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

The Trustee of the RNIB Retirement Benefits Scheme (the "Scheme") is required to produce a yearly statement to set out how, and the extent to which, it 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 SIP in Section 1 and on the implementation of the SIP in Sections 2 to 11.

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 12.

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.

Throughout the Statement, Legal & General Assurance Society ("LGAS") is used to refer to Legal & General platform, while LGIM is used to refer to Legal & General Investment Management.

1. Statement of Investment Principles

This Statement is based on and uses the same headings as the SIP (dated 19 September 2023) that was in place during the Scheme Year. The SIP was reviewed during the Scheme Year and updated to reflect the removal of the Ex-Tobacco lifestyle strategy, but this update was finalised after Scheme Year end.

The Trustee has followed all of the policies in the SIP during the Scheme Year. The following Sections provide further detail and commentary on this.

2. Investment objectives

Members who join the Scheme and who do not choose an investment option are placed into the default investment arrangement, which is the Lump Sum Targeting Strategy (the "Default"). The performance and strategy of the Default is reviewed at least every three years.

The Default strategy was last reviewed on 7 August 2024. As part of the review the Trustee considered the DC Section membership demographics and the variety of ways that members may draw their benefits in retirement from the Scheme.

Based on the outcome of this analysis, the Trustee concluded that the Default design remains in the best interests of the majority of the DC Section members and reflects the demographics of those members.

During the Scheme Year the Trustee also reviewed the performance of the Default on a quarterly basis via quarterly investment reports produced by the Trustee's investment adviser. The reviews over the Scheme Year did not identify any concerns with the performance of the Default.

The Trustee also provides members with access to a range of investment options which they believe are suitable for this purpose and enable appropriate diversification. The Trustee has made available a self-select fund range to members covering all major asset classes as set out in Appendix 3 of the SIP.

The Trustee reviews the membership demographics and any material changes from time to time, but not less than every three years and as part of the strategy review.

3. Investment strategy

The Trustee reviewed the DC investment strategy over the period covered by the Statement. The Trustee, with the help of its advisers and in consultation with the sponsoring employer, last reviewed the strategy of the Default arrangement on 7 August 2024. The performance of the Default arrangement was reviewed in quarterly investment reports provided by the Trustee's investment advisers during the Scheme Year.

As part of this review, the Trustee made sure the Scheme's Default was adequately and appropriately diversified between different asset classes and that the self-select options provide a suitably diversified range to choose from.

Based on the outcome of this analysis, the Trustee concluded that the default arrangement has been designed to be in the best interests of the majority of the DC Section members and reflects the demographics of those members.

4. Considerations in setting the investment arrangements

When the Trustee undertook a performance and strategy review of the DC default arrangement during the Scheme Year, it considered the investment risks set out in Appendix 2 of the SIP.

The Trustee reviews its investment beliefs from time to time and there were no changes to the beliefs over the Scheme Year.

The Trustee invests for the long term, to provide for the Scheme's members and beneficiaries. To achieve good outcomes for members and beneficiaries over this investment horizon, the Trustee therefore seeks to appoint managers whose

stewardship[1] activities are aligned to the creation of long-term value and the management of long-run systemic risks.

5. Implementation of the investment arrangements

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

In respect of the DC Section, the Trustee has entered into a contract with a platform provider, Legal & General Assurance Society ("LGAS"), who makes available the range of investment options to members. As all the funds are accessed via a reinsurance agreement with the Scheme's platform provider, there is no direct legal relationship between the Scheme and the underlying investment managers of the DC investment funds. Nevertheless, the Trustee is responsible for appointing and providing governance oversight of the managers which the Scheme accesses via the LGAS arrangement.

The Trustee's investment adviser, LCP, monitors the investment funds on an ongoing basis, through regular research meetings. LCP informs the Trustee promptly about any relevant material developments that they become aware of that may affect the managers' ability to achieve their investment objectives, for example the departure of a fund manager. There have been no significant issues with the Scheme's investments over the Scheme Year.

The Trustee monitors the performance of the Scheme's investments on a quarterly basis, using reporting provided by LGAS and LCP. The Trustee's monitoring includes reviewing the performance of each fund over the quarter, one year, three year and five years (where available) in the context of each manager's benchmark and objectives. These reviews during the Scheme Year concluded that all managers have produced performance broadly in line with their targets over shorter and longer-term periods and there were no material concerns with the investment funds.

The Trustee received a "value for members" report from LCP on 6 June 2025. This report covered the Scheme Year to 31 March 2025 and assessed a range of factors, including the fees payable to managers in respect of the DC Section. The report concluded that overall the DC members of Scheme are receiving good value for money.

6. 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 priced.

[1] The responsible allocation, management, and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

7. Financially material considerations, non-financial matters

As part of its advice on the selection and ongoing review of the investment managers, 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.

Following the Trustee's consideration of climate change as a financially material risk and decision in August 2021 to switch the equity fund used in the default strategy to a low carbon approach, the LGIM Low Carbon Transition Global Equity Index Fund replaced the LGIM 30:70 Global Equity Index Fund as the sole fund used in the growth phase of the Scheme's default strategy on 4 August 2022. This fund is available as a self-select option and the Trustee has also made available the LGIM Fossil Fuel Free Climate Equity Index Fund for members to self-select.

The Trustee does consider non-financial matters (ie matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return alone) in the selection, retention, and realisation of investments as they relate to tobacco investment. This is due to a belief that some members may wish to be able to exclude tobacco investment given the link between smoking and blindness. As part of the August 2021 strategy review, the Trustees decided to make an alternative ex-tobacco lifestyle arrangement available for members, and this was made available to members during the previous Scheme Year on 1 June 2022. This alternative lifestyle arrangement was subsequently closed in February 2025, in part due to no members taking up the option, but the Trustee continued to make available the LGIM FTSE World Developed (ex Tobacco) Equity Index Fund for members to self-select.

In general, it is not the Trustee's policy to survey the membership to elicit their views on financial and non-financial concerns. The typical practice is to take a view on which concerns they can assume members will share, given the nature of the Employer attached to the Scheme. To this end, the Trustee recognises that some members may wish for ethical matters to be considered in their investments and have made available the LGIM Ethical Global Equity Index Fund a self-select option.

The Trustee recognises that some members may wish to invest in a way which is consistent with the principles of Islamic investment and therefore have made available the HSBC Islamic Global Equity Index Fund as a self-select option.

8. Voting and engagement

The Trustee recognises its responsibilities as owners of capital, and believe that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments. The Trustee has delegated to their investment managers the exercise of rights attaching to investments, including voting rights, and engagement with issuers of debt and equity and other relevant

persons about relevant matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks and ESG considerations.

Legal & General Investment Management ("LGIM") and HSBC Asset Management ("HSBC") are the two investment managers used within the DC Section and information on their respective voting policies is available here and here.

The Trustee does not monitor or engage directly with issuers or other holders of debt or equity since the DC Section's assets are invested in the units of various pooled funds, and not directly in debt or equity or other investment assets. The Trustee expects the pooled fund investment managers to exercise ownership rights and undertake monitoring and engagement in line with the managers' general policies on stewardship, as provided to the Trustee from time to time, considering the long-term financial interests of the beneficiaries. The Trustee seeks to appoint managers that have strong stewardship policies and processes, reflecting where relevant the recommendations of the UK Stewardship Code issued by the Financial Reporting Council, and from time to time the Trustee reviews how these are implemented in practice.

The Trustee considers stewardship to be a significant factor when selecting and retaining managers and give it strong consideration when doing so. The Trustee would be likely to a reject a manager who was otherwise a strong candidate for a mandate if it observed that the manager had poor stewardship practices.

Following DWP guidance, in 2023 the Trustee set stewardship priorities to focus monitoring and engagement with its investment managers on specific ESG factors. The stewardship priorities agreed on were Climate Change, Human Rights, Corporate Transparency and Business Ethics.

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

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

The Trustee assesses the performance of the Scheme's investments on an ongoing basis as part of the quarterly performance reports they receive.

The Trustee's effectiveness was considered as part of the production of the Annual Chair's Statement, and over the Scheme Year to 31 March 2025 the Trustee considered that its management of the Scheme was effective. The performance of the professional advisers is considered on an ongoing basis by the Trustee. The Trustee put in place formal objectives for its investment adviser

and will review the adviser's performance against these objectives on a periodic basis and will review the objectives themselves at least every three years.

10. Policy towards risk (Appendix 2 of SIP)

Risks are monitored on an ongoing basis with the help of the Trustee's investment adviser.

The Trustee maintains a risk register. The policy for some risks, given their nature, is to understand them and to address them, based upon the advice of the investment adviser or information provided to the Trustee by the Scheme's investment managers. These include, but are not limited to, credit risk, equity risk, currency risk and ESG (including climate) risks.

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 in the growth phase of the default option and are also made available within the self-select options. These funds are expected to produce adequate real returns over the longer term.

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

11. Investment managers arrangements (Appendix 3 of the SIP)

This Appendix does not contain any policies; it only factually sets out what the investment funds made available to members are and how the default and ex-tobacco lifestyle strategies are invested.

12. Description of voting behaviour during the Scheme Year

Aspects of the Trustee's policies in respect of voting are covered in Section 8.

All of DC Section's investments are via pooled funds. Therefore, the Trustee is not able to direct how votes are exercised. Rather, the Trustee has delegated the exercise of voting rights to the pooled funds' investment managers. 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 the Trustee has sought to include voting data in line with the Pensions and Lifetime Savings Association (PLSA) guidance, PLSA Vote Reporting template and DWP's guidance, on the funds in the DC Section that hold equities and have members invested in them:

- LGIM Global Equity Market Weights (30:70) Index Fund – GBP 75% Currency Hedged
- LGIM Low Carbon Transition Global Equity Index Fund
- LGIM Multi-Asset Fund
- LGIM FTSE World Developed (ex-tobacco) Equity Index Fund
- LGIM Ethical Global Equity Index Fund
- LGIM World Emerging Markets Equity Index Fund
- LGIM HSBC Islamic Global Equity Index Fund

12.1 Description of the voting processes

For assets with voting rights, the Trustee relies on the voting policies which the asset managers have in place. The Trustee considers these policies and votes cast as part of producing and approving these Implementation Statements, and are comfortable that the policies are sufficiently aligned with the Trustee's views and stewardship priorities. If the Trustee, or its advisers as part of their manager research, identified any concerns with the manager voting processes then such an issue would be communicated to the manager and resolution to the issue sought. No issues were identified during the Scheme Year.

LGIM

LGIM's policy on consulting with clients before voting

LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for its clients. LGIM's voting policies are reviewed annually, considering feedback from its clients. Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector, and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as LGIM continues to develop its voting and engagement policies and define strategic priorities in the years ahead. LGIM also considers client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

LGIM's overview of the process for deciding how to vote

All decisions are made by LGIM's Investment Stewardship team in accordance with its Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each team member is allocated a specific sector globally so that voting is undertaken by the same individuals who

engage with the relevant company. This ensures LGIM's stewardship approach flows smoothly throughout the engagement and voting process and that it is fully integrated into the vote decision process, sending a consistent message to companies.

LGIM's use of proxy voting services

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

To ensure LGIM's proxy provider votes in accordance with 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 it of rejected votes which require further action.

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 exercises its voting rights as an expression of stewardship for client assets. It has global voting guidelines which protect investor interests and foster good practice, highlighting independent directors, remuneration linked to performance, limits on dilution of existing shareholders and opposition to tactics that discourage takeovers.

HSBC uses 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 its guidelines. HSBC reviews voting policy recommendations according to the scale of its overall

holdings. The bulk of holdings are voted in line with the recommendation based on HSBC's guidelines.

12.2 Summary of voting behaviour

A summary of voting behaviour over the Scheme Year is provided in the table below. The following table has five columns and twelve rows. The first row contains headings, as does the first column.

Metric	LGIM Global Equity Market Weights (30:70) Index Fund	LGIM Low Carbon Transition Global Equity Index Fund	LGIM Multi-Asset Fund	LGIM FTSE World Developed (ex-Tobacco) Equity Index Fund
Total size of fund at end of the Scheme Year	£2.1bn	£5.6bn	£20.1bn	£0.4bn
Value of Scheme assets at end of the Scheme Year (£ / % of total assets)	£2.0m / 4.3%	£26.7m / 57.8%	£11.9m / 25.7%	£0.5m / 1.1%
Number of equity holdings at end of the Scheme Year	4,569	2,737	7,087	1,719
Number of meetings eligible to vote	7,210	4,703	10,635	1,999
Number of resolutions eligible to vote	71,485	47,050	105,710	26,625
% of resolutions voted	99.8%	99.8%	99.8%	99.7%
Of the resolutions on which voted, % voted with management	81.0%	79.6%	76.6%	78.5%
Of the resolutions on which voted, % voted against management	17.7%	19.2%	22.3%	21.2%
Of the resolutions on which voted, % abstained from voting	1.4%	1.2%	1.1%	0.4%
Of the meetings in which the manager voted, % with at least one vote against management	58.6%	61.4%	69.3%	77.5%

Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	9.9%	10.9%	13.8%	15.5%

The following table has four columns and twelve rows. The first row contains headings, as does the first column.

Metric	**LGIM Ethical Global Equity Index Fund**	**LGIM World Emerging Markets Equity Index Fund**	**LGIM HSBC Islamic Global Equity Index Fund**
Total size of fund at end of the Scheme Year	£1.2bn	£2.8bn	£4.2bn
Value of Scheme assets at end of the Scheme Year (£ / % of total assets)	£1.3m / 2.8%	£0.0m / 0.1%*	£0.1m / 0.2%
Number of equity holdings at end of the Scheme Year	1,078	1,820	99
Number of meetings eligible to vote	1,194	4,366	105
Number of resolutions eligible to vote	16,792	34,789	1,719
% of resolutions voted	99.6%	99.9%	96.2%
Of the resolutions on which voted, % voted with management	82.1%	80.4%	78.5%
Of the resolutions on which voted, % voted against management	17.5%	17.1%	21.5%
Of the resolutions on which voted, % abstained from voting	0.3%	2.5%	0.1%
Of the meetings in which the manager voted, % with at least one vote against management	73.5%	50.7%	78.1%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	13.6%	6.3%	1.8%

*This fund has few Scheme assets invested in it and rounds to £0.0m total assets.

12.3 Most significant votes

Commentary on the most significant votes over the Scheme Year, from the funds that 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 inform its fund managers which votes were considered to be most significant in advance of those votes. Instead, the Trustee has retrospectively created a shortlist of most significant votes by requesting the managers provide a shortlist of votes for each fund, which comprises a minimum of ten most significant votes, and suggested the PLSA's criteria could be used for creating this shortlist. The Trustee has informed its managers of its stewardship priorities and believe that the managers will understand how the Trustee expects them to vote on issues for the companies invested in on their behalf.

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

- align with the Trustee's stewardship priorities;
- 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;
- the Scheme or the sponsoring company may have a particular interest in.

LGIM's process for determining the "most significant" votes

LGIM regularly produces case studies and/or summaries of its vote positions to clients for what it deemed to be 'material votes.' LGIM has evolved its approach in line with the changes in regulation and industry best practice and provides clients access to 'significant vote' information. In determining significant votes, LGIM's Investment Stewardship team considers the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where LGIM note a significant increase in requests from clients on a particular vote;

- Sanction vote as a result of a direct or collaborative engagement; and
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

For the purposes of this statement, we have selected four of the significant votes provided by LGIM which relate to the Trustee's selected stewardship priorities.

- Vote 1 below applies to the LGIM Low Carbon Transition Global Equity Index Fund, LGIM Multi-Asset Fund, LGIM Global Equity Market Weights (30:70) Index Fund, LGIM Ethical Global Equity Index Fund and the LGIM FTSE World Developed (ex-Tobacco) Equity Index Fund.
- Vote 2 below applies to the LGIM Low Carbon Transition Global Equity Index Fund, LGIM Multi-Asset Fund, LGIM Global Equity Market Weights (30:70) Index Fund, LGIM Ethical Global Equity Index Fund and the LGIM FTSE World Developed (ex-Tobacco) Equity Index Fund.
- Vote 3 below applies to the LGIM Low Carbon Transition Global Equity Index Fund, LGIM Multi-Asset Fund, LGIM Global Equity Market Weights (30:70) Index Fund, LGIM Ethical Global Equity Index Fund and the LGIM FTSE World Developed (ex-Tobacco) Equity Index Fund.
- Vote 4 applies to the LGIM Low Carbon Transition Global Equity Index Fund, LGIM Multi-Asset Fund, LGIM Global Equity Market Weights (30:70) Index Fund and the LGIM World Emerging Markets Equity Index Fund.

Vote #1

Unilever Plc, May 2024

Summary of resolution: Approve Climate Transition Action Plan

Relevant stewardship priority: Climate change

Approximate size of the holding at the date of the vote:

- LGIM Low Carbon Transition Global Equity Index Fund: 0.2%
- LGIM Ethical Global Equity Index Fund: 0.3%
- LGIM FTSE World Developed (ex-Tobacco) Equity Index Fund: 0.2%
- LGIM Global Equity Market Weights (30:70) Index Fund: 1.3%
- LGIM Multi-Asset Fund: 0.3%

Why this vote is considered to be most significant: This vote relates to a stewardship priority selected by the Trustee.

Company management recommendation: For. **Fund manager vote:** For.

Rationale: LGIM voted in favour of the Climate Transition Action Plan as it was deemed to meet LGIM's minimum expectations. The minimum expectations include the disclosure of scope 1, 2 and material scope 3 GHG emissions and

short, medium and long-term GHG emissions reduction targets consistent with a 1.5°C Paris goal. Despite the SBTi recently removing their approval of the company's long-term scope 3 target, LGIM notes that the company has recently submitted near term 1.5 degree aligned scope 3 targets to the SBTi for validation and therefore at this stage believe the company's ambition level to be adequate. LGIM therefore remains supportive of the net zero trajectory of the company at this stage.

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

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

Vote #2

Shell Plc, May 2024

Summary of resolution: Approve the Shell Energy Transition Progress

Relevant stewardship priority: Climate Change

Approximate size of the holding at the date of the vote:

- LGIM Global Equity Market Weights (30:70) Index Fund: 2.3%
- LGIM Multi-Asset Fund: 0.5%
- LGIM Ethical Global Equity Index Fund: 0.6%
- LGIM FTSE World Developed (ex-Tobacco) Equity Index Fund: 0.4%
- LGIM Low Carbon Transition Global Equity Index Fund: 0.1%

Why this vote is considered to be most significant: This vote relates to a stewardship priority selected by the Trustee.

Company management recommendation: For. **Fund manager vote:** Against.

Rationale: LGIM acknowledges the substantive progress the company has made in respect of climate related disclosure over recent years, and it views positively the commitments made to reduce emissions from operated assets and oil products, the strong position taken on tackling methane emissions, as well as the pledge of not pursuing frontier exploration activities beyond 2025. Nevertheless, in light of the revisions made to the Net Carbon Intensity (NCI) targets, coupled with the ambition to grow its gas and LNG business this decade, LGIM expects the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050. In essence, LGIM seeks more clarity regarding the expected lifespan of the assets Shell is looking to further develop, the level of flexibility in revising production levels against a range of scenarios and tangible actions taken across the value chain to deliver customer decarbonisation. Additionally, LGIM would benefit from further transparency regarding lobbying

activities in regions where hydrocarbon production is expected to play a significant role, guidance on capex allocated to low carbon beyond 2025 and the application of responsible divestment principles involved in asset sales, given portfolio changes form a material lever in Shell's decarbonization strategy.

Was the vote communicated to the company ahead of the vote: See wording for vote #1.

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

Vote #3

Alphabet Inc., June 2024

Summary of resolution: Elect Director John L. Hennessy

Relevant stewardship priority: Corporate Transparency / Business Ethics

Approximate size of the holding at the date of the vote:

- LGIM Low Carbon Transition Global Equity Index Fund: 1.5%
- LGIM Ethical Global Equity Index Fund: 2.4%
- LGIM FTSE World Developed (ex-Tobacco) Equity Index Fund: 1.6%
- LGIM Global Equity Market Weights (30:70) Index Fund: 1.0%
- LGIM Multi-Asset Fund: 0.2%

Why this vote is considered to be most significant: This vote relates to a stewardship priority selected by the Trustee.

Company management recommendation: For. **Fund manager vote:** Against.

Rationale: LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Also, LGIM expects a company to have at least one-third women on the board and the Chair of the Committee to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background. LGIM supports the equitable structure of one-share-one-vote and expects 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: See wording for vote #1.

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

Vote #4

Tencent Holdings Limited, May 2024

Summary of resolution: Elect Charles St Leger Searle as Director

Relevant stewardship priority: Climate Change, Corporate Transparency

Approximate size of the holding at the date of the vote:

- LGIM World Emerging Markets Equity Index Fund: 3.8%
- LGIM Low Carbon Transition Global Equity Index Fund: 0.4%
- LGIM Multi-Asset Fund: 0.3%
- LGIM Global Equity Market Weights (30:70) Index Fund: 0.3%

Why this vote is considered to be most significant: This vote relates to a stewardship priority selected by the Trustees.

Company management recommendation: For. **Fund manager vote:** Against.

Rationale: LGIM voted against this resolution as it expects the Committee to be comprised of independent directors. Also, the company is deemed to not meet minimum standards with regard to climate risk management.

Was the vote communicated to the company ahead of the vote: See wording for vote #1.

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

HSBC's process for determining the "most significant" votes

HSBC regards the votes against management recommendation as the most significant. With regards to climate, in its engagement it encourages 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. HSBC also generally supports shareholder resolutions calling for increased disclosure on climate-related issues.

For the purposes of this statement, we have selected two of the significant votes which relate to the Trustees' selected stewardship priorities.

Vote #1

Apple Inc., February 2025

Summary of resolution: Advisory Vote to Ratify Named Executive Officers' Compensation

Relevant stewardship priority: Corporate Transparency

Approximate size of the holding at the date of the vote: 8.4%

Why this vote is considered to be most significant: This vote relates to a stewardship priority selected by the Trustee.

Company management recommendation: For. **Fund manager vote:** Against.

Rationale: HSBC believes that the vesting period is not sufficiently long.

Was the vote communicated to the company ahead of the vote: HSBC did not communicate its voting intention to the company ahead of the vote.

Outcome of the vote and next steps: Against. HSBC has confirmed that it will likely vote for a similar proposal if it sees insufficient improvements.

Vote #2

Amazon.com Inc., May 2024

Summary of resolution: Report on Efforts to Reduce Plastic Use

Relevant stewardship priority: Climate Change

Approximate size of the holding at the date of the vote: 6.3%

Why this vote is considered to be most significant: This vote relates to a stewardship priority selected by the Trustee.

Company management recommendation: Against. **Fund manager vote:** For.

Rationale: HSBC voted for the resolution because it believes that the proposal would contribute to a circular economy.

Was the vote communicated to the company ahead of the vote: HSBC did not communicate its voting intention to the company ahead of the vote.

Outcome of the vote and next steps: For. HSBC has confirmed that it will likely vote against a similar proposal in the future.