Threadneedle Responsible Global Equity Fund

The Trustee has only included those funds that are components of funds considered a 'default' for governance purposes, plus the Scheme's self-select RI funds, in line with PLSA guidance. Given that the majority of members are invested in a default arrangement, the Trustee believes this approach to be appropriate.

3.1. Description of the voting processes

The Trustee does not have its own voting policy and instead relies on the voting policies which its managers have in place. In preparing this Statement the Trustee reviewed the votes which its managers deemed significant and in doing so it assessed the extent to which the outcomes of its managers policies were consistent with its beliefs and stewardship priorities. Where votes have been identified as being inconsistent with its policies and agreed stewardship priorities, the Trustee will engage with managers over the coming year.

LGIM

LGIM's voting and engagement activities are driven by ESG professionals and its assessment of the requirements in these areas seeks to achieve the best outcome for all its clients. LGIM's voting policies are reviewed annually and take into account feedback from its clients.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. LGIM also takes into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

All decisions are made by LGIM's Investment Stewardship team and in accordance with its relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures LGIM's stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

LGIM's Investment Stewardship team uses Institutional Shareholder Services' ("ISS") 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and it does not outsource any part of the strategic decisions. Its use of ISS recommendations is purely to augment its own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services ("IVIS") to supplement the research reports that it receives from ISS for UK companies when making specific voting decisions.

To ensure LGIM's proxy provider votes in accordance with LGIM's position on ESG, it has put in place a custom voting policy with specific voting instructions. LGIM retains the ability in all markets to override any vote decisions, which are based on its custom voting policy. LGIM has strict monitoring controls to ensure its votes are fully and effectively executed in accordance with its voting policies by its service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform them of rejected votes which require further action.

As regulation on vote reporting has recently evolved with the introduction of the concept of 'significant vote' by the EU Shareholder Rights Directive II, LGIM wants to ensure it continues to help its clients in fulfilling their reporting obligations. LGIM also believes public transparency of its voting activity is critical for its clients and interested parties to hold them to account.

In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where they note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

It is vital that the proxy voting service are regularly monitored and LGIM does this through quarterly due diligence meetings with ISS. Representatives from a range of departments attend these meetings, including the client relationship manager, research manager and custom voting manager. The meetings have a standing agenda, which includes setting out LGIM's expectations, an analysis of any issues it has experienced when voting during the previous quarter, the quality of the ISS research delivered, general service level, personnel changes, the management of any potential conflicts of interest and a review of the effectiveness of the monitoring process and voting statistics. The meetings will also review any action points arising from the previous quarterly meeting.

LGIM has its own internal Risk Management System (RMS) to provide effective oversight of key processes. This includes LGIM's voting activities and related client reporting. If an item is not confirmed as completed on RMS, the issue is escalated to line managers and senior directors within the organisation. On a weekly basis, senior members of the Investment Stewardship team confirm on LGIM's internal RMS that votes have been cast correctly on the voting platform and record any issues experienced. This is then reviewed by the Director of Investment Stewardship who confirms the votes have been cast correctly on a monthly basis. Annually, as part of LGIM's formal RMS processes the Director of Investment Stewardship confirms that a formal review of LGIM's proxy provider has been conducted and that it has the capacity and competency to analyse proxy issues and make impartial recommendations.

LGIM provides information on significant votes in the format of detailed case studies in their quarterly ESG impact report and annual active ownership publications. The vote information is updated on a daily basis and with a lag of one day after a shareholder meeting is held. It also provides the rationale for all votes cast against management, including votes of support to shareholder resolutions.

BlackRock

Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines.

The team and its voting and engagement work continuously evolves in response to changing governance related developments and expectations. BlackRock's voting guidelines are market-specific to ensure it takes into account a company's unique circumstances by market, where relevant.

BlackRock's engagement priorities are global in nature and are informed by BlackRock's observations of governance related and market developments, as well as through dialogue with multiple stakeholders, including clients. It may also update its regional engagement priorities based on issues that it believes could impact the long-term sustainable financial performance of companies in those markets.

As outlined in its Global Principles, BlackRock determines which companies to engage directly based on its assessment of the materiality of the issue for sustainable long-term financial returns and the likelihood of its engagement being productive. BlackRock's voting guidelines are intended to help clients and companies understand its thinking on key governance matters. They are the benchmark against which it assesses a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. BlackRock applies its guidelines pragmatically, taking into account a company's unique circumstances where relevant. It informs its vote decisions through research and engage as necessary. If a client wants to implement their own voting policy, they will need to be in a segregated account. BlackRock's Investment Stewardship team would not implement the policy itself, but the client would engage a third-party voting execution platform to cast the votes.

BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team, with input from the wider investment team as required, in accordance with BlackRock's Global Corporate Governance and Engagement Principles and custom market-specific voting guidelines.

While BlackRock subscribes to research from the proxy advisory firms Institutional Shareholder Services ("ISS") and Glass Lewis & Co ("Glass Lewis"), this is just one among many inputs into BlackRock's vote analysis process. BlackRock primarily uses proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that BlackRock Investment Stewardship analysts can readily identify and prioritise those companies where its own additional research and engagement would be beneficial. Other sources of information BlackRock uses include the company's own reporting (such as the proxy statement and the website), its engagement and voting history with the company, the views of its active investors, public information and ESG research.

Where BlackRock believes it will help to understand the voting decisions at shareholder meetings, BlackRock will publish a Voting Bulletin explaining the rationale for how it or, in this case, the independent fiduciary, has voted on select resolutions, and (where relevant) provide information around its engagement with the issuer. These bulletins are intended to explain their vote decision, including the analysis underpinning it and relevant engagement history when applicable, where the issues involved are likely to be high-profile and therefore of interest to its clients and other stakeholders, and potentially represent a material risk to the investments it undertakes on behalf of clients. BlackRock makes this information public shortly after the shareholder meeting, so clients and others can be aware of its vote determination when it is most relevant to them.

Partners Group

Voting decisions are made in line with Partners Group's Proxy Voting Directive which sets out Partners Group's principles and general approach to proxy voting considerations that frequently arise for its Liquid Private Markets Investments. These principles are applied with discretion, taking into account the range of considerations, local corporate governance practises, and applicable regulations specific to a particular company and the individual ballot item.

Partners Group uses global proxy voting service provider, Glass Lewis, who have been instructed to vote in line with Partners Group's Proxy Voting Directive. Wherever the recommendations for Glass Lewis, the proxy voting directive, and the company's management differ, Partners Group vote manually on those proposals.

Partners Group does not consult with clients before voting.

JP Morgan

JP Morgan votes in line with its voting policy as it is given voting rights (in its role as a manager) by its clients.

JP Morgan uses a third party corporate governance data provider, ISS ProxyExchange, to receive meeting notifications, provide company research, process its votes and obtain voting recommendations. The recommendations provided by ISS ProxyExchange form only the starting point for JP Morgan's proprietary thinking, and all of its voting decisions are made on a case by case basis by in-house specialists in conjunction with the Analyst and/or Fund Manager in reference to the JP Morgan Asset Management Corporate Governance Policy and Voting Guidelines.

Columbia Threadneedle Investments

Columbia Threadneedle Investments expectations of corporate governance standards at investee companies are embodied in its Global Corporate Governance Guidelines. These guidelines are translated into detailed proxy voting policies, including 25 market/regional variations that take into consideration local legal and regulatory environments as well as local codes of best practice.

Columbia Threadneedle Investments partner with ISS for routine votes, who implement Columbia Threadneedle Investments' in-house and bespoke regional policies (using Columbia Threadneedle Investments' detailed voting rules). ISS supplies Columbia Threadneedle Investments with custom research based on its own in-house corporate governance guidelines (which are updated annually based on country-specific best practice standards) and with an electronic voting platform for proxy execution. Columbia Threadneedle Investments also subscribes to research on FTSE All-Share companies provided by the Investment Association's Institutional Voting Information Service (IVIS).

Columbia Threadneedle Investments' specialist governance team has an average industry experience of 13 years. Workflow is structured on a regional rather than sectoral basis, reflecting how governance standards are routed in local company law and best practice codes. Columbia Threadneedle Investments deploys its specialist governance team on the most complex and sensitive cases, and partner with ISS to deliver voting on the more simple, routine votes through the careful and consistent application of detailed in-house voting policies.

In certain cases, vote decisions are arrived at through consultation with the internal investment teams. In addition, controversial high-profile meetings can be escalated to the Proxy Working Group, which contains representatives from each part of Columbia Threadneedle Investments.

For regional or local high-profile issues, Columbia Threadneedle Investments pro-actively advises its clients on its intention to vote well in advance of the meeting. Columbia Threadneedle Investments' clients then have the option to state their preference and vote differently. Clients receive detailed vote reports including vote comments. In addition, full vote reports are online, including reasons for Columbia Threadneedle Investments' decisions.

Columbia Threadneedle Investments can accommodate clients invested through segregated mandates who want to vote, by exception, on particular resolutions in a manner different to Columbia Threadneedle Investments' approach. This request would need to be triggered by the client. Clients who wish to monitor voting decisions outside the normal reporting cycle can receive a preview of voting intentions for an entire portfolio or a subset of holdings. Alternatively, clients can have access to the ISS platform on a read-only basis.

3.2 Summary of voting behaviour over the Scheme Year

A summary of voting behaviour over the Scheme Year is provided in the table below. *We have shown last year's figures in brackets and italics.*

	Fund 1	Fund 2	Fund 3	Fund 4	Fund 5
Manager name	LGIM	LGIM	LGIM	LGIM	LGIM
Fund name	UK Equity Index Fund[1]	North American Equity Index Fund[1]	Europe (ex-UK) Equity Index Fund[1]	Asia Pacific (ex-Japan) Developed Equity Index Fund[1]	Japan Equity Index Fund[1]
Total size of fund at end of reporting period	£11,455m *(£13,897m)*	£32,962m[2] *(£22,160m[2])*	£9,118m[2] *(£7,796m[2])*	£3,438m[2] *(£3,208m[2])*	£5,098m[2] *(£4,096m[2])*
Approximate value of Scheme's assets at Scheme Year end – proportion of the Scheme's investment in the Fund	£21.9m[3] – 0.2% *(£21.2m)*	£38.4m[3, 4] – 0.1% *(£30.6m)*	£22.7m[3, 4] – 0.2% *(£21.3m)*	£10.9m[3, 4] – 0.3% *(£14.6m)*	£7.7m[3, 4] – 0.2% *(£7.1m)*
Number of equity holdings at end of reporting period	521 *(541)*	606 *(624)*	396 *(447)*	525 *(403)*	818 *(515)*
Number of meetings eligible to vote	709 *(733)*	645 *(676)*	542 *(618)*	461 *(503)*	514 *(505)*
Number of resolutions eligible to vote	10,462 *(10,870)*	8,731 *(8,543)*	9,556 *(10,391)*	3,279 *(3,590)*	6,103 *(6,267)*
% of resolutions voted	100% *(100%)*	100% *(99%)*	100% *(100%)*	100% *(100%)*	100% *(100%)*
Of the resolutions on which voted, % voted with management[7]	94% *(95%)*	65% *(65%)*	81% *(81%)*	75% *(71%)*	88% *(89%)*
Of the resolutions on which voted, % voted against management[7]	6% *(6%)*	35% *(35%)*	19% *(19%)*	25% *(29%)*	12% *(11%)*
Of the resolutions on which voted, % abstained from voting[7]	0% *(0%)*	0% *(0%)*	0% *(0%)*	0% *(0%)*	0% *(0%)*
Of the meetings in which the manager voted, % with at least one vote against management	40% *(38%)*	98% *(97%)*	82% *(79%)*	74% *(74%)*	71% *(71%)*
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	5% *(4%)*	29% *(27%)*	11% *(10%)*	16% *(18%)*	10% *(9%)*

	Fund 6	Fund 7	Fund 8	Fund 9	Fund 10

Manager name	LGIM	LGIM	LGIM	LGIM	LGIM
Fund name	UK Low Carbon Transition Equity Index Fund[1]	North American Low Carbon Transition Equity Index Fund[1]	Europe (ex-UK) Low Carbon Transition Equity Index Fund[1]	Asia Pacific (ex-Japan) Low Carbon Transition Developed Equity Index Fund[1]	Japan Low Carbon Transition Equity Index Fund[1]
Total size of fund at end of reporting period	£555m *(N/A[5])*	£451m[2] *(N/A[5])*	£432m[2] *(N/A[5])*	£256m[2] *(N/A[5])*	£160m[2] *(N/A[5])*
Approximate value of Scheme's assets at Scheme Year end – proportion of the Scheme's investment in the Fund	£10.5m – 1.9% *(N/A[5])*	£14.1m[4] – 3.1% *(N/A[5])*	£14.1m[4] – 3.3% *(N/A[5])*	£8.9m[4] – 3.5% *(N/A[5])*	£4.7m[4] – 2.9% *(N/A[5])*
Number of equity holdings at end of reporting period	79 *(N/A[5])*	525 *(N/A[5])*	360 *(N/A[5])*	141 *(N/A[5])*	311 *(N/A[5])*
Number of meetings eligible to vote	96 *(N/A[5])*	555 *(N/A[5])*	479 *(N/A[5])*	163 *(N/A[5])*	314 *(N/A[5])*
Number of resolutions eligible to vote	1,978 *(N/A[5])*	7,703 *(N/A[5])*	7,818 *(N/A[5])*	1,186 *(N/A[5])*	3,822 *(N/A[5])*
% of resolutions voted	100% *(N/A[5])*	100% *(N/A[5])*	100% *(N/A[5])*	100% *(N/A[5])*	100% *(N/A[5])*
Of the resolutions on which voted, % voted with management[7]	96% *(N/A[5])*	65% *(N/A[5])*	81% *(N/A[5])*	75% *(N/A[5])*	89% *(N/A[5])*
Of the resolutions on which voted, % voted against management[7]	4% *(N/A[5])*	35% *(N/A[5])*	18% *(N/A[5])*	25% *(N/A[5])*	11% *(N/A[5])*
Of the resolutions on which voted, % abstained from voting[7]	0% *(N/A[5])*	0% *(N/A[5])*	0% *(N/A[5])*	0% *(N/A[5])*	0% *(N/A[5])*
Of the meetings in which the manager voted, % with at least one vote against management	42% *(N/A[5])*	99% *(N/A[5])*	80% *(N/A[5])*	74% *(N/A[5])*	68% *(N/A[5])*
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	3% *(N/A[5])*	29% *(N/A[5])*	11% *(N/A[5])*	16% *(N/A[5])*	9% *(N/A[5])*

Manager name	LGIM	LGIM	JP Morgan	BlackRock	Partners Group	Columbia Threadneedle
Fund name	LGIM Diversified Fund[1]	Low Carbon Transition Global Equity Fund[1]	Emerging Markets Equity Fund[1]	Aquila Life Market Advantage[1]	Generations Fund[8]	Responsible Global Equity[1]
Total size of fund at end of reporting period	£11,939m *(£10,607m)*	£4,618m *(£3,286m)*	£2,272 *(£2,417m)*	£680m *(£1,291m)*	£741m *(£653m)*	£1,430m *(£1,555m)*
Approximate value of Scheme's assets at Scheme Year end - proportion of the Scheme's investment in the Fund	£39.0m – 0.3% *(£11.2m)*[5]	£0.5m – 0.0% *(£0.3m)*	£22.2m – 1% *(£23.1m)*	£0m – 0.0% *(£27.8m)*[6]	£7.6m – 1.0% *(£7.7m)*	£3.4m – 0.2% *(£2.9m)*
Number of equity holdings at end of reporting period	7,569 *(6,396)*	2,838 *(2,791)*	70 *(82)*	1,685 *(1,973)*	63 *(63)*	50 *(47)*
Number of meetings eligible to vote	8,997 *(9,541)*	4,698 *(4,828)*	106 *(110)*	2,329 *(2,300)*	67 *(69)*	50 *(51)*
Number of resolutions eligible to vote	93,090 *(99,252)*	46,620 *(50,462)*	951 *(954)*	25,589 *(25,413)*	999 *(959)*	760 *(783)*
% of resolutions voted	100% *(100%)*	100% *(100%)*	96% *(100%)*	94% *(91%)*	100% *(100%)*	96% *(96%)*
Of the resolutions on which voted, % voted with management[7]	77% *(77%)*	79% *(79%)*	94% *(92%)*	93% *(93%)*	93% *(95%)*	94% *(86%)*
Of the resolutions on which voted, % voted against management[7]	23% *(22%)*	21% *(20%)*	5% *(7%)*	6% *(6%)*	6% *(2%)*	5% *(14%)*
Of the resolutions on which voted, % abstained from voting[7]	0% *(1%)*	0% *(1%)*	0% *(1%)*	1% *(0%)*	1% *(2%)*	1% *(1%)*
Of the meetings in which the manager voted, % with at least one vote against management	74% *(73%)*	65% *(66%)*	24% *(27%)*	28% *(28%)*	36% *(20%)*	54% *(67%)*
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	14% *(13%)*	12% *(11%)*	1% *(1%)*	0% *(0%)*	4% *(1%)*	N/A[9] *(N/A[9])*

[1]Voting data, total size of fund and number of equity holdings shown are as of 31 March 2024 as the manager only reports these figures at quarter end.

[2]Total size of the Fund at Plan Year end includes both the non-currency hedged and currency hedged Fund values.
[3]Assets previously invested in these Funds as part of the Growth and Pre-retirement Funds were switched to low-carbon equivalents during the Plan Year in October 2023.
[4]Approximate value at Plan Year end includes both the non-currency hedged and currency hedged Fund values.
[5]These funds were made available during the Plan Year on 18 October 2023, therefore voting data for the last year has not been shown.
[6]Assets in the BlackRock ALMA transitioned into the LGIM Diversified Fund during the Plan Year in October 2023.
[7]Figures may not sum exactly to 100% due to rounding.
[8]The Partners Group voting data relates only to the listed equity holdings and does not include the private equity holdings. Partners Group only provide voting/engagement data for the Generations Fund twice a year (30 June and 31 December), given the Fund's private markets focus. Therefore, voting data shown is as of 31 December 2023.
[9]Columbia Threadneedle does not report where its voting differs from ISS recommendations as it applies its own custom voting policy. Columbia Threadneedle will vote contrary to ISS recommendations where its voting deviates from its custom voting policy.

3.3 Most significant votes over the Scheme Year

Commentary on the most significant votes over the Scheme Year, from the Scheme's asset managers who hold listed equities, is set out below.

Given the large number of votes which are cast by managers during every Annual General Meeting season, the timescales over which voting takes place and the resource requirements necessary to allow this, the Trustee did not direct any voting over the reporting period. Instead, the Trustee has retrospectively created a shortlist of most significant votes by requesting each manager provide a shortlist of a minimum of ten most significant votes, and suggested they could use the PLSA's criteria for creating this shortlist.

The Trustee has interpreted "most significant votes" to mean those that:

- align with the Trustee's stewardship priorities of climate change, human rights, corporate transparency and business ethics;
- might have a material impact on future company performance;
- the investment manager believes to represent a significant escalation in engagement;
- impact a material fund holding, although this would not be considered the only determinant of significance, rather it is an additional factor;
- have a high media profile or are seen as being controversial; and
- the Scheme or the sponsoring company has a particular interest in.

The Trustee has reported on between two and four of the most significant votes per fund only and has chosen votes it believes to be the most representative examples of the relevant manager's voting approach to each of the Trustee's stewardship priorities, as assessed by its investment adviser.

If members wish to obtain more investment manager voting information, this is available upon request from the Trustee.

LGIM UK Equity Index Fund

- **Royal Dutch Shell Plc, May 2023.**

  Relevant stewardship priority: Climate change

  Vote: Against. **Outcome of the vote:** Passed. **Management recommendation:** For.

  Summary of resolution: Approve the Shell energy transition progress

  Rationale for the voting decision: LGIM acknowledges the substantial progress made by the company in meeting its 2021 climate commitments and welcome the company's leadership in pursuing low carbon products. However, LGIM remains concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations, both of which are key areas to demonstrate alignment with the 1.5°C trajectory.

  The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

Was the vote communicated to the company ahead of the vote: LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.

Outcome and next steps: LGIM will continue to undertake extensive engagement with the company on its climate transition plans.

- **Spirax-Sarco Engineering Plc, May 2023.**

  Relevant stewardship priority: Corporate transparency

  Vote: Against**. Outcome of the vote:** Passed**. Management recommendation:** For.

  Summary of resolution: Re-elect Jamie Pike as director

  Rationale for the voting decision: LGIM voted against this proposal due to the lack of gender diversity at executive officer level. LGIM expects executive officers to include at least 1 female executive.

  The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

  Was the vote communicated to the company ahead of the vote: LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.

  Outcome and next steps: LGIM will continue to engage with the company and publicly advocate its position on this issue and monitor company and market-level progress.

<u>LGIM Low Carbon Transition UK Equity Index Fund</u>

- **Experian Plc, July 2023.**

  Relevant stewardship priority: Corporate transparency

  Vote: Against. **Outcome of the vote:** Passed. **Management recommendation:** For.

  Summary of resolution: Re-elect Mike Rogers as director

  Rationale for the voting decision: LGIM voted against this proposal due to the lack of gender diversity at executive officer level. LGIM expects executive officers to include at least 1 female executive.

  The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

  Was the vote communicated to the company ahead of the vote: LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.

  Outcome and next steps: LGIM will continue to engage with the company and publicly advocate its position on this issue and monitor company and market-level progress.

- **CNH Industrial NV, April 2023.**

  Relevant stewardship priority: Corporate transparency

  Vote: Against**. Outcome of the vote:** Passed**. Management recommendation:** For.

  Summary of resolution: Grant board authority to issue special voting shares up to 10 percent of issued capital

Rationale for the voting decision: LGIM voted against this proposal as the existence and issuance of special voting shares is not in line with LGIM's one-share-one vote principle and has the potential to provide additional rights to some shareholders disproportionate to their capital commitment.

The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

Was the vote communicated to the company ahead of the vote: LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.

Outcome and next steps: LGIM will continue to engage with the company and publicly advocate its position on this issue and monitor company and market-level progress.

LGIM North American Equity Index Fund

- **Amazon.com, Inc., May 2023.**

  Relevant stewardship priority: Corporate transparency

  Vote: For. **Outcome of the vote:** Fail. **Management recommendation:** Against

  Summary of resolution: Report on median and adjusted gender/racial pay gaps

  Rationale for the voting decision: LGIM voted in favour of this proposal as it expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. This is an important disclosure so that investors can assess the progress of the company's diversity and inclusion initiatives.

  The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

  Was the vote communicated to the company ahead of the vote: LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was sent to the company ahead of the meeting.

  Outcome and next steps: LGIM will continue to engage with the company and monitor progress.

- **Alphabet Inc., June 2023.**

  Relevant stewardship priority: Corporate transparency

  Vote: For. **Outcome of the vote:** Failed. **Management recommendation:** Against

  Summary of resolution: Approve recapitalization plan for all stock to have one-vote per share

  Rationale for the voting decision: LGIM voted in favour of the resolution as it expects companies to apply a one-share-one-vote standard.

  The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee and relates to an event with a high media profile.

  Was the vote communicated to the company ahead of the vote: LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.

  Outcome and next steps: LGIM will continue to monitor the board's response to the relatively high level of support received for this resolution.

LGIM Low Carbon Transition North American Equity Index Fund

- **Microsoft Corporation, December 2023.**

Relevant stewardship priority: Corporate transparency

Vote: Against. **Outcome of the vote:** Failed. **Management recommendation:** For

Summary of resolution: Elect director Satya Nadella

Rationale for the voting decision: LGIM has voted against this resolution as it expects companies to separate the roles of chair and CEO due to risk management and oversight concerns.

The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

Was the vote communicated to the company ahead of the vote: LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.

Outcome and next steps: LGIM will continue to engage with the company and monitor progress.

- **JPMorgan Chase & Co., May 2023.**

  Relevant stewardship priority: Climate change

  Vote: For. **Outcome of the vote:** Failed. **Management recommendation:** Against.

  Summary of resolution: Report on climate transition plan describing efforts to align financing activities with GHG targets

  Rationale for the voting decision: LGIM generally supports resolutions that seek additional disclosures on how companies aim to manage their financing activities in line with their published targets. LGIM believes detailed information on how a company intends to achieve the 2030 targets they have set and published to the market (the 'how' rather than the 'what', including activities and timelines) can further focus the board's attention on the steps and timeframe involved and provides assurance to stakeholders. The onus remains on the board to determine the activities and policies required to fulfil their own ambitions, rather than investors imposing restrictions on the company.

  The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

  Was the vote communicated to the company ahead of the vote: LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was sent to the company ahead of the meeting.

  Outcome and next steps: LGIM will continue to engage with the company and monitor progress.

<u>**LGIM Europe (ex UK) Equity Index Fund**</u>

- **Sanofi, May 2023.**

  Relevant stewardship priority: Corporate transparency

  Vote: Against. **Outcome of the vote:** Passed. **Management recommendation:** For

  Summary of resolution: Resolution 4 - Elect Frederic Oudea as director.

  Rationale for the voting decision: LGIM voted against this resolution as it expects a company to have a diverse board, with at least 40% of board members being women.

  The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

  Was the vote communicated to the company ahead of the vote: LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM’s policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.

Outcome and next steps: LGIM will continue to engage with the company and publicly advocate its position on this issue and monitor company and market-level progress.

- **Glanbia Plc, May 2023.**

  Relevant stewardship priority: Climate change

  Vote: Against. **Outcome of the vote:** Passed. **Management recommendation:** For

  Summary of resolution: Re-elect Donard Gaynor as director

  Rationale for the voting decision: LGIM voted against this resolution as the company is deemed to not meet minimum standards with regard to LGIM's deforestation policy.

  The reason the Trustee considered this vote to be “most significant”: This vote relates to a stewardship priority selected by the Trustee.

  Was the vote communicated to the company ahead of the vote: LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM’s policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.

  Outcome and next steps: LGIM will continue to engage with the company and publicly advocate its position on this issue and monitor company and market-level progress.

LGIM Low Carbon Transition Europe (ex UK) Equity Index Fund

- **JFrog Ltd., May 2023.**

  Relevant stewardship priority: Corporate transparency

  Vote: Against. **Outcome of the vote:** Passed. **Management recommendation:** For

  Summary of resolution: Elect director Elisa Steele

  Rationale for the voting decision: LGIM voted against this resolution on the basis of classified board as LGIM supports a declassified board as directors should stand for re-election on an annual basis.

  A vote against is also applied on the basis of Joint chair/CEO as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.

  A vote against is also applied because LGIM have concerns regarding the time commitment required to manage all board positions and how this may impact their ability to remain informed and effectively contribute to board discussions. LGIM believe votes against are warranted for governance committee members Elisa Steele and Yossi Sela given the board's failure to remove, or subject to a sunset requirement, the supermajority vote requirement to enact certain changes.

  The reason the Trustee considered this vote to be “most significant”: This vote relates to a stewardship priority selected by the Trustee.

  Was the vote communicated to the company ahead of the vote: LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM’s policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.

  Outcome and next steps: LGIM will continue to engage with the company and publicly advocate its position on this issue and monitor company and market-level progress.

- **Polestar Automotive Holding UK Plc, June 2023.**

  Relevant stewardship priority: Climate change

Vote: Against. **Outcome of the vote:** Passed. **Management recommendation:** For

Summary of resolution: Elect director Donghui (Daniel) Li

Rationale for the voting decision: LGIM voted against this resolution on the basis of Classified Board as LGIM supports a declassified board as directors should stand for re-election on an annual basis.

A vote against is also applied on the basis of diversity as LGIM expects a company to have at least one-third women on the board.

The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

Was the vote communicated to the company ahead of the vote: LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.

Outcome and next steps: LGIM will continue to engage with the company and publicly advocate its position on this issue and monitor company and market-level progress.

LGIM Asia Pacific (ex-Japan) Developed Equity Index Fund

- **Westpac Banking Corp., December 2023.**

  Relevant stewardship priority: Climate change

  Vote: Against. **Outcome of the vote:** Passed. **Management recommendation:** Against

  Summary of resolution: Approve Westpac climate change position statement and action plan

  Rationale for the voting decision: LGIM voted against this resolution as it expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. While LGIM positively notes the company's net-zero commitments and welcome the opportunity to voice its opinion on the bank's climate transition plan, LGIM highlights some concerns with the scope of targets and disclosures. In particular, the bank has not committed to establish science-based targets and the sector policies, notably on certain fossil fuels (such as unconventional oil and gas) and existing business relationships remains limited in scope. More specifically, the company's position on power generation is quite high level and particularly narrow in scope.

  The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

  Was the vote communicated to the company ahead of the vote: LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.

  Outcome and next steps: LGIM will continue to engage with the company and publicly advocate its position on this issue and monitor company and market-level progress.

- **Goodman Group, November 2023.**

  Relevant stewardship priority: Corporate transparency

  Vote: Against. **Outcome of the vote:** Passed. **Management recommendation:** For

  Summary of resolution: Elect Stephen Johns as director of Goodman Group

  Rationale for the voting decision: LGIM voted against this proposal as it expects a company to have a diverse board, with at least one-third of board members being women. LGIM expects companies to increase female participation both on the board and in leadership positions over time.

The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

Was the vote communicated to the company ahead of the vote: LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.

Outcome and next steps: LGIM will continue to engage with the company and publicly advocate its position on this issue and monitor company and market-level progress.

LGIM Low Carbon Transition Asia Pacific (ex-Japan) Developed Equity Index Fund

- **Brambles Limited, October 2023.**

  Relevant stewardship priority: Corporate transparency

  Vote: Against. **Outcome of the vote:** Passed. **Management recommendation:** Against

  Summary of resolution: Elect Nora Scheinkestel as director

  Rationale for the voting decision: LGIM voted against this proposal as the chair of the audit committee does not appear to have a financial background. LGIM also notes concerns with the auditor's independence given their long tenure and/or excessive non-audit fees being paid. As shareholders are not afforded a separate resolution to vote on the auditor's ratification, a vote against the audit committee member is warranted to highlight LGIM's concerns.

  The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

  Was the vote communicated to the company ahead of the vote: LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.

  Outcome and next steps: LGIM will continue to engage with the company and publicly advocate its position on this issue and monitor company and market-level progress.

- **Pilbara Minerals Ltd., November 2023.**

  Relevant stewardship priority: Corporate transparency and climate change

  Vote: Against. **Outcome of the vote:** Passed. **Management recommendation:** Against

  Summary of resolution: Elect Stephen Scudamore as director

  Rationale for the voting decision: LGIM voted against this proposal as the company is deemed to not meet minimum standards with regard to climate risk management. LGIM also voted against as it has had concerns about remuneration practices of the company for consecutive years.

  The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

  Was the vote communicated to the company ahead of the vote: LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.

  Outcome and next steps: LGIM will continue to engage with the company and publicly advocate its position on this issue and monitor company and market-level progress.

LGIM Japan Equity Index Fund

- **Toyota Motor Corp., June 2023.**

Relevant stewardship priority: Corporate transparency and climate change

Vote: For. **Outcome of the vote:** Failed. **Management recommendation:** Against

Summary of resolution: Amend articles to report on corporate climate lobbying aligned with Paris Agreement

Rationale for the voting decision: LGIM voted in favour of this resolution as it views climate lobbying as a crucial part of enabling the transition to a net zero economy. LGIM believes that companies should advocate for public policies that support global climate ambitions and not stall progress on a Paris-aligned regulatory environment. It acknowledges the progress that Toyota Motor Corp has made in relation to its climate lobbying disclosure in recent years. However, LGIM believes that additional transparency is necessary with regards to the process used by the company to assess how its direct and indirect lobbying activity aligns with its own climate ambitions, and what actions are taken when misalignment is identified.

Furthermore, LGIM expects Toyota Motor Corp to improve its governance structure to oversee this climate lobbying review. LGIM believes the company must also explain more clearly how its multi-pathway electrification strategy translates into meeting its decarbonisation targets, and how its climate lobbying practices are in keeping with this.

The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

Was the vote communicated to the company ahead of the vote: LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.

Outcome and next steps: LGIM will continue to engage with the company and monitor progress.

- **Mizuho Financial Group, Inc., June 2023.**

  Relevant stewardship priority: Climate change

  Vote: For. **Outcome of the vote:** Failed. **Management recommendation:** Against

  Summary of resolution: To amend the articles of incorporation to publish a transition plan to align lending and investment portfolios with the Paris Agreement

  Rationale for the voting decision: LGIM voted in favour of this resolution as it continues to consider that decarbonisation of the banking sector and its clients is key to ensuring that the goals of the Paris Agreement are met. A group of climate-focused NGOs has been active in this area in the Asian market for a number of years, resulting in the first climate-related proposal of its type at Mizuho ahead of its 2020 AGM. LGIM since has supported previous resolutions at each of these Japanese banks at their AGMs since 2020, and has found that these proposals and the ensuing shareholder dialogue has helped drive improved disclosures and tighter policies at the companies. Therefore, LGIM supports this proposal to invigorate and encourage further strengthening of policies in line with science-based temperature-aligned pathways towards a net-zero-by-2050 world. LGIM believes that the drafting of the resolution text is sufficiently general as not to be overly prescriptive on management given the binding nature of amending the articles of incorporation.

  The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

  Was the vote communicated to the company ahead of the vote: LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was sent to the company ahead of the meeting.

  Outcome and next steps: LGIM will continue to engage with the company and monitor progress.

<u>LGIM Low Carbon Transition Japan Equity Index Fund</u>

Nintendo Co., Ltd., June 2023

Relevant stewardship priority: Corporate transparency

Vote: Against. **Outcome of the vote:** Passed. **Management recommendation:** For

Summary of resolution: Elect director Furukawa, Shuntaro

Rationale for the voting decision: LGIM voted against this resolution for multiple reasons including a lack of independent directors on the board. LGIM would prefer to see at least one-third of the board comprise of truly independent directors.

The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

Was the vote communicated to the company ahead of the vote: LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.

Outcome and next steps: LGIM will continue to engage with the company and monitor progress.

- **Daiichi Sankyo Co., Ltd., June 2023.**

  Relevant stewardship priority: Corporate transparency and climate change

  Vote: Against. **Outcome of the vote:** Passed. **Management recommendation:** For

  Summary of resolution: Elect director Manabe, Sunao

  Rationale for the voting decision: LGIM voted against this proposal due to a lack of meaningful diversity on the board.

  The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

  Was the vote communicated to the company ahead of the vote: LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.

  Outcome and next steps: LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

<u>LGIM Diversified Fund</u>

A number of the votes deemed significant in relation to the LGIM Diversified Fund are those related to the underlying regional equity funds, listed separately in this statement. In addition, LGIM has deemed the following votes significant in relation to the LGIM Diversified Fund.

- **Tencent Holdings Limited, May 2023.**

  Relevant stewardship priority: Climate change and corporate transparency

  Vote: Against. **Outcome of the vote:** Passed. **Management recommendation:** For

  Summary of resolution: Elect Jacobus Petrus (Koos) Bekker as director

  Rationale for the voting decision: LGIM voted against this proposal as the company is deemed to not meet minimum standards with regard to climate risk management.

  A vote against is also applied as LGIM expects the remuneration committee to comprise of independent directors.

  The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

Was the vote communicated to the company ahead of the vote: LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.

Outcome and next steps: LGIM will continue to engage with the company and monitor progress.

- **American Tower Corporation, May 2023.**

  Relevant stewardship priority: Corporate transparency

  Vote: Against. **Outcome of the vote:** Passed. **Management recommendation:** For

  Summary of resolution: Elect director Robert D. Hormats

  Rationale for the voting decision: LGIM voted against this proposal due to the lack of gender diversity at executive officer level. LGIM expects executive officers to include at least 1 female.

  The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

  Was the vote communicated to the company ahead of the vote: LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.

  Outcome and next steps: LGIM will continue to engage with the company and publicly advocate its position on this issue and monitor company and market-level progress.

LGIM Low Carbon Transition Global Equity Index Fund

- **JPMorgan Chase & Co, May 2023.**

  Relevant stewardship priority: Climate change

  Vote: For. **Outcome of the vote:** Failed. **Management recommendation:** Against

  Summary of resolution: Report on climate transition plan describing efforts to align financing activities with GHG targets

  Rationale for the voting decision: LGIM voted in favour of this resolution as it generally supports resolutions that seek additional disclosures on how they aim to manage their financing activities in line with their published targets. LGIM believes detailed information on how a company intends to achieve the 2030 targets they have set and published to the market (the 'how' rather than the 'what', including activities and timelines) can further focus the board's attention on the steps and timeframe involved and provides assurance to stakeholders. LGIM believed the onus remains on the board to determine the activities and policies required to fulfil their own ambitions, rather than investors imposing restrictions on the company.

  The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

  Was the vote communicated to the company ahead of the vote: LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was sent to the company ahead of the meeting.

  Outcome and next steps: LGIM will continue to engage with the company monitor progress.

- **McDonald's Corporation, May 2023.**

  Relevant stewardship priority: Business ethics and human rights

  Vote: For. **Outcome of the vote:** Failed. **Management recommendation:** Against

Summary of resolution: To adopt policy to phase out use of medically-important antibiotics in beef and pork supply chain

Rationale for the voting decision: LGIM voted in favour of this resolution as Antimicrobial resistance ('AMR') is a key area of focus within LGIM's approach to health, and its considers AMR to be a systemic risk. The resolution asks McDonald's to adopt a company-wide policy to phase out the use of medically important antibiotics for disease prevention purposes in its beef and pork supply chains and to set targets with timelines, metrics for measuring implementation, and third-party verification.

The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

Was the vote communicated to the company ahead of the vote: LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was sent to the company ahead of the meeting.

Outcome and next steps: LGIM will continue to engage with the company monitor progress.

<u>JP Morgan Emerging Markets Equity Fund</u>

- **NetEase, Inc., June 2023.**

  Relevant stewardship priority: Corporate transparency

  Vote: Against. **Outcome of the vote:** Passed. **Management recommendation:** For

  Summary of resolution: Elect Alice Yu-Fen Cheng as director

  Rationale for the voting decision: JP Morgan Asset Management voted against this resolution due to a non-executive director who has served more than three terms (or nine years) in the same capacity is no longer, normally, deemed to be independent. JP Morgan believes directors staying on beyond this term would require the fullest explanation to shareholders.

  The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

  Was the vote communicated to the company ahead of the vote: JP Morgan did not communicate its intention to the company.

  Outcome and next steps: JP Morgan will continue its engagement with the company.

- **Jeronimo Martins SGPS SA, April 2023.**

  Relevant stewardship priority: Corporate transparency

  Vote: Against. **Outcome of the vote:** Passed. **Management recommendation:** For

  Summary of resolution: Approve remuneration policy

  Rationale for the voting decision: JP Morgan Asset Management voted against this resolution as it believes companies should disclose performance targets pertaining to variable remuneration, allowing shareholders visibility on awards vested. In addition, JP Morgan believes companies should introduce strong clawback provisions within executive remuneration schemes and annual increases in salary should be limited and generally in line with the wider workforce of the company. JP Morgan do not approve of large increases in fixed salary as a retention mechanism.

  The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

  Was the vote communicated to the company ahead of the vote: JP Morgan did not communicate its intention to the company.

  Outcome and next steps: JP Morgan will continue its engagement with the company.

<u>BlackRock Aquila Life Market Advantage Fund</u>

This Fund was removed and replaced by the LGIM Diversified Fund over the Scheme Year.

- **Yum! Brands, Inc., May 2023.**

  Relevant stewardship priority: Climate change

  Vote: Against. **Outcome of the vote:** Failed. **Management recommendation:** Against

  Summary of resolution: Report on efforts to reduce plastic use

  Rationale for the voting decision: BlackRock voted against this proposal, which requested Yum! to issue a report detailing the company's efforts to reduce plastics use. In BlackRock's analysis, Yum!'s existing disclosures on plastics use – particularly their new packaging policy and reduction goals – are comprehensive and provide sufficient information to allow investors to understand the company's approach to managing the risks of plastics use.

  The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

  Was the vote communicated to the company ahead of the vote: BlackRock has confirmed that it does not track this information.

  Outcome and next steps: Although BlackRock believes the company's existing disclosures and commitments are sufficiently comprehensive for investors to understand their approach. BlackRock believes that there are areas where, in its assessment, the company could improve its disclosure, particularly in setting targets for reusable packaging.

- **Dollar Tree, Inc., June 2023.**

  Relevant stewardship priority: Corporate transparency

  Vote: Against. **Outcome of the vote:** Passed. **Management recommendation:** For

  Summary of resolution: Elect director Cheryl W. Grise

  Rationale for the voting decision: BlackRock voted against the compensation committee member due to the misalignment of pay with performance and/or peers.

  This vote was deemed significant by BlackRock due to its stance on instances where it identifies a misalignment between a company's compensation practices and shareholder's long-term financial interests, BlackRock may not support the election of members of the compensation committee.

  The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

  Was the vote communicated to the company ahead of the vote: BlackRock has confirmed that it does not track this information.

  Outcome and next steps: Despite some responsive measures within the Compensation Committee's revised 2023 compensation program, BlackRock remains concerned that there is, in its analysis, a misalignment between pay and long-term shareholders' financial interests and will continue its engagement with the company.

<u>Partners Group Generations Fund</u>

A large proportion (typically 80-90%) of the Partners Group Generations Fund is invested in private market investments and typically these are businesses where Partners Group is in the control equity position (i.e. Partners Group has the ability to control the board and strategic direction of the business without the need for an investor vote). Therefore, the examples provided below pertain to ESG efforts of portfolio companies within the fund as they are considered by Partners Group to be more representative of the engagement activities that it is conducting.

- **Breitling, 2023.**

Stewardship priority: Climate change, human rights and corporate transparency

As Partners Group controls the board, please see below for the ESG efforts of the portfolio company.

Environmental: Since 2020, Breitling has measured its environmental impact, including greenhouse gas emissions and developed measures to reduce the negative impact, mainly in its supply chain. In March 2023, the company submitted a target validation request to the Science Based Targets initiative. Breitling aims to minimise its environmental impact, reducing Scope 1 + 2 emissions by 80% by 2032 and achieving net zero by 2050.

Social: In 2023, Breitling assessed equal pay for 1,658 employees in 19 countries, considering location, roles & tenure. The company achieved less than 1% adjusted pay gap in favour of women and earned the "Universal Fair Pay Analyst" award from Fair Pay Innovation Lab. Breitling demonstrated the feasibility of end-to-end traceability with their "Origins" series launch, using responsibly sourced and fully traceable precious metals in its watches. In collaboration with key suppliers and organisations like the Swiss Better Gold Association, Breitling focuses on sustainability aspects including health and safety, community engagement, and environmental impact. Instead of supporting large open-pit mines, the Swiss Better Gold Association works with small-scale mines, ensuring community development, environmental management, conflict-free sourcing and health and safety standards. Additionally, the diamonds used in Breitling's Origins series are lab-grown, ensuring the avoidance of conflict diamonds.

Governance: Breitling conducts a double materiality assessment every three years to consider how the company's actions impact people and planet but also how its business is affected by sustainability issues. Going forward, Breitling relies on the frequent materiality assessment to ensure identification of the right priority topics from a sustainability perspective. Sustainability performance is evaluated quarterly by an ESG Committee using key performance indicators. The committee reports to the Board, overseeing ESG topics. A Global Director of Sustainability and supporting staff implement the sustainability roadmap across the organisation.

Partners Group deemed this example significant due to the size of the holding within the fund.

- **Gren, 2023.**

  Stewardship priority: Climate change, human rights and corporate transparency

  As Partners Group controls the board, please see below for the ESG efforts of the portfolio company.

  Environmental: Gren's focus is on reducing its carbon footprint, with a plan to decarbonise operations by developing a greenhouse gas (GHG) reduction strategy. The company is collaborating with EY (recommended by Partners Group) to establish a GHG accounting system for Scope 1 & 2 emissions, aiming to include Scope 3 emissions by 2025. The company's targets are to reduce GHG emissions by 73% by 2030 and increase renewable energy production to over 90% by 2030. In partnership with EY and KPMG, Gren has created a roadmap that includes phasing down or exiting non-sustainable activities, diversifying into wind farms, solar, and green hydrogen, and decarbonising core activities using advanced technologies. The company also aims to protect ecosystems and biodiversity through sustainable sourcing and encourage customers to transition from fossil fuels to renewable energy.

  Social: Health & Safety is a priority, and Glen strives to maintain safe working conditions with zero cases of work-related illnesses, accidents, or fatalities. It also seeks to maintain high employee engagement by developing an engaging work experience and fostering a positive organisational culture.

  Governance: Gren's focus on business resilience, ESG strategy, and corporate social responsibility reporting includes assigning board, executive, and operational ESG responsibilities, strengthening information security management, updating business resilience and continuity plans, and improving its overall information security maturity level through annual cybersecurity assessments.

  Partners Group deemed this example significant due to the size of the holding within the fund.

Columbia Threadneedle Responsible Global Equity Fund

- **Apple Inc., February 2024.**

  Relevant stewardship priority: Corporate transparency

  Vote: For. **Outcome of the vote:** Failed. **Management recommendation:** Against

Summary of resolution: Report on Median Gender/Racial Pay Gap

Rationale for the voting decision: Columbia Threadneedle voted in favour of the proposal as it believes the proposed enhanced disclosure would help the board and shareholders better assess existing and potential future risks related to human capital management.

Columbia Threadneedle deemed this vote to be significant due to a vote against management being applied on certain environment or social proposals and due to a greater than 20% dissent on the resolution by shareholders.

The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

Was the vote communicated to the company ahead of the vote: Columbia Threadneedle did not communicate its vote to management.

Outcome and next steps: Columbia Threadneedle will continue to actively engage with the company as part of its research and investment process.

- **Mastercard Inc., June 2023.**

  Relevant stewardship priority: Human rights and corporate transparency

  Vote: For. **Outcome of the vote:** Failed. **Management recommendation:** Against

  Summary of resolution: Report on Median Gender/Racial Pay Gap

  Rationale for the voting decision: Columbia Threadneedle voted in favour of the proposal as it believes comprehensive, aggregate disclosure on political spending is best practice. Disclosure should include all state and local donations including support for all organisations and ballot initiatives. In addition, the company should identify key relationships with trade associations that engage in lobbying on the corporations behalf, as well as describe its policies and processes for giving. Columbia Threadneedle asks that the board provide ultimate oversight for political donations.

  Columbia Threadneedle deemed this vote to be significant due to a vote against management being applied on certain environment or social proposals and due to a greater than 20% dissent on the resolution by shareholders.

  The reason the Trustee considered this vote to be "most significant": This vote relates to a stewardship priority selected by the Trustee.

  Was the vote communicated to the company ahead of the vote: Columbia Threadneedle did not communicate its vote to management.

  Outcome and next steps: Columbia Threadneedle will continue to actively engage with the company as part of its research and investment process.