Implementation Statement, covering the Scheme Year from 6 April 2020 to 5 April 2021

The Trustee of the Societe Generale UK Group Money Purchase Scheme (the "Scheme") is required to produce a yearly 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 2-11 below.

The Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, trustees (including the most significant votes cast by trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 12 below.

This Statement is based on and uses the same headings as the relevant SIPs that were in place for the Scheme during the Scheme Year and should be read in conjunction with these SIPs.

The SIPs in place during the Scheme Year were:

- SIP dated 18 September 2019 for period between 6 April 2020 and 28 September 2020; and
- SIP dated 29 September 2020 for period between 29 September 2020 and 5 April 2021.

1. Introduction

The Scheme ceased to be used as a Qualifying Scheme for automatic enrolment purposes on 31 March 2021. This followed a decision made by Societe Generale (the "Company") to cease contributions in the Scheme and set up a new pension arrangement for active employees in the Aegon Master Trust with effect from 1 April 2021. In June 2021 the Scheme's assets, with the exception of the Scheme assets held in the M&G Property Fund, were transferred to the Aegon Master Trust. The Scheme's holdings in the M&G Property Fund were subsequently re-registered to the Aegon Master Trust with effect from 26 August 2021. Therefore no DC assets are currently held in the Scheme. This document has been created for compliance reasons only. Societe Generale has also indicated that it intends to wind up the Scheme.

The SIP was reviewed and updated during the Scheme Year on 29 September 2020 to reflect:

- The creation of a new default fund – the M&G Cash Fund.

Following the suspension of trading of the Legal & General ("L&G") Property Fund during the previous Scheme Year, in March 2020, contributions were redirected to the M&G Cash Fund without members making an active selection to do so. As such, the M&G Cash Fund will be treated as an additional Scheme default fund in accordance with legislation. For the purpose of fulfilling these requirements, it will also be included as a default fund in the Scheme's Chair's governance statement.

As part of this SIP update, the employer was consulted and confirmed it was comfortable with the changes.

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

2. Investment objectives

As part of the strategy review of the Scheme default arrangement undertaken in August 2018, the Trustee considered the Scheme membership demographics and the variety of ways that members may draw their benefits in retirement from the Scheme, in accordance with the Scheme's default objectives set out in the SIP/IPID.

Based on the outcome of this analysis, the Trustee concluded that the default option, which targets members taking income drawdown at retirement, remains in the best interests of the majority of the Scheme members and reflects the demographics of those members.

The Trustee also has an objective to provide members with access to an appropriate choice of investment options, enabling appropriate diversification, reflecting the membership profile and range of ways members can draw their benefits in retirement.

To this end, the Trustee has made available two alternative pre-select (lifestyle) strategies and a self-select fund range for members covering all major asset classes as set out in the Scheme's IPID, and in accordance with the SIP. The Trustee monitors the take up of these funds and considers the fund range to be reasonable compared with the broader market. The Trustee has reminded members to review their investment holdings and check they are suitable for their risk tolerances and retirement planning.

The Trustee reviewed the membership demographics and any material changes at least every three years prior to the closure of the Scheme to future contributions from 1 April 2021. The next strategy review was due to take place in December 2021, however, given the Scheme held no assets after 26 August 2021, there is no requirement to carry out a further review of the Default as there is no longer any such arrangement in the Scheme. No further strategy reviews were therefore conducted by the Trustee following this date.

The Trustee reviewed the membership demographics as part of the last formal strategy review, in accordance with the Scheme's SIP.

3. Investment strategy

As stated in the previous section, the Trustee did not review the DC investment strategy during the period of this Statement. However, following the Scheme year end and advice provided by its advisors, the Trustee agreed to submit a redemption request to disinvest from the M&G Property Fund, submitting the signed redemption request on 7 May 2021. This was deemed to be in the best interests of members given the lack of liquidity in the Fund and its lengthy redemption queue. However, on 6 September M&G announced its decision to close the M&G Property Fund and this started the beginning of its one month notice period. The closure is due to the volume of redemption requests which lead to the fund being no longer viable for the remaining investors. Consequently, funds invested in the M&G Property Fund in the Aegon Master Trust will be liquidated in due course.

The Trustee reviewed retirement data provided in the administration reports on a quarterly basis to see how members accessed their benefits, in accordance with the SIP. The available data is limited, reflecting the young age profile of the membership and given that deferred members have been subject to periodic buyouts.

4. Considerations in setting the investment arrangements

When the Trustee undertook a performance and strategy review of the DC default arrangement in August 2018 it considered the investment risks set out in Appendix 2 of the SIP. It also considered a wide range of asset classes for investment, taking into account the expected returns and risks associated with those asset classes as well as how these risks can be mitigated. As part of this review, it also received training on the factors to be considered for the incorporation of Environmental, Social and Governance (ESG) and Responsible Investment (RI) into the investment strategy. Following the strategy review the Trustee also reviewed its investment manager mandates in accordance with the SIP to understand the extent to which ESG factors are incorporated in the funds held by the Scheme.

Following developments in investment markets / review of recent evidence of the financial materiality of climate-related risks, the Trustee reconsidered its investment beliefs. During the period of this Statement, the Trustee considered that the Company had proposed that the Scheme be replaced by a Sole Governance Master Trust arrangement with Aegon. This would involve active members contributing to the Aegon Master Trust from 1 April 2021. The Trustee agreed for all assets attributed to members to be transferred to the Aegon Master Trust in June although due to delays by M&G relating to legal documentation, the re-registration of the M&G Property assets to the Aegon Master Trust took place in August 2021. The Trustee is also currently working with the Company towards the wind-up of the Scheme.

When deciding how to invest the Scheme's assets, the Trustee considered a number of risks, including, but not limited to, those set out in the Appendix to the SIP. Some of these risks are more quantifiable than others, but the Trustee has tried to allow for the relative importance of each risk.

In determining the investment arrangements for the Scheme the Trustee took into account:

- the best interests of members and beneficiaries;
- the profile of the membership and what this was likely to mean for the choices members might make upon reaching retirement;
- the risks and rewards of a number of different lifestyle investment strategies; and
- the need for appropriate diversification within the default strategy and between the other investment options offered to members.

5. Implementation of the investment arrangements

The Trustee has not made any changes to their manager arrangements over the period.

The Scheme's investment adviser, LCP, 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 change 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.

The Trustee was comfortable with almost all of its investment manager arrangements over the Scheme Year, with the exception of the M&G Property Fund. The M&G Property Fund was gated prior to the outbreak of Covid-19 due to high levels of withdrawals by investors related to ongoing uncertainty over Brexit during 2019 and structural shifts in the UK retail sector. This Fund was closed to new contributions on the Fidelity platform during and after the Scheme year, and only disinvestments were permitted. Following the Scheme year end and ahead of the transition of the Scheme to the Aegon Master Trust, the Trustee determined this M&G Property Fund was no longer a suitable investment for members due to a lack of liquidity and its growing redemption queue. With the help of its investment advisors it therefore submitted a full redemption request outside of the Scheme Year on 7 May 2021 to disinvest entirely from this Fund. However, on 6 September M&G announced its decision to close the M&G Property Fund and this started the beginning of its one month notice period. The closure is due to the volume of redemption requests which lead to the fund being no longer viable for the remaining investors. Consequently, funds invested in the M&G Property Fund in the Aegon Master Trust will be liquidated in due course.

The Trustee monitors the performance of the Scheme's investment managers on a quarterly basis, using the quarterly performance monitoring report. The report shows the performance of each manager over the quarter, one year, three year and, where possible, five year periods. Performance is considered in the context of the manager's benchmark and objectives. Following the transfer of all DC assets held in the Scheme to the Aegon Master Trust via a bulk transfer in June 2021, the final performance monitoring report for the Scheme will be produced for the period to 30 June 2021.

The most recent quarterly report shows that all managers have produced performance broadly in line with expectations over the long-term.

In the context of the transfer of the Scheme's assets to the Aegon Master Trust, the Trustee has taken a proportionate approach to reviewing value for members over the period. In particular, a high level value for members' assessment for the Scheme was carried out over the period covered by this Statement. This involved assessing a range of factors, including the fees payable to managers in respect of the DC Section, which were found to be reasonable when compared against other DC market providers at the time the Master Trust selection exercise was carried out.

6. Realisation of investments

It has been 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 during the Scheme Year are daily priced.

During the previous Scheme Year in March 2020, Legal & General temporarily suspended the L&G Property Fund due to an inability for independent valuers to accurately value properties as a result of reduced market activity in light of the Covid-19 pandemic. This was in line with many other institutional property funds. This meant that for members who held investments in this Property Fund they were unable to switch out or sell any Scheme savings that were invested in this Property Fund at the time. The Trustee wrote to active and deferred members about this situation in April 2020. Active members were told that their contributions would be redirected into the M&G Cash Fund. This suspension was subsequently lifted when the Fund reopened for trading during the Scheme Year in October 2020 and members were notified of the options for the investment of their contributions.

The Trustee also conducted a review of the Scheme's investment managers' internal controls in May 2021 following the Scheme year end. The Trustee confirmed it was comfortable all managers' operational risk controls remained satisfactory.

7. 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, in accordance with Section 7 of the SIP.

In the previous Scheme Year in March 2020, the Trustee reviewed LCP's responsible investment (RI) scores for the Scheme's existing managers and funds, along with LCP's qualitative RI assessments for each fund and red flags for any managers of concern. These scores cover the managers' approach to ESG factors, voting and engagement. 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. The manager scores and red flags are based on LCP's Responsible Investment Survey 2020.

The Trustee was satisfied with the results of the review and no further action was taken.

The Trustee recognises that some members may wish for ethical matters to be taken into account in their investments and therefore, as mentioned in the SIP, over the period covered by this Statement, made available the Ethical Global Equity Tracker Fund (L&G Ethical Global Equity Index Fund) and the Shariah Fund (HSBC Islamic Global Equity Fund) as investment options to members.

8. Voting and engagement

This is covered in Section 7 above.

9. Investment governance, responsibilities, decision-making and fees (Appendix 1 of SIP)

As mentioned in Section 5, the Trustee assessed the performance of the Scheme's investments on an ongoing basis as part of the quarterly monitoring reports it received over the period.

The performance of the professional advisers was considered on an ongoing basis by the Trustee.

The Trustee has in place formal objectives for its investment advisor and reviews the advisor's performance against these objectives on a regular basis. The last review of the advisor's performance against these objectives was a light-touch review given the proposed move to Master Trust being considered at the time, and was carried out in June 2020. The Trustee feedback was positive and there were no issues to report in respect of its investment advisor.

During the Scheme Year, the Trustee considered the effectiveness of its decision making, trustee knowledge and understanding and governance processes as part of a review of the management of the Scheme. At a Trustee meeting on 8 December 2020, the Trustee discussed the requirements as set out within the Pension Regulator's Code of Practice 13 for DC schemes. The review was completed on 5 March 2021 and concluded that the Trustee was satisfied that the combined knowledge and understanding of the Trustee board, together with the advice which is available to them, enabled them properly to exercise their functions as Trustee of the Scheme, taking into account the objectives set out in the Scheme's business plan.

The Trustee decided to report this and any relevant training the Trustee undertook over the Scheme year, to members in the Chair's governance statement.

10. Policy towards risk (Appendix 2 of SIP)

Risks were monitored on an ongoing basis with the help of the investment advisor.

The Trustee maintained a risk register which was discussed at each quarterly Trustee meeting and fully reviewed every year.

The Trustee's policy for some risks, given their nature, was 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, interest rate risk, equity risk, currency risk and counterparty risk.

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

The following risks are covered earlier in this Statement: diversification risk in Sections 3 and 5, investment manager risk and excessive charges in Section 5, illiquidity/marketability risk in Section 6 and ESG risks in Section 7.

11. Investment manager arrangements (IPID)

There are no specific policies in the Scheme's Investment Policy Implementation Document (IPID).

12. 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.

In this section we have sought to include voting data in line with the Pensions and Lifetime Savings Association (PLSA) guidance on the Scheme's funds. In order to take a pragmatic approach to this, we have only included funds that hold significant equities; namely funds used in the default investment strategy, as these are deemed to be the Scheme's material holdings. As such, we have included manager voting data for the funds set out below.

The equity funds listed below are blended together to make the bespoke BlackRock Global Equity Tracker Fund which is the equity building block of the Pre-Select default investment strategy.

- BlackRock ACS UK Equity Index Fund
- BlackRock ACS World (ex-UK) Equity Index Fund
- BlackRock Aquila Currency Hedged World (ex-UK) Equity Index Fund
- BlackRock Emerging Markets Fund
- Legal & General Diversified Fund
- BlackRock DC Diversified Growth Fund

12.1 Description of the voting processes

Legal & General

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 LGIM's Investment Stewardship team. The views expressed by attendees during this event form a key consideration in developing LGIM's voting and engagement policies. LGIM also takes into account client feedback received at regular meetings and/or ad-hoc comments or enquiries.

All voting 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 helps ensure LGIM's stewardship approach is consistent throughout the engagement and voting process, and that engagement is fully integrated into the voting decision process, which aims to provide consistent messaging to companies.

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

To ensure LGIM's proxy provider votes are in accordance with its position on ESG, LGIM has put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what LGIM considers are minimum best practice standards that all companies globally should observe, irrespective of local regulation or practice.

LGIM retains the ability in all markets to override any vote decisions, which are based on its custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows LGIM to apply a qualitative overlay to its voting judgement. LGIM has strict monitoring controls to ensure its votes are fully and effectively executed in accordance with its voting policies by the service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform LGIM of rejected votes which require further action.

BlackRock

Voting decisions are made by members of 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.

BlackRock takes a case-by-case approach to the items put to a shareholder vote. Analysis is informed by internally developed proxy voting guidelines, its pre-vote engagement with the company, its research, and any situational factors for a particular company.

BlackRock aims to vote at all shareholder meetings of companies in which its clients are invested. In cases where there are significant obstacles to voting, such as share blocking or requirements for a power of attorney, BlackRock will review the resolutions to assess the extent of the restrictions on voting against the potential benefits. BlackRock generally prefers to engage with the company in the first instance where there are concerns and give management time to address the issue.

BlackRock will vote in favour of proposals where it supports the approach taken by a company's management or where it has engaged on matters of concern and anticipates management will address them. BlackRock will vote against management proposals where it believes the board or management may not have adequately acted to advance the interests of long-term investors. BlackRock ordinarily refrains from abstaining from both management and shareholder proposals, unless abstaining is the valid vote option (in accordance with company by-laws) for voting against management, there is a lack of disclosure regarding the proposal to be voted, or an abstention is the only way to implement its voting intention.

Whilst BlackRock does subscribe to research from the proxy advisory firms, ISS and Glass, Lewis & Co ("Glass Lewis"), this is just one among many inputs into its voting decision process. BlackRock primarily uses proxy research firms to transform corporate governance information and analysis into a concise, easily reviewable format so that BlackRock's 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.

12.2 Summary of voting behaviour over the Scheme Year

A summary of voting behaviour over the period is provided in the table below.

	Fund 1	Fund 2		Fund 3	Fund 4	Fund 5
Manager name	BlackRock	BlackRock	BlackRock	BlackRock	L&G	BlackRock
Fund name	ACS UK Equity Index Fund[1,2]	ACS World (ex-UK) Equity Index Fund[1,2]	Aquila Currency Hedged World (ex-UK) Equity Index Fund [1,2]	Emerging Markets Fund[1,2]	Diversified Fund	DC Diversified Growth Fund[1,2]
Total size of fund at end of reporting period	£11,977m	£9,907m	£179m	£1,518m	£11,098m	£1,140m
Approximate value of Scheme's assets at Scheme Year end	£63.9m	£54.5m	£55.6m	£24.8m	£36.0m	£35.8m
Number of equity holdings at end of reporting period	621	1,970	2,053	1,393	6,642	2,126

Number of meetings eligible to vote	808	2,203	2,231	2,472	11,362	928
Number of resolutions eligible to vote	11,044	27,246	27,464	23,180	115,604	11,707
% of resolutions voted	100%	92.0%	93.7%	96.8%	99.0%	95.8%
Of the resolutions on which voted, % voted with management	94.9%	93.7%	93.7%	90.8%	81.7%	94.1%
Of the resolutions on which voted, % voted against management	5.1%	6.3%	6.3%	9.2%	17.7%	5.9%
Of the resolutions on which voted, % abstained from voting	0.7%	0.3%	0.5%	2.8%	0.6%	0.9%
Of the meetings in which the manager voted, % with at least one vote against management	N/A[3]	N/A[3]	N/A[3]	N/A[3]	6.4%	N/A[3]
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	N/A[4]	N/A[4]	N/A[4]	N/A[4]	0.2%	N/A[4]

[1] Total size of fund, number of equity holdings and voting data shown are as at 31 March 2021 as the manager only reports these figures at quarter end.

[2] BlackRock has confirmed that the figures provided for related fields (namely 'of the resolutions on which voted, % of the resolutions which voted with management', 'of the resolutions on which voted, % voted against management', and 'of the resolutions on which voted, % abstained from voting') do not always sum to 100% or the total of the % of resolutions on which BlackRock was eligible to vote. This is due to how the totals for each individual field are calculated for votes with and votes against management in the vote reports.

[3] Abstained votes are counted as votes against management.

[4] BlackRock does not follow any single proxy research firm's voting recommendations, though it subscribes to two research firms.

12.3 Most significant votes over the Scheme Year

Commentary on the most significant votes over the period, from the Scheme's asset managers who hold listed equities, is set out below. We have interpreted "most significant votes" to mean those that:

- 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; or
- the Scheme or the sponsoring company has a particular interest in.

We have aimed to provide votes that cover a range of environmental, social, and governance issues.

BlackRock UK Equity Index Fund

Royal Dutch Shell plc, UK, May 2020. Vote: Against

Summary of resolution: Shareholder request for Shell to set and publish targets for greenhouse gas emissions.

Rationale: BlackRock voted against the shareholder resolution due to its view that Shell already has some of the most ambitious climate targets in the industry on all relevant scopes (1,2,3), and that the company already makes strong Task Force for Climate Related Financial Disclosures ("TCFD") disclosures. Furthermore, the shareholder resolution referred to Shell's previous climate commitments, which are now out of date and have been superseded by renewed and stronger commitments. As a result of Shell's responsiveness, BlackRock considers the request made in the resolution to have substantively been delivered. BlackRock also understands from ongoing engagement with the Company that the recently revised targets will be kept under review, in order to continue to evolve them wherever possible.

Barclays, UK, May 2020. Vote: For Resolution 1 and Against Resolution 2

Summary of key resolutions:

1. Approve Barclays' Commitment in Tackling Climate Change
2. Approve ShareAction Requisitioned Resolution

In January 2020, a coalition of investors filed a shareholder resolution (Resolution 2 as listed above) asking Barclays to set and disclose targets to phase out the provision of financial services to the energy sector, as well as electric and gas utility companies that are not aligned with Articles 2.1(a) and 4.1 of the Paris Agreement. Following engagement with its shareholders and other stakeholders, including BlackRock, Barclays announced on 30 March 2020 updated ambitions with respect to tackling climate change. Barclays proposed its own resolution (Resolution 1 as stated above) at its annual general meeting (AGM) to commit the company to a strategy, with targets, for alignment of its entire financing portfolio to the goals of the Paris Agreement. Barclays has committed to provide further details of the strategy by the end of the year.

Rationale: Based on BlackRock's proxy voting guidelines, the independent fiduciary reported that it took into consideration several factors when voting to support the company's own climate change resolution (Resolution 1 as listed above) and against the shareholder resolution (Resolution 2 as listed above). Support for both resolutions would have been problematic as they are both binding. The independent fiduciary determined that, as outlined in Resolution 1, the company sets a clear ambition to become net-zero and align to the goals of the Paris Agreement, addressing shareholders' concerns for the time being. The resolution proposed by Barclays sets out its long-term plans and has the backing of ShareAction and co-filers

BlackRock World (ex UK) Equity Index Fund

Chevron Corporation, US, May 2020. Vote: For

Summary of resolution: Report on climate lobbying aligned with Paris Agreement goals.

Rationale: BlackRock voted in favour of this proposal, as greater transparency into the company's approach to political spending and lobbying as aligned with their stated support for the Paris Agreement will help articulate consistency between private and public messaging, in the context of managing climate risk and the transition to a lower-carbon economy.

Exxon Mobil Corporation, US, May 2020. Vote: Against the re-election of directors and For the shareholder proposal

Summary of resolutions:

1. Elect Director Angela F. Braly and Director Kenneth C. Frazier.
2. Require Independent Board Chair.

Rationale: BlackRock voted against both director Angela F. Braly and director Kenneth C. Frazier for insufficient progress on TCFD aligned reporting and related action. BlackRock also voted against Director Kenneth C. Frazier for failing to provide investors with confidence that the board is composed of the appropriate mix of skillsets and can exercise sufficient independence from the management team to effectively guide the company in assessing material risks to the business.

BlackRock voted for the Independent Chair proposal on account of its belief that the board would benefit from a more robust independent leadership structure given its concerns around a lack of progress in transparency of climate risk management.

BlackRock Currency Hedged World (ex UK) Equity Index Fund

Total SA, France, May 2020. Vote: Against

Summary of resolution: Instruct Company to set and publish targets for greenhouse gas (GHG) emissions aligned with the goal of the Paris Climate Agreement and amend article 19 of bylaws accordingly.

Rationale: BlackRock voted against the shareholder resolution given the company's existing reporting aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), its responsiveness to shareholder engagement on portfolio resilience and reduction of scope 1, 2, and 3 greenhouse (GHG) emissions. BlackRock has engaged with Total on its climate commitments for a number of years and was engaged with the Company throughout the process of this latest revision of its commitments. BlackRock believe Total already have some of the most ambitious climate targets in the industry on all relevant scopes (1,2 and 3), and the shareholder resolution refers to Total's previous climate commitments which are now out of date and have already been superseded by renewed and stronger commitments. As a result, BlackRock considers the request made in the resolution to be substantively delivered.

Volvo AB, Sweden, June 2020. Vote: Against all key resolutions

Summary of key resolutions:

1. Re-elect Matti Alahuhta, James Griffith, Martina Merz and Carl-Henric Svanberg as Directors
2. Re-elect Carl-Henric Svanberg as Board Chairman
3. Approve remuneration policy and other terms of employment for executive management
4. Limit contributions to Chalmers University of Technology Foundation to a maximum of SEK 4 million per year

Rationale: BlackRock voted against all key resolutions outlined above given its concerns about progress on climate-related risks reporting, the structure of executive pay at the company and the approach taken by the shareholder to micromanage company activities. BlackRock believes board members should be held accountable for the level of oversight provided on governance matters, including executive pay, and how the management team addresses material issues, such as climate risk. Given the lack of progress the company has made on its climate disclosures and our ongoing concerns with its executive pay policy, BIS' policy is to withhold support from the re-election of those board members who are most accountable through their membership on relevant board sub-committees or by seniority. BlackRock voted against Resolution 3 to reflect its continuing concerns about the deviation from pay structure best practice and lack of context and disclosure of pay structure practices. BlackRock also voted against Resolution 4 due to its belief that this strays into micromanagement and its policy that it is not generally supportive of proposals that are 'overly prescriptive' in nature.

BlackRock Emerging Markets Fund

PGE Polska Grupa Energetyczna SA, Poland, June 2020. Vote: Against both key resolutions

Summary of key resolutions:

1. Approve Remuneration Policy
2. Approve Discharge of Anna Kowalik (Supervisory Board Chairman)

Rationale: BlackRock voted against Resolution 1 due it its belief that the remuneration policy contains insufficient details concerning incentives and performance-related elements such as performance conditions and targets, vesting and holding periods and participants. BlackRock acknowledges that the Polish law implementing the Shareholder Rights Directive II was only recently approved (October 15, 2019 and effective from November 30, 2019) and understands that reporting practices on those issues are not yet well established in Poland. However, BlackRock felt that the current level of transparency was insufficient for it to support the approval of the remuneration policy.

PGE is not an official TCFD supporter and has made no public commitment regarding the alignment of its disclosures with the recommendations of the TCFD. Despite sections in the company's 2019 annual and sustainability reports dedicated to GHG emissions and climate change, these climate-related disclosures do not demonstrate sufficient progress towards PGE aligning its reporting with the TCFD recommendations. In line with BlackRock's approach of holding directors accountable when a company is not effectively addressing a material issue in the absence of a dedicated Supervisory board committee, it voted against the discharge of Anna Kowalik for lack of progress in relation to climate-risk reporting. Anna Kowalik is the Chair of the Supervisory Board and the most senior non-executive director responsible for the oversight of climate-related issues.

ČEZ, a. s, Czech Republic, June 2020. Vote: Against all resolutions

Summary of resolutions:

1. Approve Remuneration Policy
2. Recall and Elect Supervisory Board Members
3. Recall and Elect Members of Audit Committee
4. Shareholder proposal - Amend Business Strategy

Rationale: BlackRock voted against Resolution 1 to approve the remuneration policy on the basis that it believed the policy to contain insufficient detail concerning incentives and performance-related elements such as how performance measures are defined or weighted. BlackRock acknowledges that CEZ was presenting its remuneration policy for the first time to a shareholder vote, and that reporting practices on those issues are not yet well established in the Czech Republic. However, BlackRock considered the current level of transparency to be insufficient to understand the remuneration plans and support the approval of the remuneration policy.

BlackRock voted against Resolution 2 and 3 recalling and electing Supervisory Board Members and Members of the Audit Committee, for the company's lack of progress on climate-related reporting and insufficient information with regards to the identity of the directors. At the time of BlackRock's voting decision, the names of the candidates were not disclosed, which makes it impossible for minority shareholders to make an informed decision about the election of board members.

BlackRock voted against the shareholder proposal to amend the business strategy due to its overly prescriptive nature and the lack of sufficient rationales for the restrictions on capital allocation decisions that it would introduce. BlackRock do not believe that such a prescriptive modification of CEZ's business policy by shareholders would be a suitable mechanism to address issues such as group mission, strategic priorities and effective operation. It could have unclear and far reaching consequences for both the company and its shareholders. BlackRock considered that by directly addressing the corporate strategy and priorities of the company, this proposal strays into micromanagement and is it generally not supportive of proposals that are overly prescriptive in nature.

Legal & General Diversified Fund

Whitehaven Coal, Australia, November 2020. Vote: For

Summary of resolution: Approve capital protection. Shareholders are asking the company for a report on the potential wind-down of the company's coal operations, with the potential to return increasing amounts of capital to shareholders.

Rationale: The role of coal in the future energy mix is increasingly uncertain, due to the competitiveness of renewable energy, as well as increased regulation: in Q4 2020 alone three of Australia's main export markets for coal - Japan, South Korea and China - have announced targets for carbon neutrality around 2050. LGIM has publicly advocated for a 'managed decline' for fossil fuel companies, in line with global climate targets, with capital being returned to shareholders instead of spent on diversification and growth projects that risk becoming stranded assets. It is LGIM's belief that as the most polluting fossil fuel, the phase-out of coal will be key to reaching these global targets.

Tyson Foods, US, February 2021. Vote: Against

Summary of resolution: Report on Human Rights Due Diligence

Rationale: A shareholder-led resolution requested that the company produce a report on Tyson's human rights due diligence process. The pandemic highlighted potential deficiencies in the application of its human rights policies. The following issues were highlighted as giving grounds to this assessment: strict attendance policies, insufficient access to testing, insufficient social distancing, high line speeds and non-comprehensive Covid-19 reporting. Furthermore, it is believed that there have been over 10,000 positive cases and 35 worker deaths. As such, LGIM believed the company to be opening itself up to undue human rights and labour rights violation risks. Tyson is already subject to litigation for wrongful death of an employee filed by the family of the deceased. Additionally, there is a United States Department of Agriculture complaint for failure to protect employees of colour who are disproportionately affected by Covid-19, and two Federal Trade Commission (FTC) complaints for misleading representations about worker treatment, the nature of relationships with farmers, and conditions at poultry farms in its supply chain. LGIM believes that companies in which it invests its clients' capital should uphold their duty to ensure the health and safety of employees over profits. While the company has health and safety, and code of conduct, policies in place and may have introduced additional policies to protect employees during the pandemic, LGIM believes there was clearly more it could have done. This is indicated by the reported complaints and rates of infection among its employee population. LGIM believes that producing this report is a good opportunity for the board to re-examine the steps it has taken and assess any potential shortfalls in safety measures so that it can improve controls and be better prepared for any future pandemic or similar threat.

BlackRock DC Diversified Growth Fund

Daimler AG, Germany, July 2020. Vote: Against all key resolutions

Summary of key resolutions:

1. Ratification of Supervisory Board members' actions in the 2019 financial year
2. Election of Timotheus Höttges as a member of the Supervisory Board
3. Amendment of Article 16 of the Articles of Incorporation

Rationale: BlackRock voted against all key resolutions outlined above given its concerns about progress on climate-related risk reporting, the external mandates held by the proposed Supervisory Board member, and the reduction in shareholder rights from the proposed article amendment.

Given the lack of progress Daimler has made on its climate disclosures, BlackRock's policy is to withhold support from the re-election of those Supervisory Board members who are most accountable through their membership of relevant board sub-committees; however Daimler has 'staggered' Supervisory Board elections and this was not possible. As such, BlackRock voted against Resolution 1 and the discharge of the Supervisory Board as a whole for actions taken in 2019.

BlackRock voted against Resolution 2 as it views Timotheus Hottges to hold an excessive number of mandates which raises substantial concerns about his ability to commit an appropriate amount of time to board and committee matters and his ability to exercise sufficient oversight on Daimler's Supervisory Board.

Daimler has proposed to amend its articles such that support from 75% of votes cast would be required to dismiss a Supervisory Board member. This is an increase from the simple majority support stipulated in its current articles. BlackRock regards this proposed amendment to be a deterioration of shareholder rights and therefore voted against Resolution 3.

Cheniere Energy, Inc., US, May 2020. Vote: Against all resolutions

Summary of resolutions:

1. Elect Director G. Andrea Botta
2. Elect Director Andrew Langham
3. Report on Plans to Address Stranded Carbon Asset Risks

Rationale: BlackRock voted against the re-election of Directors G. Andrea Botta for insufficient progress on climate reporting, as the Chair of the Nominating and Governance Committee. This Committee evaluates current and emerging environmental, sustainability and social responsibility issues and opportunities facing the company, and reviews the company's climate change and sustainability policies and strategies. BlackRock therefore look to the chair of this committee for failing to ensure that management has robust practices and disclosures on climate risk in place and voted against re-election.

BlackRock believes serving on an excess number of boards limits a director's capacity to focus on issues important to each company. In particular it proposes that non-CEO directors should limit themselves to serving on a total of no more than four public company boards. Andrew Langham currently sits on five public company boards. BlackRock therefore voted against his re-election for being over-committed.

BlackRock share the underlying concerns reflected in the shareholder resolution regarding board oversight of climate-related risks and ambitious emissions targets. However, it is BlackRock's view that the shareholder proposal is highly prescriptive. Given the specificity of the proposal and the company's lack of reporting baseline, BlackRock believe the company should prioritise bringing reporting in line with SASB and TCFD recommendations and therefore it voted against the Resolution.