Implementation Statement, covering the Scheme Year from 1 April 2024 to 31 March 2025

The Trustee of the John Lewis Partnership Trust for Pensions (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 year to 31 March 2025 (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 2-10.

The Trust has both a Defined Benefit ("DB") Section and a Defined Contribution ("DC") Section. This implementation statement (the "Statement") covers the DC Section only; a separate statement has been prepared for the DB Section.

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 the Trustee or on its behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 10.

In preparing the Statement, the Trustee has had regard to the guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions ("DWP's guidance") in June 2022.

This Statement is based on the Scheme's latest SIP which was in place during the Scheme Year – dated September 2024. This Statement should be read in conjunction with the SIP which can be found here: Statement of Investment Principles for Defined Contribution Section.

1. Introduction

The SIP was reviewed and updated during the Scheme Year in September 2024 to include the policy regarding the JLP Lifecycle investing in illiquid assets. Members who join the Scheme and who do not choose an investment option are placed into the JLP Lifecycle. 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 all of the policies in the Scheme's SIP and the Scheme's voting and engagement policies 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 laid out in the SIP, the Trustee's primary objective for the DC Section of the Scheme is:

- To design a default investment strategy that will be suitable for the majority of members, in particular those members who are unwilling, or feel unable, to make investment choices; and
- To provide a range of other self-select investment options for members who wish to have a higher level of control over their savings and/or feel the default investment strategy does not meet their requirements and/or appetite for risk.

The suitability of both the JLP Lifecyle and the range of self-select funds offered to members were reviewed against these objectives as part of the most recent investment strategy review, which concluded in September 2024.

3. Trust governance

The Trustee has overall responsibility for how the Scheme's investments are governed and managed in accordance with the Trustee's Deed and Rules as well as Trust Law, Pensions Law and Pension Regulations.

In July 2024 Carl Lee was elected as a Trustee Director, filling the vacancy left following Juliette Barnett's resignation. Falcon Trustees LLP was appointed as a Corporate Trustee in February 2025, represented by Venetia Trayhurn.

The Trustee Board has Sub-Committees in place with each Sub-Committee given a particular area of focus (for example Defined Benefit or Defined Contribution matters). Terms of reference are in place for each Sub-Committee.

The Trustee Board is supported in its activities by the in-house Trustee Services team at the Partnership.

4. Investment strategy

The Trustee, with the help of its advisers, reviewed the strategy and performance of the JLP Lifecycle over the Scheme Year. As part of this review, the Trustee also considered the membership demographics and the variety of ways that members may draw their benefits in retirement from the Scheme. The Trustee reviewed the retirement data provided in the administration reports on a quarterly basis during the Scheme Year.

The Trustee reviewed the JLP Lifecycle over the Scheme Year and concluded the following changes:

- Growth Phase Enhancements: Improve equity diversification to further reduce concentration risk and change the management approach for emerging market equity from passive to active, with the aim of improving member outcomes.
- Pre-retirement Phase Adjustment: Changes will be implemented in the JLP Cash Fund to provide a return that better keeps pace with inflation, without introducing significant additional risk.
- Responsible Investing: Deeper integration of environmental, social and corporate governance ("ESG") considerations across all Lifecycle phases reflecting a commitment to responsible investing.
- Lifecycle Transition: The point at which members transition into the Consolidation phase will be moved from 15 years prior to a member's Target Retirement Age ("TRA") to ten years prior to their TRA, and the Pre-retirement phase will commence five years (previously seven years) prior to TRA.
- Income Drawdown Pathway: An alternative Lifecycle option will be introduced, specifically designed to align with the needs of those members considering income drawdown as their retirement option, acknowledging the various choices available.

The Trustee also provides members with access to a range of investment options which it believes are suitable for this purpose and enable appropriate diversification. The Trustee has made available a self-select fund range of six funds in which members can still invest, covering all major assets classes. In November 2024, the Trustee decided to close the JLP Cautious Diversified Growth Fund due to limited member uptake that restricted the potential for broadening diversification. The effective date for the closure is deferred to coincide with the broader strategy implementation in 2026. The fund has already been soft-closed since October 2023 so that it was no longer available to members who were not invested in it. The Trustee monitors the take up of these funds and it has been limited. The Trustee has reminded members to review their investment choices eg in the annual member newsletter and check they are suitable for their risk tolerances and retirement planning.

The Trustee reviews changes in member choices, behaviour and trends each quarter using administration reports. Over the Scheme Year there were no material changes. The Trustee will continue reviewing the fund offerings in 2025 and will consider whether the fund range remains appropriate given the take-up of each fund.

5. Considerations in setting the investment arrangements

When the Trustee undertook a performance and strategy review of the JLP Lifecycle which began in April 2024 and concluded in September 2024, it considered the investment risks set out in Section 4.1 of this Statement. 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.

The Scheme's DC investment adviser, LCP, previously Hymans Robertson, 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 regarding 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 last formally reviewed its investment beliefs in June 2024.

The Trustee monitors the performance of the Scheme's investment managers on a quarterly basis, using a monitoring report prepared by the Trustee Services team. The report shows the performance of each fund over the quarter, one year, three years and since inception. Performance is considered in the context of the manager's benchmark and objectives.

5.1 Policy towards risk

Risks are monitored on an ongoing basis with the help of the investment adviser. The Trustee maintains a risk register and this is discussed at quarterly meetings.

The Trustee's policy for some 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 the risk of inadequate returns, credit risk, equity risk, currency risk and ESG (including climate) risks. The Trustee's implementation of its policy for these risks during the year is summarised below.

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 are used throughout the JLP Lifecycle and are also made available within the self-select options. These funds are expected to produce adequate real returns over the longer term, although they can experience losses in shorter time horizons.

The Trustee monitors the standard deviation and returns of these funds on a quarterly basis. The quarterly reports reviewed during the year showed that the majority of managers have produced performance broadly in line with expectations over the long-term.

6. Implementation of the investment arrangements

The Trustee did not make any changes to its manager arrangements over the Scheme Year.

The Trustee evaluates manager performance over both shorter and longer periods, encourages managers to improve practices and considers alternative arrangements where managers are not meeting performance objectives. Section 8 provides more detail on the activities carried out over the year.

The Trustee undertakes an annual "value for members" assessment which assesses a range of factors, including the fees payable to managers. The most recent value for members assessment undertaken in July 2025 for the Scheme Year to 31 March 2025 found that these fees in respect of the DC Section were broadly competitive for the JLP Lifecycle and self-select investment range when compared against schemes with similar sizes of mandates. Overall, the Trustee believes the investment managers provide good value for money.

7. 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 DC Section funds which the Trustee offered during the Scheme Year are daily dealing.

8. Financially material considerations, non-financial matters

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

The Trustee formally reviewed its Responsible Investment ("RI") beliefs over 2023-4, and as a result of this exercise documented a formal RI policy that covers both the DB and DC Sections of the Scheme. The Trustee reviews the RI policy regularly, or without delay after any material change to the approach of the Scheme's broader investment arrangements.

As set out in the SIP, the Trustee selects investment strategies responsibly to deliver financial performance for members in a way that considers ESG issues. The Trustee considers these factors to represent material financial risks that can have an impact on the long-term performance of DC investment funds. In relation to the member options, the Trustee will consider whether it is appropriate to consider ESG and the extent to which it should take into account member views during each review of the DC investment options, which takes place at least every three years.

The Trustee formally considers the climate risk associated with its investments on an annual basis in the preparation of its Taskforce for Climate-Related Financial Disclosures ("TCFD") report, in line with statutory requirements. The Trustee has set climate-related targets in line with these requirements, against which it monitors its investments. If one of its investment managers is not evidencing progress in this regard, the Trustee may reconsider its appointment. It should be noted that the climate-related risk is considered in the context of the other investment risks associated with the Scheme's investments.

The Scheme's third TCFD report covering the year ending 31 March 2024 was published in October 2024. In this report the Trustee considered how climate related risks and opportunities are measured, monitored and managed in the Scheme. The Trustee also reported on Scope 3 emissions, where available, for the second time, in accordance with statutory requirements.

During the Scheme Year, the Trustee also considers the high-level ESG credentials of the Scheme's funds within the quarterly performance monitoring report.

Within the DC Section, 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, it has made available the JLP Ethical Equity Fund as an investment option to members.

9. Voting and engagement

Sections 24 and 27 of the SIP sets out the Trustee's policies on ESG factors, stewardship and climate change. These policies set out the Trustee's beliefs on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship.

The Scheme's Stewardship Priorities

As described in section 24 of the SIP, the Trustee believes that active ownership can enhance the value of the Scheme's underlying portfolio and help manage risks. The Trustee reviews its stewardship policy to ensure that it continues to hold its investment managers to account on voting and engagement. The Trustee takes its stewardship policy into account when selecting specific funds for the JLP Lifecycle or the self-select range, and when monitoring the performance of managers.

The DC Section of the Scheme invests solely in pooled funds. As such, voting rights are delegated to the investment managers and the Trustee expects their investment managers to engage with the investee companies on their behalf. As the Scheme's investments are held at arms-length from the Trustee and members through an investment platform operated by Legal & General, the Trustee is unable to instruct the fund managers on how they should vote on shareholder issues. The Trustee nevertheless:

- Chooses fund managers whose voting policy are consistent with the Scheme's objectives;
- Expects fund managers to vote in a way which enhances the value of the funds in which the Scheme invests;
- Monitors how the fund managers exercise their voting rights.

The Trustee decided the following ESG factors should have most focus when disclosing 'significant votes':

- **Environmental:** Climate change - low-carbon transition and physical damages resilience;
- **Social:** Human rights - modern slavery, pay and safety in workforce and supply chains, and abuses in conflict zones; and
- **Governance:** Diversity, Equity & Inclusion (DEI) - inclusive and diverse decision making.

10. 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 and challenges managers where their activity has not been in line with the Trustee's expectations.

In this section we have sought to include voting data in line with the Pensions UK ("PUK", formally Pensions and Lifetime Savings Association) guidance, PUK's Vote Reporting template and DWP's guidance, on the Scheme's funds that hold equities, noting that not all funds are 100% invested in equities, as follows:

- LGIM All World Equity Index Fund – an underlying fund of the JLP Global Equity fund used in the JLP Lifecycle Profile
- ML Macquarie Global Multi-Strategy True Index Fund – an underlying fund of the JLP Global Equity fund used in the JLP Lifecycle Profile
- LGIM MSCI World Small Cap ESG Exclusions Equity Index Fund – an underlying fund of the JLP Global Equity fund used in the JLP Lifecycle Profile

- LGIM Diversified Fund – an underlying fund of the JLP Diversified Growth fund used in the JLP Lifecycle Profile
- BlackRock Market Advantage Strategy Fund – an underlying fund of the JLP Diversified Growth fund used in the JLP Lifecycle Profile
- LGIM FTSE4Good Developed Equity Index Fund – the underlying fund of the JLP Ethical Equity fund, a self-select fund
- HSBC Islamic Global Equity Index Fund– the underlying fund of the JLP Shariah Equity fund, a self-select fund
- BlackRock Aquila Life Market Advantage Fund – the underlying fund of the JLP Cautious Diversified Growth fund, a self-select fund which is now closed to new investment

We have included the funds with equity holdings used in the JLP Lifecycle given the high proportion of assets invested in these funds. In addition, we have also included self-select funds with equity holdings and which incorporate ESG or ethical factors, recognising that members choosing to invest in these funds may be interested in this information.

On behalf of the Trustee, the Trustee's advisers have requested data in respect of the AVC funds with Aviva and Phoenix Life, this has not yet been received. The Trustee's advisers will continue to explore all avenues to source this information.

In addition to the above, the Trustee contacted the Scheme's asset managers that do not hold listed equities, to ask if any of the assets held by the Scheme had voting opportunities over the Scheme Year. LGIM have confirmed that no other funds had voting opportunities.

10.1 Description of the voting processes

For assets with voting rights, the Trustee relies on the voting policies which its managers have in place.

LGIM

LGIM's Investment Stewardship team uses Institutional Shareholder Service's (ISS's) '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. The use of ISS recommendations is purely to augment LGIM's 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 received from ISS for UK companies when making specific voting decisions.

To ensure its proxy provider votes 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 it considers are minimum best practice standards which it believes 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 it to apply a qualitative overlay to voting judgement. 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 of rejected votes which require further action.

BlackRock

For clients who have authorised BlackRock to vote on their behalf, BlackRock Active Investment Stewardship (BAIS) works with active portfolio managers to vote their holdings, in manner that, in BAIS' assessment serves the financial interests of clients in the context of their active equity investment mandates. For the vast majority of companies, it anticipates voting in favour of management recommendations, consistent with its active investment decisions and support for management teams that have a strong track record of financial value creation.

BlackRock can convey concerns through voting in two forms: 1) it might not support the election of directors or other management proposals; or 2) it might not support management's voting recommendation on a shareholder proposal. Voting to elect directors to the board is a near-universal right of shareholders globally and an important way they can convey support for, or concern about, the performance of the board in overseeing and advising management.

The BAIS Engagement and Voting Guidelines provide clients and companies factors it considers when it votes on matters that are commonly on shareholder meeting agendas. They are not prescriptive and are applied in the context of a company's operating environment and an active equity portfolio manager's investment strategy, anchored in BlackRock's fiduciary duty to clients. BAIS undertakes the analysis related to the items on the agenda of the annual or special shareholder meeting and makes voting recommendations to the active portfolios managers with holdings. Any active portfolio manager may over-ride the BAIS recommendation if they determine that voting differently is more aligned with the investment objectives of their fund.

Proxy research firms provide research and recommendations on proxy votes as well as voting infrastructure. Although proxy research firms provide important data and analysis, BlackRock do not rely solely on their information or follow their voting recommendations.

BlackRock Active Investment Stewardship's vote recommendations to active equity portfolio managers are informed by its in-depth analysis of company disclosures, engagement with boards and management teams, input from active equity investment colleagues, independent third-party research, and comparisons against a company's industry peers. Where BlackRock have been authorised by clients to vote proxies, BAIS casts votes in accordance with BlackRock's Global Engagement and Voting Guidelines or as instructed by an active equity portfolio manager in the context of their investment objectives.

Macquarie

Unless alternate voting arrangements are made with clients, MSI (Macquarie Systematic Investments) adheres to MAM's (Macquarie Asset Management) global proxy voting policy in exercising votes, which encompasses criteria across board structure, remuneration, regulatory compliance, and anti-takeover measures. This policy ensures its voting decisions align with its commitment to good corporate governance and the best interests of its clients. A copy of the proxy voting policy is available to clients upon request.

The Proxy Advisor and/or the client's custodian monitor corporate events in connection with MAM client accounts. After receiving the proxy statements, Proxy Advisor will review the proxy issues and recommend a vote in accordance with MAM's Guidelines. When the Guidelines state that a proxy issue will be decided on a case-by-case basis, Proxy Advisor's custom research team will look at the relevant facts and circumstances and research the issue to provide MAM with a recommendation as to how the proxy should be voted in accordance with the parameters described in the Guidelines. If the Guidelines do not address a particular proxy issue, Proxy Advisor will similarly look at the relevant facts and circumstances and research the issue to provide a recommendation as to how the proxy should be voted. In limited cases where Proxy Advisor is unable to provide research and a proxy vote recommendation for a portfolio company, MAM will be solely responsible for researching the proxy and voting the proxy.

Although MAM will usually vote proxies in accordance with these Guidelines, each MAM portfolio management team reserves the right to vote certain issues counter to the Guidelines if, after a review of the matter, the team believes that a client's best interests would be served by such a vote. In all cases, the MAM portfolio management team responsible for voting proxies on behalf of a client will have the final decision on how to vote proxies, subject to these Procedures. Given MAM's "boutique" structure with different portfolio management teams managing their own investment strategies, there is a possibility that a portfolio holding that is held across multiple MAM investment strategies may have a proxy that is voted differently by each strategy's respective portfolio managers in certain circumstances. In all such cases, MAM's portfolio managers will seek to vote such proxies in a manner that they believe is in the best interests of their clients.

HSBC

The legal right to the underlying votes lies with the directors of the HSBC CCF Islamic Global Equity Fund. They have delegated this execution of this voting to HSBC Global Asset Management (UK) Limited. HSBC use the leading voting research and platform provider Institutional Shareholder Services (ISS) to assist with the global application of its voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene HSBC's guidelines. Voting policy recommendations are reviewed according to the scale of overall holdings. The bulk of holdings are voted in line with the recommendation based on HSBC's guidelines.

HSBC regard the votes against management recommendation as the most significant. With regards to climate, in its engagement HSBC encourage companies to disclose their carbon emissions and climate-related risks in line with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). Where companies in energy intensive sectors have persistently failed to disclose their carbon emissions and climate risk governance, HSBC will generally vote against the re-election of the Chairman. It also generally supports shareholder resolutions calling for increased disclosure on climate-related issues.

HSBC Funds and client mandates may hold shares in its parent HSBC Holdings PLC. A special procedure for voting these shares to manage this conflict is in place.

10.2 Summary of voting behaviour

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

	LGIM All World Equity Index Fund	LGIM MSCI World Small Cap ESG Exclusions Equity Index Fund[1]	LGIM Diversified Fund	LGIM FTSE4Good Developed Equity Index Fund[2]
Manager name	LGIM	LGIM	LGIM	LGIM
Total size of fund at end of the Scheme Year	£5.1bn	£3.1bn	£12.0bn	£50.0m
Value of Scheme assets at end of the Scheme Year (£ / % of total assets)	£828.7m / 40.0%	£138.1m / 6.7%	£148.2m / 7.2%	£7.0m / 0.3%
Number of equity holdings at end of the Scheme Year	4,163	3,740	7,203	1,078
Number of meetings eligible to vote	6,611	4,357	10,796	1,194
Number of resolutions eligible to vote	63,689	46,157	107,020	16,792
% of resolutions voted	99.8%	99.8%	99.8%	99.6%
Of the resolutions on which voted, % voted with management	79.5%	73.7%	76.5%	82.1%
Of the resolutions on which voted, % voted against management	19.0%	26.0%	22.4%	17.5%
Of the resolutions on which voted, % abstained from voting	1.5%	0.4%	1.1%	0.3%
Of the meetings in which the manager voted, % with at least one vote against management	59.9%	84.2%	69.3%	73.5%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	10.4%	18.1%	13.7%	13.6%

Figures may not sum due to rounding. The proportion of total assets includes covers all assets where values have been confirmed. [1]The fund was renamed from the LGIM Global Developed Small Cap Index Fund in May 2023. [2]The fund was renamed from the LGIM Ethical Global Equity Index Fund in May 2024.

	ML Macquarie Global Multi-Strategy True Index Fund	BlackRock Market Advantage Strategy Fund	BlackRock Aquila Life Market Advantage Fund	HSBC Islamic Global Equity Index Fund	Prudential With-Profits Fund
Manager name	Macquarie	BlackRock	BlackRock	HSBC	M&G T&IO
Total size of fund at end of the Scheme Year	£409.0m[1]	£154.8m	£396.3m	£4.2bn	£90bn
Value of Scheme assets at end of the Scheme Year (£ / % of total assets)	£409.0m[1] / 20.0%	£74.0m / 3.6%	£153.1k / 0.0%	£6.1m / 0.3%	£307.9m / 14.9%
Number of equity holdings at end of the Scheme Year	886	1,889	1,809	99	The fund holds a number of underlying collectives or segregated mandates.
Number of meetings eligible to vote	1,360	2,101	2,065	105	5,070
Number of resolutions eligible to vote	13,980	23,171	22,126	1,719	59,435
% of resolutions voted	99.7%	95.2%	98.5%	96.2%	98.9%
Of the resolutions on which voted, % voted with management	89.2%	94.2%	94.4%	78.5%	92.2%
Of the resolutions on which voted, % voted against management	10.8%	5.8%	5.6%	21.5%	7.0%
Of the resolutions on which voted, % abstained from voting	3.5%	1.4%	1.1%	0.1%	0.9%
Of the meetings in which the manager voted, % with at least one vote against management	43.9%	26.0%	26.0%	78.1%	35.4%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	0.1%	0.0%	0.0%	1.8%	0.6%

Figures may not sum due to rounding. [1]The value of the Scheme assets are assumed to match the total size of the Macquarie fund, as the fund's sole investor. As a percentage of Scheme assets, this may not be exact due to differences in timing and actual weightings of the Scheme funds at the end of the Scheme year.

10.3 Most significant votes

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 as well as the resource requirements necessary to allow this, the Trustee did not identify significant voting ahead of the reporting period. Instead, the Trustee requested that each manager provide a shortlist of most significant votes. These shortlists comprise a minimum of ten votes selected using PUK's criteria.

The outcome of the resolution is shown as a 'Pass' or 'Fail', indicating whether the vote was successful or not. In order to be passed, a resolution must receive more than a 50% level of support in the vote.

LGIM All World Equity Index Fund

- **Microsoft Corporation, December 2024**
- **Summary of resolution:** Report on AI Data Sourcing Accountability
- **Relevant stewardship priority:** N/A
- **Approx size of the holding at the date of the vote**: 3.9%
- **Why this vote is considered to be most significant:** The company has a high media profile. LGIM also noted the relatively high level of support received for this proposal.
- **Company management recommendation:** Against **Fund manager vote:** For
- **Rationale:** LGIM voted for this shareholder resolution as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language models.
- **Was the vote communicated to the company ahead of the vote:** No
- **Outcome of the vote and next steps**: Fail. LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

LGIM MSCI World Small Cap ESG Exclusions Equity Index Fund

- **Wingstop Inc, May 2024**
- **Summary of resolution:** Report on GHG Emissions Reduction Targets
- **Relevant stewardship priority:** Climate change – low-carbon transition
- **Approx size of the holding at the date of the vote**: 0.2%
- **Why this vote is considered to be most significant:** This resolution aligns with one of the Trustee's stewardship priorities.
- **Company management recommendation:** Against **Fund manager vote:** For
- **Rationale:** LGIM voted for this resolution as it expects companies to be taking sufficient action on the key issue of climate change.
- **Was the vote communicated to the company ahead of the vote:** No
- **Outcome of the vote and next steps**: Pass. LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

LGIM Diversified Fund

- **Amazon.com Inc, May 2024**
- **Summary of resolution:** Additional Reporting on Gender/Racial Pay Gaps
- **Relevant stewardship priority:** Human Rights – pay & safety in workforce and supply chains; Governance – diversity, equity and inclusion

- **Approx size of the holding at the date of the vote**: 0.2%
- **Why this vote is considered to be most significant:** This resolution aligns with one of the Trustee's stewardship priorities.
- **Company management recommendation:** Against **Fund manager vote:** For
- **Rationale:** LGIM voted for this resolution as while the company does disclose according to established mandatory US federal ethnicity and gender reporting standards, it does not publish comprehensive and disaggregated data on gender and racial pay gaps at a regional level outside of the US or on a global level. Disclosure regarding wage progress within the company at each specific level and what job types and compensation are available at that level would also be welcomed. LGIM believes further reporting would be beneficial to allow the company's investors to gain transparency on pay gaps and company policies, and any actions taken to remediate and minimise material risks that could arise.
- **Was the vote communicated to the company ahead of the vote:** Yes
- **Outcome of the vote and next steps**: Fail. As one of the largest companies and employers not only within its sector but in the world, LGIM believes that Amazon's approach to human capital management issues has the potential to drive improvements across both its industry and supply chain. LGIM voted in favour of this proposal last year and continues to support this request, as enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation. While the company has disclosed that they internally review these for their products (RING doorbells and Rekognition) and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic. Despite this, Amazon's coverage and reporting of risks falls short of baseline expectations surrounding AI. In particular, LGIM would welcome additional information on the internal education of AI and AI-related risks.

LGIM FTSE4Good Developed Equity Index Fund

- **Bank of America Corporation, April 2024**
- **Summary of resolution:** Report on Clean Energy Supply Financing Ratio
- **Relevant stewardship priority:** Climate change – low-carbon transition
- **Approx size of the holding at the date of the vote**: 0.6%
- **Why this vote is considered to be most significant:** This resolution aligns with one of the Trustee's stewardship priorities and the company has a high media profile.
- **Company management recommendation:** Against **Fund manager vote:** For
- **Rationale:** LGIM voted for this resolution as it believes that banks and financial institutions have a significant role to play in shifting financing away 'brown' to funding the transition to 'green'. LGIM expects the company to be undertaking appropriate analysis and reporting on climate change matters, as it considers this issue to be a material risk to companies.
- **Was the vote communicated to the company ahead of the vote:** Yes
- **Outcome of the vote and next steps**: Fail. LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress. Given the sector's importance in enabling the global energy transition, banks have received a significant number of climate-related shareholder proposals ahead of the 2024 AGM season. LGIM 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. Accordingly, it believes that its support of many of these resolutions – depending always on the specifics of their drafting language and advisory or binding nature – is warranted.

ML Macquarie Global Multi-Strategy True Index Fund

- **The Travelers Companies Inc, May 2024**
- **Summary of resolution:** Report on Human Rights Risk in Underwriting
- **Relevant stewardship priority:** Human rights
- **Approx size of the holding at the date of the vote**: 0.6%
- **Why this vote is considered to be most significant:** This resolution aligns with one of the Trustee's stewardship priorities.
- **Company management recommendation:** Against **Fund manager vote:** For

- **Rationale:** Macquarie have advised that this vote was supported by its proxy advisor recommendations which are formulated using a combination of their defined best practice guidelines and the Macquarie asset management custom policy expectations.
- **Was the vote communicated to the company ahead of the vote:** No
- **Outcome of the vote and next steps**: Fail. Macquarie have not indicated that there are any plans to engage further with the company on this matter.

BlackRock Market Advantage Strategy Fund and BlackRock Market Advantage Fund

- **Tesla Inc, June 2024**
- **Summary of resolution:** Report on Harassment and Discrimination Prevention Efforts
- **Relevant stewardship priority:** Human rights – pay and safety in workforce and supply chains
- **Approx size of the holding at the date of the vote**: 0.2%
- **Why this vote is considered to be most significant:** This resolution aligns with one of the Trustee's stewardship priorities.
- **Company management recommendation:** Against **Fund manager vote:** For
- **Rationale:** Tesla continues to face significant material legal and reputational risks due to high-profile controversies including ongoing harassment and discrimination allegations. This shareholder proposal was also on the ballot at Tesla's August 2022 AGM, and it received approximately 46% shareholder support, including from BlackRock. Tesla subsequently made some enhancements to its disclosures, such as reporting on types of complaints received and employee training initiatives. Even so, these disclosures do not provide investors with a clear sense of how many of these complaints are specifically related to harassment and discrimination, or whether any remediation efforts have been sufficient to minimize the risk of additional adverse verdicts. In BlackRock's view, enhanced disclosures on this issue, which it deems material, would help investors better assess risks at the company. As a result, BlackRock determined that support for the proposal was warranted as the request is aligned with the long-term financial interests of clients.
- **Was the vote communicated to the company ahead of the vote:** No
- **Outcome of the vote and next steps**: Fail. BlackRock have confirmed that there are no plans to engage further with the company on this matter.

HSBC Islamic Global Equity Index Fund

- **NVIDIA Corporation, June 2024**
- **Summary of resolution:** Elect Director Stephen C. Neal
- **Relevant stewardship priority:** Governance – diversity, equity and inclusion
- **Approx size of the holding at the date of the vote**: 7.7%
- **Why this vote is considered to be most significant:** This resolution aligns with one of the Trustee's stewardship priorities and the company has a significant weighting in the portfolio.
- **Company management recommendation:** For **Fund manager vote:** Against
- **Rationale:** HSBC voted against this Nomination Committee Chair as it has concerns about insufficient gender diversity of the board.
- **Was the vote communicated to the company ahead of the vote:** No
- **Outcome of the vote and next steps**: Pass. HSBC will likely vote against a similar proposal should it see insufficient improvements.

Prudential With-Profits Fund

- **Shell Plc, May 2024**
- **Summary of resolution:** Advise Shell to Align its Medium-Term Emissions Reduction Targets Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products
- **Relevant stewardship priority:** Climate change – low-carbon transition
- **Approx size of the holding at the date of the vote**: 0.2%

- **Why this vote is considered to be most significant:** This resolution aligns with one of the Trustee’s stewardship priorities.
- **Company management recommendation:** Against **Fund manager vote:** For
- **Rationale:** A vote for this resolutions was applied as while the company has made progress towards its medium-term Scope 3 ambitions, the alignment of the existing medium-term reduction target covering the greenhouse gas (GHG) emissions of the use of its energy products (Scope 3) with the goal of the Paris Climate Agreement would aid shareholders in understanding the company's assessment of how it could reduce its carbon footprint to limit global warming well below 2 degrees Celsius above pre-industrial levels and to limit the temperature increase to 1.5 degrees Celsius.
- **Was the vote communicated to the company ahead of the vote:** No
- **Outcome of the vote and next steps**: Fail. The fund management has been delegated to a number of fund managers, and the voting is carried out by those fund managers. In relation to this vote, BlackRock stewardship teams have had extensive, multiyear engagements with Shell where they have discussed, among other topics, board composition, corporate strategy, and the board’s oversight of, and management’s approach to, climate-related risks and opportunities. Following the outcomes of the May 2024 AGM, these discussions covered their updated energy transition strategy, ongoing climate litigation, as well as several corporate governance topics. More recently, since their March 2025 Capital Market Day, BlackRock Active Investment Stewardship has engaged twice with the company to better understand the updates to their strategy, including the underlying assumptions behind their global energy demand forecast, including Liquified Natural gas, and their stated targets. It aims to continue its dialogue with the company and monitor progress towards its goals, including their stated medium-term emissions targets.