

John Lewis Partnership Trust for Pensions— Defined Contribution (“DC”) Section

Annual Implementation Statement – Year ending 31 March 2026

1. Introduction

The Trustee of the John Lewis Partnership Trust for Pensions – DC Section (the “Scheme”) is required to produce an annual Implementation Statement (the “Statement”) setting out how, and the extent to which, the policies in its Statement of Investment Principles (“SIP”) have been followed during the year to 31 March 2026 (the “Scheme Year”).

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

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.

2. Trust governance

2.1 The Trustee Board

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.

The Trustee Board has sub-committees, each with a particular area of focus (for example Defined Benefit or Defined Contribution matters). Terms of reference are in place for each.

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

2.2 Trustee knowledge and understanding

During the Scheme Year, the Trustee received training on the evolving landscape for trust-based DC schemes, developments in DC decumulation, and the DC membership profile, informed by member demographic data.

2.3 Holding advisers and managers to account

In May 2025, the Trustee appointed Lane Clark and Peacock (“LCP”) as its new DC investment and governance advisers, replacing Hymans Robertson, and agreed investment objectives against which LCP’s performance is reviewed annually.

3. Statement of Investment Principles

3.1. Investment objectives of the Trust

As laid out in the SIP, the Trustee’s objectives for the DC Section of the Scheme are:

- 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 the JLP Lifecycle (the “default”) and the range of self-select funds offered to members were reviewed against these objectives as part of the last formal triennial investment strategy review, which concluded in September 2024.

3.2 Review of the SIP

This Statement is based on, and should be read in conjunction with, the SIP dated September 2024, which was in force during the Scheme Year. This SIP is publicly available here: [Statement of Investment Principles for Defined Contribution Section - 2024-09](#).

No review of the SIP was undertaken during the Scheme Year. The last time the SIP was formally reviewed was September 2024; several changes were implemented after the Scheme Year.

The next formal review is due to take place by September 2027.

3.3 Assessment of how the policies in the SIP have been followed for the year to 31 March 2026

The information provided in the following sections highlights the work undertaken by the Trustee during the Scheme Year and sets out how this work followed the Trustee's policies in the SIP.

In summary, it is the Trustee's view that the policies in the SIP have been followed during the Scheme Year.

4. Investment strategy

The Trustee, with the help of its advisers, reviewed the strategy and performance of the default strategy as part of a review which concluded in September 2024. As part of this review, the Trustee 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.

During the Scheme Year, the Trustee progressed the implementation of the recommendations arising from that review.

The majority of members currently take their Scheme benefits as cash at retirement. The 2024 review concluded that the cash target remained appropriate for the majority of members, but that a number of changes should be made to the JLP Lifecycle.

The changes arising from the 2024 review included introducing a second default pathway targeting flexible income drawdown, delaying the start of de-risking, broadening the underlying asset allocation and further integrating environmental, social and corporate governance ("ESG") considerations. The Trustee also reviewed the integration of ESG considerations over the Scheme Year and decided to further improve this integration across all phases of the default pathways reflecting the Trustee's commitment to responsible investing.

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 range comprises six funds which remain open to members, covering the majority of asset classes. The Trustee monitors take up of these funds and, to date, it has been limited. The Trustee has reminded members to review their investment choices through member communications, and check they are suitable for their risk tolerances and retirement planning.

The above investment strategy review also covered the range of investment options. Following this review, the Trustee decided to make changes to these options. The following changes were implemented after the Scheme Year, between May and July 2026, and are included for context only. They do not form part of the Trustee's assessment of implementation during the year to 31 March 2026.

- **JLP Global Equity Fund (updated):** this fund was updated to broaden the underlying asset allocation, further integrate ESG and allocate to active emerging markets equity funds with different investment styles.
- **JLP Diversified Growth Fund (updated):** the underlying allocation to the BlackRock Market Advantage Strategy Fund was removed with 100% allocated to the other underlying fund, L&G Diversified Fund.
- **JLP Cautious Diversified Growth Fund:** this fund has been soft-closed since October 2023 due to limited uptake and was removed as part of the wider strategy changes.
- **JLP Emerging Market Equity Fund (new fund):** this fund invests in three underlying emerging market equity funds with different investment styles.

- **JLP Multi-Asset Credit Fund (new fund):** this fund invests in two underlying multi-asset credit funds with complementary investment styles.
- **JLP Short Duration Credit Bond Fund (new fund):** this fund invests in one underlying fund which provides exposure to short-dated fixed income securities.
- **JLP (For-Good) Global Equity Fund (renamed):** previously the JLP Ethical Equity Fund.

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 self-select fund range following the implementation of the strategy changes outlined above, including whether it remains appropriate for members.

5. Considerations in setting the investment arrangements

When the Trustee undertook the performance and strategy review noted above, it considered the investment risks set out in the SIP as well as its investment beliefs (last reviewed in June 2024). 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 monitors the investment managers on an ongoing basis, through regular research meetings. The investment adviser informs the Trustee promptly about any significant updates or events that may affect the managers' ability to achieve their investment objectives. This includes any significant change to the investment process or key staff, or any material change in the level of diversification.

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

Risks are monitored on an ongoing basis with the help of the investment adviser. The Trustee maintains a risk register which 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 insufficient retirement income (relative to members' expectations), inflation risk, conversion risk, opportunity cost risk, manager risk, capital risk, suitability risk, operational risk and ESG (including climate) risks. The Trustee's implementation of its policy for these risks during the year are included throughout this statement.

The Trustee recognises the key risk is that members will have insufficient retirement income relative to their expectations. The Trustee sought to mitigate that risk through the strategy changes noted in Section 4, ie changing the underlying asset allocations of the default strategy and adding a second default pathway.

The Trustee monitors the standard deviation and returns of these funds on a quarterly basis. The quarterly reports reviewed during the Scheme Year showed that the majority of managers produced performance broadly in line with expectations over the long-term, except for the following funds:

- **JLP Diversified Growth Fund:** This fund underperformed its composite benchmark over the three- and five-year periods to 31 March 2026. The Trustee will continue to monitor this fund on a quarterly basis but, given the changes to this fund noted in the previous section (implemented after 31 March 2026), it is not proposing any further actions at this time.
- **JLP Cautious Diversified Growth Fund:** This fund underperformed its benchmark over all periods to 31 March 2026. This fund has been soft-closed to new member investment and removed in 2026 after the Scheme Year.
- **JLP Annuity Protection Fund:** This fund produced performance which was different from its benchmark, with periods of both outperformance and underperformance over the year to 31 March 2026. However, when this was reviewed further, it was confirmed that the fund's performance still broadly tracks changes in annuity prices, which is the overall aim of this fund.

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 2026 for the Scheme Year to 31 March 2026 found that these fees in respect of the DC Section were competitive for the default 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 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 2023-24, 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 the extent to which it should take into account ESG and member views during each triennial review of the DC investment options.

The Trustee formally considers the climate risk associated with its investments on an annual basis in the preparation of its Climate-related Disclosures 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 fifth Climate-related Disclosures report covering the year ending 31 March 2026 was published following the Scheme Year end. In this report the Trustee considered how climate-related risks and opportunities are measured, monitored and managed in the Scheme.

The Trustee also reviews the funds’ high-level ESG credentials through its quarterly performance monitoring report.

The Trustee recognises that some members may wish for some ethical matters to be taken into account in their investments and has therefore made available the JLP Ethical Equity Fund (now renamed the JLP (For-Good) Global Equity Fund) as an investment option to members.

9. Voting and engagement

Sections 24 and 27 of the SIP set out the Trustee’s policies on ESG factors, stewardship and climate change.

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 helps manage risk. The Trustee reviews managers’ stewardship approaches, through performance reports, to ensure that they remain consistent with the Trustee’s Responsible Investment Policy. The Trustee takes this policy into account when selecting funds for the default or the self-select range, and when monitoring managers.

The DC Section invests solely in pooled funds. Voting rights are delegated to the investment managers and the Trustee cannot direct individual votes. The Trustee nevertheless:

- Chooses fund managers whose voting policies 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 identified the following stewardship priorities when determining '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, on the Scheme's funds that hold equities, noting that not all funds are 100% invested in equities, as follows:

Funds used in the default strategy:

- L&G All World Equity Index Fund
- ML Macquarie Global Multi-Strategy True Index Fund
- L&G MSCI World Small Cap ESG Exclusions Equity Index Fund
- L&G Diversified Fund
- BlackRock Market Advantage Strategy Fund

Self-select funds:

- L&G FTSE4Good Developed Equity Index Fund – the underlying fund of the JLP Ethical Equity Fund (subsequently renamed the JLP (For-Good) Global Equity Fund)
- HSBC Islamic Global Equity Index Fund – the underlying fund of the JLP Shariah Equity Fund
- BlackRock Aquila Life Market Advantage Fund – the underlying fund of the JLP Cautious Diversified Growth Fund, which is closed to new investment (and subsequently has been removed after the Scheme Year)

We have included the funds with equity holdings used in the default strategy given the high proportion of assets invested in these funds. In addition, we have also included self-select funds with equity holdings, some of 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 Prudential, Aviva and Phoenix Life. Aviva has confirmed that voting data cannot be supplied for the relevant fund while information from Phoenix Life has not yet been received.

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. L&G has confirmed that no other funds had voting opportunities.

11. Description of the voting processes

For assets with voting rights, the Trustee's managers' voting policies are summarised below.

L&G

Votes are cast according to L&G's instructions, guided by its voting policies.

L&G's voting decisions are guided by policies that are reviewed annually and reflect its expectations on governance and sustainability.

L&G regularly monitors the votes cast on its behalf to ensure they are executed in accordance with its policy intentions.

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, with the aim of serving clients' financial interest.

The BAIS Engagement and Voting Guidelines set out the factors considered when voting. Portfolio managers may override BAIS recommendations where they consider a different vote better aligned with the fund's investment objectives.

Macquarie

Macquarie Asset Management (MAM) has a Proxy Voting Policy and Guidelines (Proxy Voting Procedures) which set out MAM's approach to proxy voting. These set out the governance principles governing how MAM and Macquarie Systematic Investments (MSI) exercise voting rights.

ISS is retained as MSI's proxy agent (Agent) and adviser, providing infrastructure, research and bespoke recommendations.

MSI retains the right to diverge from the Proxy Advisor's recommendation where, upon review, the team determines that an alternative course of action better aligns to client's long-term interests.

Since the completion of the Nomura transaction on 1 December 2025, MSI has operated under its own ESG Framework. The MAM Proxy Voting Policy was also updated to reflect the legal and structural changes to the business. The updated policy came into effect from 1 December 2025.

HSBC

HSBC aims to vote on all equities for which clients have given it voting authority, except where this is not practical.

To enable efficient proxy voting operations, HSBC works with its proxy service provider (ISS) which provides research, a voting platform and disclosure services. HSBC's Global Voting Guidelines, together with its own research, inform its voting decisions. HSBC may depart from its guidelines where it considers this appropriate and reviews those guidelines annually.

In 2025, HSBC introduced a new framework to assess environmental and social shareholder proposals. Under this framework, HSBC evaluates shareholder resolutions based on factors, including its stewardship priorities; the merits and likely impact of the proposal, the company's existing actions and the objectives of the relevant funds.

Prudential

The fund management has been delegated to a number of fund managers, namely, M&G Investment Management, BlackRock, Granahan Investment Management, Lazard Asset Management Ltd, MFS, Goldman Sachs Asset Management, Earnest Partners, Manulife, Matthews Asia, Coronation, Franklin Templeton. The voting is carried out by those fund managers using their respective voting policies.

12. Summary of voting behaviour

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

	L&G All World Equity Index Fund	L&G MSCI World Small Cap ESG Exclusions Equity Index Fund	L&G Diversified Fund	L&G FTSE4Good Developed Equity Index Fund
Manager name	L&G	L&G	L&G	L&G
Total size of fund at end of the Scheme Year	£4.4bn	£2.9bn	£9.8bn	£1.3bn
Value of Scheme assets at end of the Scheme Year (£ / % of DC and AVC assets)	£1.0bn / 41.2%	£171.4m / 6.9%	£188.9m / 7.6%	£8.6m / 0.3%
Number of equity holdings at end of the Scheme Year	4,267	3,638	6,126	1,103
Number of meetings eligible to vote	6,820	4,180	9,195	1,229
Number of resolutions eligible to vote	68,549	44,364	99,713	17,338
% of resolutions voted	100.0%	99.8%	99.9%	100.0%
Of the resolutions on which the manager voted, % voted with management	77.9%	72.9%	76.1%	82.4%
Of the resolutions on which the manager voted, % voted against management	20.5%	26.7%	22.8%	17.2%
Of the resolutions on which the manager voted, % abstained from voting	1.6%	0.4%	1.2%	0.4%
Of the meetings in which the manager voted, % with at least one vote against management	61.2%	78.9%	71.2%	69.7%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	9.4%	19.4%	14.6%	13.7%

Figures may not sum due to rounding.

	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 LIO
Total size of fund at end of the Scheme Year	£526.2m ²	£166.5m	£356.8m	£5.0bn	TBC ⁴
Value of Scheme assets at end of the Scheme Year (£ / % of DC and AVC assets)	£514.2m ¹ / 20.6%	£94.4m / 3.8%	£170.2k / 0.0%	£6.6m / 0.3%	£304.2m / 12.2%
Number of equity holdings at end of the Scheme Year	945	371	1,604	498 ³	The fund holds a number of underlying collectives or segregated mandates.
Number of meetings eligible to vote	1,404	1,531	2,126	108	3,584
Number of resolutions eligible to vote	15,262	18,162	23,135	1,645	46,519
% of resolutions voted	97.6%	96.1%	96.4%	95.6%	99.5%
Of the resolutions on which the manager voted, % voted with management	87.8% ⁵	94.7% ⁵	93.6% ⁵	84.6% ⁵	92.9%
Of the resolutions on which the manager voted, % voted against management	12.2% ⁵	5.3% ⁵	6.4% ⁵	15.4% ⁵	6.3%
Of the resolutions on which the manager voted, % abstained from voting	3.9% ⁵	0.8% ⁵	1.0% ⁵	0.5% ⁵	0.8%
Of the meetings in which the manager voted, % with at least one vote against management	45.7%	28.2%	27.4%	70.4%	41.3%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	0.2%	0.1%	0.0%	1.5%	0.9%

Figures may not sum due to rounding. ²The value of the Scheme assets, as the fund's sole investor, may not exactly match the total size of the Macquarie fund due to differences in timing and actual weightings of the Scheme funds at the end of the Scheme Year. ³The number of equity holdings for the HSBC Islamic Global Equity Index Fund includes dual listings. ⁴The data from this manager was unavailable at the time of writing and the Trustee's advisers are continuing to follow-up to obtain this information. ⁵Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote against management.

13. Most significant votes

Commentary on the most significant votes cast by the Scheme's asset managers during the Scheme Year, 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, using the Trustee's stewardship priorities and the manager's assessment of significance.

L&G All World Equity Index Fund

- **Mastercard Incorporation, June 2025**
- **Summary of resolution:** Oversee and Report on a Racial Equity Audit
- **Relevant stewardship priority:** DEI
- **Approximate 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:** L&G voted for this shareholder resolution as it supports such information and risk management approaches to diversity.
- **Was the vote communicated to the company ahead of the vote:** No
- **Outcome of the vote and next steps:** Fail. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

L&G MSCI World Small Cap ESG Exclusions Equity Index Fund

- **Dyno Nobel Limited, December 2025**
- **Summary of resolution:** Approve Progress on Climate Change Transition
- **Relevant stewardship priority:** Climate change
- **Approximate size of the holding at the date of the vote:** 0.1%
- **Why this vote is considered to be most significant:** This resolution aligns with one of the Trustee's stewardship priorities.
- **Company management recommendation:** For **Fund manager vote:** Against
- **Rationale:** L&G recognises the progress that the company has made in its transition plan, including improved disclosure of its operational greenhouse gas ("GHG") transition pathway and the introduction of scope 3 targets. However, L&G requires short-, medium- and long-term targets aligned to a 1.5°C trajectory and covering all scopes of emissions. Dyno Nobel does not currently meet these criteria, nor does it disclose capital expenditure linked to its climate transition plan, and as such L&G decided to vote against this resolution.
- **Was the vote communicated to the company ahead of the vote:** No
- **Outcome of the vote and next steps:** Pass. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

L&G Diversified Fund

- **Marks & Spencer Group Plc., July 2025**
- **Summary of resolution:** Oversee the Preparation of a Report to Provide Investors the Information Needed to Assess the Company's Approach to Human Capital Management
- **Relevant stewardship priority:** Human Rights
- **Approximate size of the holding at the date of the vote:** 0.01%

- **Why this vote is considered to be most significant:** This resolution aligns with one of the Trustee's stewardship priorities. L&G also considered this shareholder resolution to be significant due to the relatively high level of support received.
- **Company management recommendation:** Against **Fund manager vote:** For
- **Rationale:** L&G voted in favour of this resolution, acknowledging that M&S offers all of their own employees a real living wage. However, it believes that knowing the turnover rates at least for full-time workers would help to build a picture of the positive impact paying a real living wage and treating their colleagues well impacts retention rates. Although the UK is considered a low risk country in terms of human rights abuses, L&G believes having a thorough understanding of the 3rd party contractors that operate in M&S premises will reduce any potential future risks from human rights issues.
- **Was the vote communicated to the company ahead of the vote:** No
- **Outcome of the vote and next steps:** Fail. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

L&G FTSE4Good Developed Equity Index Fund

- **Alphabet Inc., June 2025**
- **Summary of resolution:** Elect Director John L. Hennessy
- **Relevant stewardship priority:** DEI
- **Approximate size of the holding at the date of the vote:** 2.2%
- **Why this vote is considered to be most significant:** This resolution aligns with one of the Trustee's stewardship priorities.
- **Company management recommendation:** For **Fund manager vote:** Against
- **Rationale:** L&G voted against this resolution as L&G expects the Chair of the Nominations/ Governance Committee to have served on the board for no more than 12 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background. L&G also expect the board to be regularly refreshed and for a company to have at least one-third of women on the board. Moreover, L&G support the equitable structure of one-share-one-vote and expect companies to move to a one-share-one-vote structure or provide shareholders a regular vote on the continuation of an unequal capital structure.
- **Was the vote communicated to the company ahead of the vote:** No
- **Outcome of the vote and next steps:** Pass. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

ML Macquarie Global Multi-Strategy True Index Fund

- **A. O. Smith Corporation, April 2025**
- **Summary of resolution:** Report on Company's Hiring Practices with Respect to Formerly Incarcerated People
- **Relevant stewardship priority:** DEI
- **Approximate size of the holding at the date of the vote:** not available at the time of writing. The Trustee's advisers continue to follow-up with the provider to obtain this data.
- **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:** Against
- **Rationale:** Macquarie have advised that this vote was made in alignment to bespoke proxy advisor research recommendations.
- **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. The Trustee's advisers have followed up with Macquarie to query the vote rationale and what next steps will be taken by the manager. This information remains outstanding, and the Trustee's advisers will continue to follow up with the manager.

BlackRock Market Advantage Strategy Fund and BlackRock Aquila Life Market Advantage Fund

- **Sagax AB, May 2025**
- **Summary of resolution:** Re-elect Staffan Salen as Director
- **Relevant stewardship priority:** DEI
- **Approx size of the holding at the date of the vote:** 0.0% and 0.1%
- **Why this vote is considered to be most significant:** This resolution aligns with one of the Trustee's stewardship priorities.
- **Company management recommendation:** For **Fund manager vote:** Against
- **Rationale:** BlackRock voted against this resolution due to the company's board composition being an outlier compared to market norms/standards. BlackRock believes more perspectives in the boardroom may lead to better risk management and identification of business opportunities. The Director nominee serves on a number of public company boards which it believes raises concerns about the director's availability to exercise sufficient oversight on this board.
- **Was the vote communicated to the company ahead of the vote:** No
- **Outcome of the vote and next steps:** Pass. Generally, BlackRock Investment Stewardship supports the vote recommendations of the board of directors and management. When it determines it is in its clients' financial interests to convey concern to companies through voting, BlackRock may do so in two forms: it might not support the election of directors or other management proposals, or it might not support management's voting recommendation on a shareholder proposal. In some cases, companies may request an engagement after a shareholder meeting to provide additional clarity.

HSBC Islamic Global Equity Index Fund

- **Microsoft Corporation, December 2025**
- **Summary of resolution:** Human Rights Risk Assessment
- **Relevant stewardship priority:** Human Rights
- **Approx size of the holding at the date of the vote:** 5.3%
- **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:** Against. **Fund manager vote:** For.
- **Rationale:** This resolution requested that a report is published assessing the effectiveness of Microsoft's human rights due diligence processes. These relate to Microsoft AI and cloud products where customer misuse violates human rights or international and humanitarian law. HSBC voted in favour of this resolution as it believes the proposal would contribute to the better management of human rights issues, and that it would be in the interest of shareholders.
- **Was the vote communicated to the company ahead of the vote:** No
- **Outcome of the vote and next steps:** Fail. HSBC will likely vote in favour of a similar proposal.

Prudential With-Profits Fund

- **Shell Plc, May 2025**
- **Summary of resolution:** Request company disclose whether and how its demand forecast for liquid natural gas (LNG), LNG production and sales targets, and new capital expenditure in natural gas assets are consistent with climate commitments, including target to reach net zero emissions by 2050.
- **Relevant stewardship priority:** Climate change
- **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:** Prudential delegates fund management to a number of managers who carry out voting. In this case, BlackRock supported the proposal because Shell's strong LNG position and uncertain long-term demand

forecasts could create material financial and climate-related risks. The proposal sought clearer disclosure of Shell's LNG strategy, how it aligns with its stated targets, and the company's exposure and resilience to potential changes in LNG demand up to 2050.

- **Was the vote communicated to the company ahead of the vote:** No
- **Outcome of the vote and next steps:** Fail. This information remains outstanding, and the Trustee's advisers will continue to follow up with the manager.