

# Implementation Statement

## Victrex Pension Fund

### Purpose of this statement

This implementation statement has been produced by the Trustee of the **Victrex Pension Fund (“the Fund”)** to set out the following information over the year to **31 March 2025**:

- How the Trustee’s policies on exercising rights (including voting rights) and engagement activities have been followed over the year.
- The voting activity undertaken by the Fund’s fund managers on behalf of the Trustee over the year, including information regarding the most significant votes and use of proxy voting services; and,
- A summary of any changes to the Statement of Investment Principles (SIP) over the period;
- A description of how the Trustee’s policies, included in their SIP, have been followed over the year.

### Conclusions

In reviewing the activities of the past year, we believe that the policies set out in the Statement of Investment Principles (SIP) have been effectively implemented. A significant proportion of the Fund’s investment managers have demonstrated transparency in their voting and engagement activities, which aligns with the stewardship priorities of the Fund.

However, not all managers were able to provide all the voting and engagement information requested. We will continue to engage with the managers to encourage them to improve the availability and quality of data.

### Stewardship policy

The Trustee’s Statement of Investment Principles (SIP) in force at 31 March 2025 describes the Trustee’s stewardship policy on the exercise of rights (including voting rights) and engagement activities. The SIP was updated in September 2024 to account for the new DC default strategy, and again in February 2025 to reflect the new de-risked policy on the DB side ahead of buy-in. The latest finalised SIP (dated February 2025) has been made available online here:

[Governance docs - Victrex plc](#)

The Trustee has set stewardship priorities for the Fund which are:

- Climate change;
- Diversity, equity and inclusion;
- Occupational Health & Safety

## Trustee policies on voting and engagement

The main wording within the SIP in relation to voting and engagement is copied below:

*The Trustee will consider ESG, voting and engagement issues when appointing and reviewing fund managers (and reviewing the investment strategy of either the DB or DC Section) to ensure that they are appropriately taken into account given the asset class involved.*

*The Trustee invests in pooled funds. Stewardship activities are therefore delegated to the fund managers on their behalf. The Trustee has set stewardship priorities in order to concentrate their stewardship efforts in areas that are most relevant to the Fund. The current stewardship priorities are:*

**1. Climate change:** *For example, companies should put in place clear plans to achieve Net Zero, including meaningful interim targets and ideally with independent verification. Each company's targets should reflect the nature of their business activities, as well as the country and sector in which they operate.*

**2. Diversity, equity and inclusion:** *For example, companies should strive to promote the representation and participation of different groups, reflecting academic evidence that diverse teams tend to make better decisions.*

**3. Occupational Health & Safety:** *For example, companies should strive for a zero accident and incident culture.*

*Fund managers are expected to be able to evidence their stewardship activity in these areas. The Trustee will also consider alignment with these priorities in the selection, retention, monitoring, and realization of funds held, alongside other relevant factors. However, the Trustee acknowledges that continued pressure needs to be placed across the industry to improve disclosures. Therefore, to the extent concerns are identified, they will engage with their fund managers in the first instance, often via their investment consultant.*

*Fund managers are also expected to exercise voting powers with the objective of preserving and enhancing long-term shareholder value. In addition to the exercise of voting rights, fund managers are encouraged to engage with key stakeholders (which may include issuers of debt or equity, corporate management, regulators and governance bodies) relating to their investments in order to improve corporate behaviours and governance, improve performance and social and environmental impact and to mitigate financial risks. The Trustee receives information from their fund managers on voting and engagement activities in respect of the investments where available. This is reviewed by the Trustee. Should any issues emerge in relation to how a fund manager is engaging with companies (through the Trustee's review of this reporting), the Trustee will discuss this with the fund manager.*

## How voting and engagement/stewardship policies have been followed

Investment rights (including voting rights) have been exercised by the fund managers in line with the fund managers' general policies on corporate governance. These reflect the recommendations of the Financial Reporting Council's UK Stewardship Code (which aims to enhance the quality of engagement between investors and companies) and are provided to the Trustee from time to time, taking into account the financial interests of the beneficiaries. All of the Fund's managers are signatories to the Principles of Responsible Investment and the UK Stewardship Code.

The Trustee reviews the stewardship and engagement activities of the current managers through the production of this Statement, as well as reviewing the summary information in the annual sustainable investment monitoring reports that it receives from its investment adviser. The fourth of these reports was issued in December 2024.

Further information on how these policies have been followed is detailed in the next section of this Statement.

Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the fund managers are in alignment with the Fund's stewardship policies.

## How the SIP has been followed over the year

The Trustee has set out below how, in its opinion, the Statement of Investment Principles ("SIP") has been followed over the year. This should be read in conjunction with the previous section of this Statement, which covers how the Trustee's voting and engagement policies have been followed over the year.

- The Trustee monitors the investment strategy and manager performance through quarterly investment monitoring reports received from its investment consultant to ensure that the strategy remains appropriate.
- Over the year, the Trustee completed a comprehensive review of the Fund's DC Section's investment strategy to ensure it continues to deliver good outcomes for members and their retirement savings.
- As a result, the Trustee made some changes to the Lifestyle investment option to update the default and target annuity strategies, whilst also adding new funds to the self select options. These changes were implemented in October 2024. This included introducing a self-select option for DC members should they wish to invest in a Shariah compliant investment option.
- Following the DB Section's new objective to achieve buy-in in the near term, the Trustee implemented initial de-risking to the DB strategy. This involved increasing the Fund's target hedging to 122% of liabilities on its self-sufficiency basis (broadly equivalent to hedging 100% of liabilities on the solvency basis) and selling down all of the Fund's growth assets with Barings and transferring all proceeds to the CT Sterling Liquidity Fund.
- The Fund's SIP is reviewed as part of any changes to underlying funds or strategy. The SIP was updated in February 2025 to reflect the above changes for the DB and DC sections.
- In terms of the DB Section and monitoring covenant risk, the Trustee receives a formal covenant review performed half yearly by Grant Thornton, and also received informal updates provided by the Sponsoring Employer's Finance Director at Trustee meetings.
- The Trustee commissioned a summary of the custodial arrangements of each underlying fund held within the Fund, over the year under review. This was completed in July 2024.
- The managers' approach to ESG and stewardship has been reviewed and monitored over the year in the following ways:
  - Commissioning the Trustee's investment consultant to produce an annual sustainable investment monitoring report, the last of which was based on 2024 data, produced in December 2024 and then reviewed by the Trustee (the previous report was based on 2023 data and reviewed in December 2023). This included information and consultant ratings for each fund on ESG research, integration, stewardship and climate risk/sustainability, as well as overall comments on this at a Fund level for the DB and DC sections respectively. The Trustee agreed a handful of actions as a result of this report, including to meet Legal & General in relation to the DC assets invested in their funds. Overall, the Trustee was comfortable that the managers' approaches were aligned with the Trustee's own investment aims, beliefs and constraints.
  - The Fund's Environmental, Social and Governance Policy Monitoring Log has been considered and updated on a regular basis over the year to 31 March 2025.
  - Reviewing this Statement, including voting statistics, key votes, and engagement information.

- In the Fund's member booklet, which is linked to in all member communications, DC Section members are reminded that they may wish to consider whether the level of their contributions is sufficient to meet their needs in retirement and if not, they may also choose to increase the level of their contributions.

**Prepared by the Trustee of the Victrex Pension Fund  
July 2025**

## Voting Data

Voting only applies to underlying funds that hold equities in their portfolio. The DB Section held no equity investments over the period. The DC Section's equity investments are all held through pooled funds. The fund managers for these funds vote on behalf of the Trustee.

### Summary voting activity

The tables below provide a summary of the voting activity undertaken by each manager (in respect of applicable funds) over the year to 31 March 2025, together with information on any key voting priorities and information on the use of proxy voting advisors by the managers.

Manager	Baillie Gifford			
Fund name	Baillie Gifford UK and Worldwide Equity Fund	Baillie Gifford Global Alpha Growth Fund	Baillie Gifford UK Equity Alpha Fund	<i>Baillie Gifford Multi Asset Growth Fund</i>
<b>Applicable to DB/DC/Both*</b>			DC Self-select only	
<b>Structure</b>			Pooled <sup>1</sup>	
<b>No. of eligible meetings</b>	195	97	47	45
<b>No. of eligible votes</b>	2,735	1,260	752	627
<b>% of resolutions voted</b>	97.73%	95.95%	100.00%	96.65%
<b>% of resolutions abstained<sup>2</sup></b>	0.45%	0.41%	0.53%	1.49%
<b>% of resolutions voted with management<sup>2</sup></b>	95.06%	93.47%	96.01%	95.21%
<b>% of resolutions voted against management<sup>2</sup></b>	4.49%	6.12%	3.46%	3.30%
<b>% of resolutions voted against proxy voter recommendation<sup>2</sup></b>			Not provided by Baillie Gifford given their approach to use of external proxy voting services (see below).	

Totals may not sum due to rounding.

\*Funds included in the previous DC default strategy have been shown in *italics*. The default strategy update was implemented over Q3 2024.

<sup>1</sup> The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.

<sup>2</sup> As a percentage of the total number of resolutions voted on.

Manager	L&G		
Fund name	<i>L&amp;G UK Equity Index Fund</i>	<i>L&amp;G World (ex UK) Equity Index Fund</i>	L&G World Emerging Markets Equity Index Fund
<b>Applicable to DB/DC/Both*</b>		DC Self-select only	
<b>Structure</b>		Pooled <sup>1</sup>	
<b>No. of eligible meetings</b>	717	2,810	4,366
<b>No. of eligible votes</b>	10,134	33,434	34,789
<b>% of resolutions voted</b>	100.00%	99.72%	99.94%
<b>% of resolutions abstained<sup>2</sup></b>	0.00%	0.31%	2.51%
<b>% of resolutions voted with management<sup>2</sup></b>	93.79%	77.92%	80.37%
<b>% of resolutions voted against management<sup>2</sup></b>	6.21%	21.78%	17.12%
<b>% of resolutions voted against proxy voter recommendation<sup>2</sup></b>	5.29%	15.43%	6.28%

Totals may not sum due to rounding

\*Funds included in the previous DC default strategy have been shown in *italics*. The default strategy update was implemented over Q3 2024.

<sup>1</sup> The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.

<sup>2</sup> As a percentage of the total number of resolutions voted on.

Manager	L&G			
Fund name	L&G Future World Multi Asset Fund	L&G Future World Emerging Markets Equity Index	L&G Future World Developed (ex UK) Equity Index	L&G Future World UK Equity Index
<b>Applicable to DB/DC/Both</b>	DC Default and self-select			
<b>Structure</b>	Pooled <sup>1</sup>			
<b>No. of eligible meetings</b>	9,545	3,735	1,389	391
<b>No. of eligible votes</b>	96,018	29,633	19,271	6,192
<b>% of resolutions voted</b>	99.77%	100.00%	99.44%	100.00%
<b>% of resolutions abstained<sup>2</sup></b>	0.82%	1.70%	0.54%	0.05%
<b>% of resolutions voted with management<sup>2</sup></b>	76.79%	81.15%	76.55%	94.06%
<b>% of resolutions voted against management<sup>2</sup></b>	22.40%	17.15%	22.91%	5.89%
<b>% of resolutions voted against proxy voter recommendation<sup>2</sup></b>	14.01%	6.07%	17.06%	4.43%

Totals may not sum due to rounding.

<sup>1</sup> The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.

<sup>2</sup> As a percentage of the total number of resolutions voted on.

Manager	HSBC
<b>Fund name</b>	HSBC Islamic Global Equity Index Fund
<b>Applicable to DB/DC/Both</b>	DC Self-select only
<b>Structure</b>	Pooled <sup>1</sup>
<b>No. of eligible meetings</b>	105
<b>No. of eligible votes</b>	1,719
<b>% of resolutions voted</b>	96.00%
<b>% of resolutions abstained<sup>2</sup></b>	0.00%
<b>% of resolutions voted with management<sup>2</sup></b>	78.00%
<b>% of resolutions voted against management<sup>2</sup></b>	21.00%
<b>% of resolutions voted against proxy voter recommendation<sup>2</sup></b>	1.00%

Totals may not sum due to rounding.

There are no voting rights attached to the other assets held by the Fund and therefore there is no voting information shown in the tables above for those assets.

Baillie Gifford employs Institutional Shareholder Services (ISS) and Glass Lewis as its proxy voting advisors and L&G employ ISS as their proxy voting advisor. HSBC use ISS. The following bullet points explain how each of the Fund's managers use these third parties to support their stewardship activities:

- L&G 's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, L&G have put in place a custom voting policy with specific voting instructions.

<sup>1</sup> The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.

<sup>2</sup> As a percentage of the total number of resolutions voted on.

- Baillie Gifford note that whilst they are cognisant of proxy advisers' voting recommendations (ISS and Glass Lewis), they do not delegate or outsource any of their stewardship activities or follow or rely upon their recommendations when deciding how to vote on their clients' shares. All client voting decisions are made in-house. Baillie Gifford vote in line with their in-house policy and not with the proxy voting providers' policies. They also have specialist proxy advisors in the Chinese and Indian markets to provide them with more nuanced market specific information.
- HSBC note that they apply their own bespoke voting guidelines with the help of ISS. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene HSBC guidelines.

## Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustee over the year to be set out. The guidance does not currently define what constitutes a "significant" vote. However, more recent guidance states that a significant vote is likely to be one that is linked to one or more of a Fund's stewardship priorities / themes.

The Trustee has set the following topics as stewardship priorities for the Fund:

- 1. Climate change**
- 2. Diversity, equity and inclusion**
- 3. Occupational Health & Safety**

The Trustee has considered these in preparing this statement and reporting on most significant votes.

Baillie Gifford, L&G and HSBC have provided a selection of votes for each fund which they believe to be significant. The Trustee selected 3 of the most significant votes for each fund (set out in the appendices) which relate to the stewardship priorities of the Fund where possible. For funds where the selection of significant votes provided did not contain any votes relating to the stewardship priorities of the Fund, the votes of the largest holdings by topic are shown below. These votes are shown in the Appendix.

## Fund level engagement

The Trustee expects their appointed fund managers to demonstrate engagement with investee companies. In doing so, the Trustee expects that the fund managers will use their influence as major institutional investors to exercise the Trustee's rights and duties as shareholders, including where appropriate engaging with underlying investee companies to promote good corporate governance, accountability and to understand how those companies take account of ESG issues in their businesses.

The tables below summarises the engagement undertaken by each of the Fund's managers.

### Data Limitations

Columbia Threadneedle do not report engagement data on a fund level basis for their fixed income funds therefore we have only shown data at a firm level.

Manager	Baillie Gifford				Columbia Threadneedle	Barings
<b>Fund name</b>	Baillie Gifford UK and Worldwide Equity Fund*	Baillie Gifford Global Alpha Growth Fund*	Baillie Gifford UK Equity Alpha Fund	<i>Baillie Gifford Multi Asset Growth Fund*</i>	Columbia Threadneedle Net Zero Low Duration Credit Fund*	<i>Barings Global High Yield Credit Strategies Fund</i>
<b>Applicable to DB/DC/Both***</b>			DC Self-select only			DB
<b>Number of engagements undertaken on behalf of the holdings in this fund in the year</b>	55	108	9	29	n/a	237**
<b>Number of engagements undertaken at a firm level in the year</b>			948		942	291

  

Manager	L&G					
<b>Fund name</b>	<i>L&amp;G UK Equity Index Fund</i>	<i>L&amp;G World (ex UK) Equity Index Fund</i>	L&G World Emerging Markets Equity Index Fund	<i>L&amp;G Future World Inflation Sensitive Annuity Aware Fund</i>	L&G Maturing Buy & Maintain Credit Fund 2035-2039	L&G Maturing Buy & Maintain Credit Fund 2040-2054
<b>Applicable to DB/DC/Both***</b>			DC Self-select only			DB
<b>Number of engagements undertaken on behalf of the holdings in this fund in the year</b>	362	1,589	771	302	174	201
<b>Number of engagements undertaken at a firm level in the year</b>				4,459		

\*These funds typically report engagement data on an annual basis therefore the data shown relates to the 12 months to 31 December 2024.

\*\*These figures represent engagement across the whole of the Barings fixed income platform as data is not available at the portfolio level.

\*\*\*Funds included in the previous DC default strategy have been shown in italics. The default strategy update was implemented over Q3 2024.

Manager	L&G				
<b>Fund name</b>	L&G Active Corporate Bond All Stocks Fund	L&G Future World Multi Asset Fund	L&G Future World Emerging Markets Equity Index	L&G Future World Developed (ex UK) Equity Index	L&G Future World UK Equity Index
<b>Applicable to DB/DC/Both</b>	DC Self-select only		DC Default and self-select		
<b>Number of engagements undertaken on behalf of the holdings in this fund in the year</b>	129	3,396	637	1,027	297
<b>Number of engagements undertaken at a firm level in the year</b>	4,459				

Manager	HSBC	M&G	Insight
<b>Fund name</b>	Islamic Global Equity Index Fund	Sustainable Total Return Credit Investment Fund	Short Dated Buy and Maintain Fund
<b>Applicable to DB/DC/Both</b>	DC Self-select only	DC Default and self-select	
<b>Number of engagements undertaken on behalf of the holdings in this fund in the year</b>	70	20	108
<b>Number of engagements undertaken at a firm level in the year</b>	1,640	411	939

## Examples of engagement activity undertaken over the year to 31 March 2025

### Baillie Gifford - Amazon.com

#### Background

Continuing their long-term engagement with the company, Baillie Gifford met with Amazon's experienced environmental, social and governance (ESG) team to discuss several ongoing sustainability concerns. The areas of discussion this time included employee engagement, supply chain transparency, human rights implications with cloud-hosting, AI governance and commitment to decarbonisation.

#### Engagement

The discussion enabled Baillie Gifford to understand the company's position on a variety of subjects. For each concern raised, Baillie Gifford were provided with numerically supported evidence to robustly defend the company's position and counter suggestions of unsustainable practices. Baillie Gifford heard about various company-wide initiatives to support employee engagement, including the company's 'Dragonfly' software tool that records employee safety-related feedback to turn into measurable action - over 200,000 observations were actioned in 2023. The company's efforts to meaningfully improve working conditions have reduced recorded injury rates to substantially below the industry average. Baillie Gifford also learned about efforts to engage and monitor the company's vast supply chain to reduce the risk of human rights abuses. Baillie Gifford were informed about the company's continued, substantial decarbonisation ambitions, including contracting 28GW of renewable power in 2023, equivalent to more than 50 per cent of the installed capacity in the whole of the UK. Finally, the company highlighted the recent board appointment of Stanford University adjunct professor Dr. Andrew Ng. He was previously the head of Google Brain, Baidu's chief scientist and is currently the managing partner of an AI venture fund. His appointment will help to inform the board's perspective on the opportunities and challenges that AI presents from both a social and commercial perspective.

#### Outcome

Given the scale and complexity of the company's operations, Baillie Gifford expect to continue regularly engaging with the company on a number of sustainability challenges. Unlike some of Amazon's technology peers, the company continues to listen and engage with long-term investors on challenging topics. Baillie Gifford were able to hear the company's thoughts on different subjects that have regularly appeared on shareholder proposals and will continue to constructively engage and thoughtfully vote on each proposal.

### L&G – Pemex

#### Background

As one of the largest oil and gas companies by refining capacity, with significant production of crude oil and natural gas, Petroleos Mexicanos (Pemex) is a company that L&G believe is critical in Mexico's energy security and has a significant influence, particularly in South America, over the decarbonisation of the oil and gas industry and the realisation of financial opportunities from the energy transition. L&G publish our expectations of oil and gas companies regarding the energy transition as part of their Climate Impact Pledge engagement programme. One area L&G particularly emphasise in this case study is Pemex's management of methane emissions which have been an area of concern across their supply chain. Methane emissions have more than 80 times the warming power of carbon dioxide over a 20-year period, making reduction crucial to achieving climate-change goals. L&G believe that reducing methane emissions can be a powerful and cost-effective way for oil and gas companies to make progress towards climate goals and manage regulatory and reputational scrutiny.

## Engagement

**L&G** have been a contributing investor to the CA100+ engagements with Pemex since 2023. In helping to establish a productive dialogue between the company and its investors, L&G encouraged the company to take a number of steps towards clear disclosures, oversight of climate risk at board level, and the setting of ambitious but achievable climate targets. Following successive engagements, in what L&G would view as a significant step, the company published its first Sustainability Plan, setting out clear targets for emissions reduction, enhanced disclosure (aligned with TCFD and ISSB recommendations), allocation of capital towards achieving climate goals, and addressing methane emissions within their operations.

## Outcome

The publication of Pemex's first Sustainability Plan demonstrates, L&G believe, positive commitments regarding emissions reduction targets, disclosures, capital allocation and managing and mitigating methane emissions risks. The strength of these commitments and their endorsement by Pemex's CEO demonstrate a connected and serious approach to tackling these crucial issues. In addition to continuing this collaborative engagement with the CA100+, L&G also plan to continue their work on methane emissions with EDF. Having strengthened their expectations in 2024 for oil and gas companies regarding methane emissions disclosure, this will continue to be an area of focus for us across the sector more broadly, as L&G seek to encourage companies to realise the potential for value creation along their journey to net zero.

## Barings - WWF's Deforestation and Conversion Free (DCF) Implementation Toolkit

### Background

Since 2021, Barings' Emerging Market Corporate Debt team has participated as a collaborating investor in an EMIA initiative, alongside the World Wildlife Fund (WWF), to drive the uptake of WWF's Deforestation and Conversion Free (DCF) Implementation Toolkit for Financial Institutions (DITFI). DITFI is adapted from WWF's DCF Implementation Toolkit for Corporates, which to date has guided over 40 companies (meatpackers, soy traders, restaurants, manufacturers and retailers) to develop policies and practices toward deforestation-free supply chains. The tool is currently designed for companies sourcing beef and soy from the South American biomes (Amazon, Cerrado, and Chaco). The long-term objective is to expand the list of companies assessed and to ensure the reports are publicly available. The tool guides companies on how to improve their supply chain management practices and achieve DCF in line with the Accountability Framework Initiative (Afi) standards for ethical supply chains. Furthermore, it helps investors assess the progress of invested companies toward a deforestation-free supply chain.

The forest, land, and agriculture sector is at high risk from the impact of climate change, but it also represents nearly one quarter of global greenhouse gas (GHG) emissions—the largest-emitting sector after energy. Much of this is due to the conversion of forests and other ecosystems to agricultural use. Between 2001 and 2015, just seven agricultural commodities replaced 71.9 million hectares of forest, with cattle, palm oil, and soy as the main drivers for this land use change.

## Engagement

Under the collaborative initiative, six Brazilian companies (Amaggi, BRF, Marfrig, Minerva, JBS, and Seara) with exposure to deforestation in the Amazon, Cerrado, and Chaco biomes were invited to pilot the DCF implementation toolkit. This entailed sending letters to the target companies, requesting the completion of the implementation plan/questionnaire, and providing supporting documents/evidence. It was explained that the template developed by WWF will serve as a tool for ongoing engagement and tracking progress, with the analysis of their reporting to steer further dialogue. Key criteria of company assessment included:

- Commitment to traceability of cattle and grain suppliers (direct and indirect) and explicit target dates of 2025 to fully implement policies, aligned with Afi.
- Commitment to zero/no deforestation and no conversion and explicit target dates of 2025 to fully implement policies aligned with Afi.

- Understanding the supply chain more fully, including the number of direct and indirect suppliers, the commercial relevance of each supplier, duration and quality of the relationship (proximity and shared value), and location of suppliers for all biomes.

### **Outcome**

Early in 2025, Barings re-engaged a number of companies, using WWF's DCF implementation toolkit template designed for tracking progress. Engagement topics have included: setting deforestation and conversion targets, ensuring traceability of suppliers and evaluating the adequacy of monitoring systems. The engagement group has observed that some of the engaged companies are more advanced in meeting targets aligned with the Accountability Framework Initiative (AFI), which provides clear guidance for ethical supply chains, while others are lagging behind in achieving these standards.

Multiple companies have set targets for 2025 which Barings will continue to monitor and re-engage with later in the year to determine progress towards these targets.

## **HSBC – China Online Shopping Platform**

### **Background**

The company offers food delivery services; and helps consumers purchase local consumer services provided by merchants in numerous in-store categories or make reservations for hotels, attractions, and transportation ticketing.

It also sells goods from B2B food distribution services and grocery and engages in various businesses, such as ride sharing, bike-sharing and electric mopeds, power banks, and micro-credit services. The company also provides cloud computing services; merchants information technology and advisory services; and online marketing services. The company describes itself as a ""tech-driven retail company"" with a strategic focus on ""retail + technology"" as part of a mission to ""help people eat better, live better".

### **Engagement**

This was the third engagement meeting between the company and the ACGA China Working Group (CWG), although it was the first one, HSBC had joined.

Members of the ACGA highlighted that since they last spoke, they noticed a general improvement in some of the company's disclosures around supplier requirements and couriers. They also noticed that in the company's annual report, there is increased detail on how the company deals with issues of non-compliance, what is expected of couriers & partners, insurance, and safety trainings.

ACGA specified specific topics that they discussed in further detail during the collaborative engagement, including riders' transparency, safety & well being, responsible sourcing, plastics & packaging, governance, and responsible AI.

### **Outcome**

It will phase out a late delivery penalty in 2025 amid a crack-down by regulators on internet platforms' misuse of algorithms. The company aims to optimise its management practice and explore fairer and more human-centric incentive mechanisms after it abolishes the fine. The move aims to incentivise food delivery riders for on-time deliveries instead of penalising them.

A third-party organization is directly involved with food delivery riders. The company has published a supplier code of conduct covering minimum safety requirements and standard delivery procedures. An emergency response team is also available, and it has enabled 400,000 riders with safety helmets.

Riders are provided with extra points for working in extreme weather conditions, which can be translated into financial rewards. However, the reimbursements are on a case-by-case assessment and no numerical standards are established.

Addition of another member to the nomination committee and a female board member (INED) is being considered. W.r.t content compliance and AI, the company is still in the early stages of exploration. Now, it is their audit committee which is responsible for cyber-related issues.

Since inception of the project in 2017, they are making better efforts to promote the use of better environment packaging and invest in external projects which innovate biodegradable packages. However, they don't have direct control over packaging used by merchants, as many are not able to afford the cost of biodegradable packaging.

There is presence of engagement in initiatives to help launch smaller scale dark kitchens to lower operational expenses, which has been well received by their customers. However, it is very difficult for them to track the source of their merchants' ingredients'.

## **M&G – STELLANTIS NV**

### **Background**

To encourage automotive manufacturing company Stellantis N.V. to encourage the company to publicly address an area of misalignment in its lobbying activities, specifically the difference between the European Automobile Manufacturers' Association (ACEA) position (which Stellantis rejoined on 1 January 2025) and that of Stellantis on 2025 CO2 targets.

### **Engagement**

As part of a collective engagement with CA100+, M&G co-signed an investor letter addressed to investor relations of the company to make their expectations known

### **Outcome**

M&G co-signed an investor letter requesting that the company address an area of misalignment in its lobbying activities, specifically the difference between the European Automobile Manufacturers' Association (ACEA) position (which Stellantis rejoined on 1 January 2025) and that of Stellantis on 2025 CO2 targets.

The ACEA has pushed to weaken previously agreed 2025 CO2 targets and called to bring forward the CO2 regulation review for both light and heavy-duty vehicles to 2025. This appears to be at odds with Stellantis' stated commitment to the goals of the Paris Agreement, and its own internal plans and commitments including CO2 reduction and transition to electric vehicles.

In the letter M&G explain that, as investors, they recognise that the European automobile sector is facing an enormous industrial transformation driven by the climate transition, technology, and artificial intelligence. M&G also understand that this requires long-term planning for the transformation of supply chains, workforce training, and investment. As investors in the sector, they would like to see government policy that supports this transition in a way that is consistent, robust, comprehensive and focuses on delivering long-term outcomes.

M&G encouraged the company, in its upcoming disclosure, to consider:

- Releasing a public statement/policy position on the EU's 2025, 2030 and 2035 CO2 targets for cars and vans. This should include the company's' position on the timing of the CO2 regulation review, an explanation of any misalignments between its own positions and those of its industry associations, and what action the company intends to take where misalignments occur.

- Updating its climate reporting to include a list of policy dependencies that it requires to successfully deliver its net zero target and climate transition plan, for example the rollout of electric charging infrastructure. This should include disclosure of its efforts to advocate for such measures, including through industry associations of which it is a member.

In terms of next steps, M&G plan to review the 2024 annual disclosures when they become available.

## Insight – America Movil (AMX)

### Background

It is critical to ensure that companies adopt strong labour management practices, with sufficient safeguards in place to improve livelihoods and support the sound functioning of our interconnected society. Companies also have a responsibility to ensure that their supply chains, which are often long and complex, adopt sound labour management practices in line with their own operational policies. This topic has been given an increasing amount of attention following the emergence of multiple labour management-related controversies, which has led to an increased regulatory focus with the EU Corporate Sustainability Due Diligence Directive (CSDDD). This represents an expansion of Insight's previous focus on diversity and inclusion.

Human rights can materially shift investors' perceptions and are essential to achieving sustainable development across social, environmental and economic dimensions. The 2030 Agenda puts the principles of equality and non-discrimination at its heart, with a commitment to 'leave no one behind' and 'reach those furthest behind first'.

### Engagement

Insight took an initial focus on Counterparties in terms of this engagement with on D&I. Poor performers in terms of target setting and performance were identified through our Counterparty stewardship process, whereby Insight asked 25 Counterparties to fill in ESG questionnaires which included questions on D&I policies, performance and gender pay gap. Insight have held several engagements on D&I with Counterparties and are in the process of writing detailed recommendations.

Insight have been engaging with issuers where they have identified weak D&I performance. Insight have engaged to improve disclosure on D&I and to set stronger targets at senior management / board levels. They also plan to conduct research which uses diversity and inclusion performance data (e.g. representation of minority groups) to identify companies with poor performance. Insight will take an initial focus on the UK and US, where there is currently increasing regulation, but will look to expand this to other markets over time.

### Outcome

Insight began this D&I engagement with America Movil (AMX) in 2021 to encourage improvement on governance and diversity. In late 2021, AMX updated its materiality assessment and conducted its first overview of board practices to evaluate board effectiveness. Insight engaged the company again in 2022 and were happy to confirm a performance improvement on both governance and diversity. In the company's 2022 Sustainability Report, Insight was pleased that the company had established a new target to increase board diversity to three female directors, representing 21% of the board, which it achieved by appointing Gisselle Jiménez as a new director. This board-level diversity target is integrated into the company's strategy as it was added as a target within America Movil's Sustainability Linked Loan (SLL) structure. The company also refreshed their Board Diversity Policy, which includes the ambition to 'set measurable objectives to achieve gender diversity with the ultimate goal of having a composition of the Board where each gender represents at least thirty percent (30%).' The engagement may provide financial benefit, as there is a growing body of research which suggests that companies with diverse directors and executive teams (in relation to gender and ethnicity) are more likely to achieve above-average profitability and have higher returns on invested capital. Board-level diversity and support for diversity initiatives also helps to create a more inclusive culture throughout the entire organization.

# Appendix – Information on significant votes

## Baillie Gifford, UK and Worldwide Equity Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Amazon.com		Meta Platforms Inc
<b>Date of vote</b>	22 May 2024		29 May 2024
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	0.80%		0.75%
<b>Summary of the resolution</b>	Request Report on Warehouse Working Conditions	Request additional reporting on gender/racial pay	Report on framework to assess company lobbying alignment with climate goals
<b>How the manager voted</b>	Against	For	For
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	n/a	Yes	No
<b>Rationale for the voting decision</b>	<p>Baillie Gifford opposed a shareholder resolution requesting a third-party audit on warehouse working conditions. Baillie Gifford believes the company continues to make demonstrable progress on health and safety. They continue to provide extensive disclosure and detailed safety metrics and continue to take pre-emptive action, investing in safety initiatives, tech, and programs. This is consistent with how Baillie Gifford have voted on this resolution previously.</p>	<p>Baillie Gifford supported a shareholder resolution on gender/racial pay gap reporting. Baillie Gifford have supported this resolution at Amazon for the last four years. Baillie Gifford believe that women and minorities are underrepresented in leadership positions compared with the broader workforce, and reporting the unadjusted median gap would help to assess structural bias regarding job opportunity and pay. Baillie Gifford believe a diverse workforce supports future business growth.</p>	<p>Baillie Gifford supported the shareholder resolution regarding lobbying alignment with the company's climate goals as they believe that shareholders will benefit from more transparency around this topic.</p>
<b>Outcome of the vote</b>	Fail	Fail	Fail
<b>Implications of the outcome</b>	<p>This was the third year this resolution was filed and Baillie Gifford continued to oppose it. The resolution received 31.2 per cent support. While Baillie Gifford acknowledge that this is a material issue for the company, they believe the company continues to consider workplace safety seriously. Baillie Gifford believe the recent enhancements to their disclosure will serve to inform</p>	<p>This resolution received 29.4 per cent votes against. This was the fifth time this resolution has been filed and Baillie Gifford have consistently supported. The company has not enhanced its reporting and Baillie Gifford's position remains unchanged. The company provides demographic data on its website and outlines good pay parity across employees in the same jobs using</p>	<p>Baillie Gifford have communicated to the company their support, and will re-evaluate similar resolutions on a case-by-case basis.</p>

	Vote 1	Vote 2	Vote 3
	<p>shareholders of the success of the actions they are taking without the need for an independent report. Baillie Gifford do however continue to monitor Amazon's approach closely.</p>	<p>statistically-adjusted pay numbers. However, women and minorities are underrepresented in leadership positions compared with the broader workforce. Reporting the unadjusted median gap would help to assess structural bias regarding job opportunity and pay. Baillie Gifford fed their views back to the company both during a pre-annual general meeting call and following the vote.</p>	
<b>Criteria on which the vote is considered "significant"</b>	<p>Baillie Gifford deem this resolution is significant because it was submitted by shareholders and received greater than 20% support.</p>	<p>Baillie Gifford deem this resolution is significant because it was submitted by shareholders and received greater than 20% support.</p>	<p>This vote has been deemed significant as it relates to the Stewardship Priorities of the Fund.</p>

## Baillie Gifford, Global Alpha Growth Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Walt Disney	Mastercard	Microsoft Corporation
<b>Date of vote</b>	3 April 2024	18 June 2024	10 December 2024
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	0.68%	2.18%	4.21%
<b>Summary of the resolution</b>	Request a report on gender transitioning compensation and benefits	Consider a stockholder proposal requesting a report on gender-based compensation and benefit gaps	Appoint/Pay Auditors
<b>How the manager voted</b>	Against	Against	Against
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	n/a	n/a	Yes
<b>Rationale for the voting decision</b>	Baillie Gifford opposed a shareholder resolution requesting a report regarding health benefit gaps. Baillie Gifford believe current disclosure on related issues is appropriate at this time.	Baillie Gifford opposed a shareholder proposal requesting a report on gender based compensation and benefits inequities. Baillie Gifford are satisfied with the company's current reporting on benefits, including its gender pay gap, so do not believe that the proposal is necessary.	Baillie Gifford opposed the ratification of the auditor because of the length of tenure. Baillie Gifford believe it is best practice for the auditor to be rotated regularly as this works to ensure independent oversight of the company's audit process and internal financial controls.
<b>Outcome of the vote</b>	Fail	Fail	Pass
<b>Implications of the outcome</b>	Baillie Gifford will continue to monitor trends and best practice in disclosure on this topic. However, at present Baillie Gifford are satisfied with the company's level of disclosure.	Baillie Gifford will continue to monitor trends and best practice in disclosure on this topic. However, at present they are satisfied with the company's level of disclosure.	Following the 2023 annual general meeting the manager engaged with the company to understand their relationship with their external auditor. The company outlined the policies they have in place to support an independent and quality audit, however noted that they have never retendered their auditor and have no plans to do so. Baillie Gifford explained that they think periodic rotation of the company's auditor can provide fresh look benefits which have a positive effect on audit quality.
<b>Criteria on which the vote is considered "significant"</b>	This vote has been deemed significant as it relates to the Stewardship Priorities of the Fund.	This vote has been deemed significant as it relates to the Stewardship Priorities of the Fund.	This resolution is significant because Baillie Gifford opposed the election of auditors.

## Baillie Gifford, UK Equity Alpha Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Games Workshop Group Plc	Ashtead Group Plc	Genus Plc
<b>Date of vote</b>	18 September 2024	4 September 2024	20 November 2024
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	8.48%	3.48%	2.62%
<b>Summary of the resolution</b>	Remuneration	Incentive Plan	Amendment of Share Capital
<b>How the manager voted</b>	For	For	Against
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	n/a	n/a	Yes
<b>Rationale for the voting decision</b>	Baillie Gifford supported the remuneration policy because they believe pay is aligned with performance over a five-year period, and the plan is structured to promote long-term alignment and ownership.	Baillie Gifford supported the remuneration policy and the associated incentive plan because they are comfortable with the approach and structure and believe that it appropriately aligns pay with performance.	Baillie Gifford opposed the resolution which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders.
<b>Outcome of the vote</b>	Pass	Pass	Pass
<b>Implications of the outcome</b>	The remuneration policy received 27 per cent votes against. The reason for this dissent is unclear; however, Baillie Gifford understand that while the proxy advisors recommended shareholders support the policy, they flagged concerns with the company's remuneration structure being out of step with market norms. Baillie Gifford were comfortable supporting because they believe pay is aligned with performance over a five-year period, and the plan is structured to promote long-term alignment.	The resolution to amend the long-term incentive plan received 38 per cent opposition. Baillie Gifford believe that this is in part because the proxy advisors recommended that shareholders vote against the policy, under which the new long term incentive plan sits, due to concerns relating to quantum and deviation from market norms in terms of structure. After taking part in a remuneration consultation ahead of the annual general meeting, Baillie Gifford were comfortable to support the resolution.	This resolution received approximately 23 per cent dissent. Whilst recognising that the issuance authorities sought by the company are aligned with the revised guidance from the UK Pre-Emption Group, the UK strategy took the view that the overall level of issuance without pre-emption rights under the guidance was too high. The strategy's rationale for voting against this resolution was shared with the company before votes were cast.
<b>Criteria on which the vote is considered "significant"</b>	Baillie Gifford deem this resolution significant because it received greater than 20% opposition.	Baillie Gifford deem this resolution significant because it received greater than 20% opposition.	Baillie Gifford deem this resolution significant because it received greater than 20% opposition.

## Baillie Gifford, Multi Asset Growth Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Nextera Energy, Inc.	Nextera Energy, Inc.	American Tower Corporation
<b>Date of vote</b>	23 May 2024	23 May 2024	22 May 2024
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	1.22%	1.22%	1.33%
<b>Summary of the resolution</b>	Climate	Governance	Social
<b>How the manager voted</b>	For	For	For
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	No	No	No
<b>Rationale for the voting decision</b>	<p>Baillie Gifford supported the resolution on climate lobbying as they believe that clear and transparent support for Paris-aligned goals through lobbying is one-way shareholders look to demonstrate consistency with their climate targets.</p>	<p>Baillie Gifford supported a shareholder resolution requesting a board diversity and qualifications matrix because they believe that shareholders would benefit from additional description of expertise and relevance of those, rationale around contribution of each candidate, as well as disclosure on climate-related skills and qualification.</p>	<p>Baillie Gifford supported a shareholder resolution requesting the company report its unadjusted median pay gaps and adjusted pay gaps across race and gender. Baillie Gifford believe this type of data provides valuable insight into pay equity and understand the progress the company is making to address inequity. Baillie Gifford believe the company is lagging other US companies, many of whom provide at least adjusted numbers.</p>
<b>Outcome of the vote</b>	Fail	Fail	Fail
<b>Implications of the outcome</b>	<p>Baillie Gifford reached out to the company to explain why they decided to support the resolution. While Baillie Gifford welcomed the real zero target set, they believe that the lobbying reporting could be improved with identification of misalignment between the company's lobbying activities and its Net Zero goal.</p>	<p>Baillie Gifford reached out to the company to explain why they decided to support the resolution. Baillie Gifford encouraged disclosing a sentence on unique skills and experience each director brings to the board and inclusion of a standalone ESG expertise. Baillie Gifford notified the company that they may consider escalation, if their repeated feedback is not addressed.</p>	<p>Following the annual general meeting Baillie Gifford explained their rationale for supporting this resolution. The company acknowledge the significant support the resolution received and in response are assessing their ability to report unadjusted and adjusted pay gaps. This is a promising outcome and Baillie Gifford will monitor progress.</p>
<b>Criteria on which the vote is considered "significant"</b>	<p>Baillie Gifford deem these resolutions significant because they received greater than 20% opposition.</p>		<p>Baillie Gifford deem this resolution significant because it because it received greater than 20% support.</p>

## L&G, UK Equity Index Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Unilever Plc	Shell Plc	Rentokil Initial Plc
<b>Date of vote</b>	1 May 2024	21 May 2024	8 May 2024
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	4.2%	7.7%	0.4%
<b>Summary of the resolution</b>	Approve Climate Transition Action Plan	Approve the Shell Energy Transition Strategy	Re-elect Richard Solomons as Director
<b>How the manager voted</b>	For	Against	Against
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		

### Rationale for the voting decision

L&G voted for the Climate Transition Action Plan as they believe it meets their minimum expectations. This includes 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 1.5C Paris goal. Despite the SBTi recently removing their approval of the company's long-term scope 3 target, L&G 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. L&G therefore remain supportive of the net zero trajectory of the company at this stage.

L&G acknowledge the substantive progress the company has made in respect of climate related disclosure over recent years, and they view 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, L&G expect the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050. In essence, L&G seek 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, L&G would benefit from further transparency regarding lobbying activities in regions where hydrocarbon production is expected to play a significant role, guidance on capex

A vote against is applied due to the lack of progress on gender diversity on the board. L&G expects companies to have at least 40% female representation on the board.

	Vote 1	Vote 2	Vote 3
		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.	
<b>Outcome of the vote</b>	Pass	Pass	Pass
<b>Implications of the outcome</b>	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
<b>Criteria on which the vote is considered "significant"</b>	Climate: L&G is publicly supportive of so called "Say on Climate" votes. L&G expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, L&G deem such votes to be significant, particularly when L&G votes against the transition plan.	Climate: L&G is publicly supportive of so called "Say on Climate" votes. L&G expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, L&G deem such votes to be significant, particularly when L&G votes against the transition plan.	L&G views diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.

## L&G, World (ex UK) Equity Index Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Alphabet Inc.	Meta Platforms, Inc.	Broadcom Inc.
<b>Date of vote</b>	7 June 2024	29 May 2024	22 April 2024
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	1.6%	1.5%	0.9%
<b>Summary of the resolution</b>	Elect Director John L. Hennessy	Elect Director Peggy Alford	Elect Director Henry Samueli
<b>How the manager voted</b>	Against	Against	Against
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
<b>Rationale for the voting decision</b>	A vote against is applied as L&G expects a company to have at least one-third women on the board. Independence: A vote against is applied as L&G expects 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.	Diversity: A vote against is applied as L&G expects a company to have at least one-third women on the board.	Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management.
<b>Outcome of the vote</b>	Pass	Pass	Pass
<b>Implications of the outcome</b>	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
<b>Criteria on which the vote is considered "significant"</b>	L&G views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.	L&G views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.	Climate: L&G considers this vote to be significant as it is applied under the Climate Impact Pledge, their flagship engagement programme targeting companies in climate-critical sectors.

## L&G, World Emerging Markets Equity Index Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	PDD Holdings Inc.	China Construction Bank Corporation	Industrial and Commercial Bank of China Limited
<b>Date of vote</b>	20 December 2024	27 June 2024	28 June 2024
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	0.9%	0.9%	0.6%
<b>Summary of the resolution</b>	Elect Director George Yong-Boon Yeo	Elect William Coen as Director	Elect Liao Lin as Director
<b>How the manager voted</b>	Against	Against	Against
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
<b>Rationale for the voting decision</b>	Diversity: A vote against is applied as L&G expects a company to have at least one-third of women on the board.	Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management.	Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management.
<b>Outcome of the vote</b>	Pass	Pass	Pass
<b>Implications of the outcome</b>	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
<b>Criteria on which the vote is considered "significant"</b>	L&G views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.	L&G considers this vote to be significant as it is applied under the Climate Impact Pledge, L&G 's flagship engagement programme targeting companies in climate-critical sectors.	

## L&G, Future World Multi Asset Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	National Grid Plc	AvalonBay Communities, Inc.	Toyota Motor Corp.
<b>Date of vote</b>	10 July 2024	16 May 2024	18 June 2024
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	0.3%	0.2%	0.3%
<b>Summary of the resolution</b>	Approve Climate Transition Action Plan	Elect Director Susan Swanezy	Elect Director Toyoda, Akio
<b>How the manager voted</b>	For	Against	Against
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
<b>Rationale for the voting decision</b>	L&G voted for the Climate Transition Action Plan as they commend the company's efforts in committing to net-zero emissions across all scopes by 2050 and setting 1.5C-aligned near term science based targets. L&G also appreciate the clarity provided in the 'Delivering for 2035 report' and look forward to seeing the results of National Grid's engagement with SBTi regarding the decarbonisation of heating.	Diversity: A vote against is applied as L&G expects a company to have at least one-third of women on the board.	Diversity: A vote against is applied due to the lack of meaningful diversity on the board. Climate Impact Pledge: L&G believe there is still a disconnect in Toyota's stated climate ambitions and its current multi-pathway strategy. L&G encourage Toyota to further develop disclosures that more clearly articulate how it intends to support a global transition to zero emission vehicles and net zero emissions.
<b>Outcome of the vote</b>	Pass	Pass	Pass
<b>Implications of the outcome</b>	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
<b>Criteria on which the vote is considered "significant"</b>	Climate: L&G is publicly supportive of so called "Say on Climate" votes. L&G expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, L&G deem such votes to be significant, particularly when L&G votes against the transition plan.	Diversity: L&G views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.	Diversity: L&G views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf. Thematic - Climate: L&G considers this vote to be significant as it is applied under the Climate Impact Pledge, their flagship engagement programme targeting companies in climate-critical sectors.

## L&G, Future World Emerging Markets Equity Index

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Tencent Holdings Limited	Alibaba Group Holding Limited	Ping An Insurance (Group) Co. of China Ltd.
<b>Date of vote</b>	14 May 2024	22 August 2024	30 May 2024
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	4.2%	2.8%	0.7%
<b>Summary of the resolution</b>	Elect Charles St Leger Searle as Director	Elect Director Irene Yun-Lien Lee	Elect Ma Mingzhe as Director
<b>How the manager voted</b>	Against	Against	Against
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
<b>Rationale for the voting decision</b>	Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management.	Diversity: A vote against is applied as L&G expects a company to have at least one-third women on the board.	Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management.
<b>Outcome of the vote</b>	Pass	Pass	Pass
<b>Implications of the outcome</b>	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor	L&G will continue to engage with our investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
<b>Criteria on which the vote is considered "significant"</b>	Climate: L&G considers this vote to be significant as it is applied under the Climate Impact Pledge, their flagship engagement programme targeting companies in climate-critical sectors.	Diversity: L&G views gender diversity as a financially material issue for their clients, with implications for the assets L&G manage on their behalf.	Climate: L&G considers this vote to be significant as it is applied under the Climate Impact Pledge, their flagship engagement programme targeting companies in climate-critical sectors.

## L&G, Future World Developed (ex UK) Equity Index

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	UnitedHealth Group Incorporated	Bank of America Corporation	Netflix, Inc.
<b>Date of vote</b>	3 June 2024	24 April 2024	6 June 2024
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	0.8%	0.5%	0.4%
<b>Summary of the resolution</b>	Elect Director John Noseworthy	Report on Clean Energy Supply Financing Ratio	Elect Director Jay C. Hoag
<b>How the manager voted</b>	Against	For	Against
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
<b>Rationale for the voting decision</b>	Diversity: A vote against is applied as L&G expects a company to have at least one-third women on the board.	Climate change: A vote in favour of this proposal is applied. L&G believe that banks and financial institutions have a significant role to play in shifting financing away from "brown" to funding the transition to "green". L&G expects the company to be undertaking appropriate analysis and reporting on climate change matters, as they consider this issue to be a material risk to companies.	Diversity: A vote against is applied as L&G expects a company to have at least one-third women on the board.
<b>Outcome of the vote</b>	Pass	Fail	Pass
<b>Implications of the outcome</b>	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
<b>Criteria on which the vote is considered "significant"</b>	L&G views diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.	L&G consider this vote as significant as they believe that banks and financial institutions have a significant role to play in shifting financing away from 'brown' to funding the transition to 'green'. L&G expects companies to be undertaking appropriate analysis and reporting on climate change matters, as they consider this issue to be a material risk to companies.	L&G views diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.

## L&G, Future World UK Equity Index

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Energiean Plc	Smith & Nephew plc	Howden Joinery Group Plc
<b>Date of vote</b>	23 May 2024	1 May 2024	2 May 2024
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	0.5%	0.4%	0.2%
<b>Summary of the resolution</b>	Re-elect Karen Simon as Director	Re-elect Marc Owen as Director	Re-elect Peter Ventress as Director
<b>How the manager voted</b>	Against	Against	Against
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
<b>Rationale for the voting decision</b>	Diversity: A vote against is applied because of a lack of progress on gender diversity on the board. L&G expects companies to have at least 40% female representation on the board.	Diversity: A vote against is applied because of a lack of progress on gender diversity on the board. L&G expects companies to have at least 40% female representation on the board.	Deforestation Policy: A vote against is applied as the company is deemed to not meet minimum standards with regard to L&G's deforestation policy. Diversity: A vote against is applied because of a lack of progress on ethnic diversity on the board. L&G expects the boards of the largest UK companies to include a minimum of one ethnically diverse director.
<b>Outcome of the vote</b>	Pass	Pass	Pass
<b>Implications of the outcome</b>	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
<b>Criteria on which the vote is considered "significant"</b>	L&G views diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.	L&G views diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.	Thematic - Diversity: L&G views diversity as a financially material issue for their clients, with implications for the assets L&G manage on their behalf. Thematic - Nature: L&G considers this vote to be significant as it is applied under their engagement program on deforestation, targeting companies in high-risk sectors.

## HSBC, Islamic Global Equity Index Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	NVIDIA Corporation	Amazon.com, Inc.	Meta Platforms, Inc.
<b>Date of vote</b>	26 June 2024	22 May 2024	29 May 2024
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	7.7%	6.3%	4.4%
<b>Summary of the resolution</b>	Elect Director Stephen C. Neal	Report on Efforts to Reduce Plastic Use	Report on Framework to Assess Company Lobbying Alignment with Climate Goals
<b>How the manager voted</b>	Against	For	For
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	HSBC did not communicate their intent to the company ahead of the vote.		
<b>Rationale for the voting decision</b>	HSBC voted against this Nomination Committee Chair as they had concerns about insufficient gender diversity of the board.	HSBC believe that the proposal would contribute to circular economy.	HSBC believe that the proposal would contribute to the better management of climate issues, particularly relating to lobbying.
<b>Outcome of the vote</b>	Pass	Fail	Fail
<b>Implications of the outcome</b>	HSBC will likely vote against a similar proposal should they see insufficient improvements.	HSBC will likely vote for a similar proposal.	HSBC will likely vote for a similar proposal.
<b>Criteria on which the vote is considered "significant"</b>	HSBC consider these votes to be significant as the company has a significant weight in the portfolio and HSBC voted against management.		