

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

The Trustee of the NMR Pension Fund – Defined Contribution Section (the “Trustee” of the “Fund”) is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed its Statement of Investment Principles (“SIP”) during the Fund Year, as well as details of any review of the SIP during the Fund Year, subsequent changes made with the reasons for the changes, and the date of the last SIP review. Information is provided on the last review of the SIP in Section 1 and on the implementation of the SIP in Sections 2-9 below. This is known as the Trustee’s Implementation Statement (the “Statement”).

The Statement is also required to include a description of the voting behaviour during the Fund 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 9.

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

This Statement is based on the SIP dated 14 November 2023 between 31 March 2024 and 16 December 2024 and the SIP dated 16 December 2024 between 16 December 2024 and 31 March 2025.

The latest SIP can be accessed [here](#).

1. Introduction

The SIP was reviewed and updated during the Fund Year on 16 December 2024 to reflect the following:

- The strategy review which commenced in March 2023 had been completed in February 2024; and
- To outline the role of the Pensions Responsible and Sustainable Investment Committee (“PR SIC”).

The Trustee has, in its opinion, followed all of the policies in the Fund’s SIP during the Fund Year, including its policies on voting and engagement. The following sections provide detail and commentary about how and the extent to which it has done so.

2. Investment objectives

As laid out in the SIP, the Trustee’s primary objective for the DC Section of the Fund is to provide members with access to:

- an appropriate range of investment options, reflecting the membership profile of the DC Section and the variety of ways that members can draw their benefits in retirement; and
- a default investment option that the Trustee believes to be reasonable for those members that do not wish to make their own investment decisions.

The suitability of both the range of self-select funds and the three investment strategies offered to members within the Fund were reviewed against these objectives by the Trustee as part of the Fund’s last triennial DC strategy review, which was initiated on 1 March 2023, and concluded in February 2024 when the agreed strategy changes were implemented. The SIP was updated to reflect these changes.

3. Investment strategy

The Trustee did not review the DC investment strategy over the Fund Year.

The Trustee reviewed changes in member choices, behaviour and trends each quarter as part of the reporting provided by the administrator and will be undertaking work over the 2025-26 Fund year to ensure that the strategy remains appropriate based on more detailed information about members’ at-retirement choices.

4. Considerations in setting the investment arrangements

When the Trustee undertook a performance and strategy review of the Fund’s DC investment lifestyle strategies (which includes the Default) on 1 March 2023, it considered the investment risks set out in Section 4.1 of this

Statement and in Appendix 2 of the SIP. It also considered a wide range of asset classes for investment, taking into account the expected returns and risks associated with those asset classes as well as how these risks can be mitigated.

The Trustee reviews its investment beliefs from time to time. It did not review its beliefs over the Fund year.

The Trustee invests for the long term, to provide for the Fund's members and beneficiaries. To achieve good outcomes for members and beneficiaries over this investment horizon, the Trustee therefore seeks to appoint managers whose stewardship¹ activities are aligned to the creation of long-term value and the management of long-run systemic risks.

The Fund's investment adviser, LCP, monitors the investment managers on an ongoing basis, through regular research meetings. The investment adviser monitors any developments at managers and informs the Trustee promptly about any significant updates or events they become aware of regarding the Fund's investment managers that may affect the managers' ability to achieve their investment objectives. This includes any significant change to the investment process or key staff for any of the funds the Fund invests in, or any material change in the level of diversification in the fund.

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

4.1 Policy towards risk

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

The Trustee's policy for some risks, given their nature, is to understand them and to address them if it becomes necessary, based upon the advice of the Fund's investment adviser or information provided to the Trustee by the Fund's investment managers. These include the risk of inadequate returns, credit risk, equity risk, currency risk, collateral adequacy risk and ESG (including climate) risks. The Trustee's implementation of its policy for these risks during the year is summarised below.

With regard to the risk of inadequate returns, the Trustee makes use of equity and equity-based funds, which are expected to provide positive returns above inflation over the long term. These are throughout the Default and are also made available within the self-select options. These funds are expected to produce adequate real returns over the longer term. The Trustee monitors the risk and returns of these funds on a quarterly basis.

The quarterly report reviewed during the year showed that the majority of managers have produced performance broadly in line with expectations over the long-term.

5. Implementation of the investment arrangements

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

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

The Trustee undertook a "value for members" assessment on 19 May 2025 for the Fund Year to 31 March 2025 which assessed a range of factors, including the fees payable to managers in respect of the DC Section which were found to be good when compared against schemes with similar sizes of mandates. Overall, the Trustee believes the investment managers provide good value for money.

6. Realisation of investments

It is the Trustee's policy is 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 Fund Year are daily priced.

¹ "Stewardship" is defined as 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, the Fund's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to financially material considerations (including climate change and other ESG considerations).

On 7 March 2025, the Trustee undertook a high-level review of managers' responsible investment credentials and climate approaches for the Fund's existing managers. The review analysed the climate credentials of the Fund's managers and funds based on general research carried out by LCP, and looked at how investment managers are addressing climate-related risks and opportunities on the Fund's behalf.

The Trustee was satisfied that overall, the Fund's managers have reasonable climate and broader RI credentials with some improvements from its managers noted. It noted that as the area evolves, monitoring and engaging with the managers on their plans and progress on an ongoing basis would be beneficial.

The Trustee also delegates responsible investment work to the Pensions Responsible and Sustainable Investment Committee ("PRSiC") which takes a holistic view on the approach to RI across the sections of the Fund and meets on a quarterly basis. The purpose of the PRSiC is to serve as a focus group in relation to the detail of the regulations in respect of climate reporting, Statutory Guidance and the wider consideration of climate-related risks and opportunities in relation to the Fund. At each meeting, the PRSiC received input and guidance from the Fund's DB and DC investment advisers and legal advisors (and where required actuarial advisers) on regulations and Statutory Guidance pertinent to responsible investment (RI) matters, and the consideration of climate-related risks and opportunities and the actions/decisions required from the Trustee in relation to these.

Topics and documentation considered at those meetings included:

- Updates to the Fund's risk register;
- Updates to climate metrics and monitoring against targets for TCFD purposes;
- Analysis of the Fund's climate metrics and their impact on climate-related risks and opportunities;
- Reviewing and monitoring progress against the 'carbon journey plan' to reduce the Fund's carbon footprint over time; and
- Review of the DC fund managers from an responsible investment perspective including a review of their climate approaches.

Further information regarding the work carried out by the PRSiC related to climate can be found in the TCFD report for the Fund covering the Fund Year.

The Trustee has set a Net Zero Ambition to help mitigate climate risk. It aims to align the Fund's assets with net zero greenhouse gas emissions by 2050 through selecting managers, and investing in funds, with credible net zero targets.

The Trustee recognises that it is important that climate change risk is taken into account in member investments. Therefore, the Trustee has added the L&G Low Carbon Transition Global Equity Index Fund to the default strategy over the previous Fund Year, as well as being available in the self-select range.

The Trustee has not taken into account any non-financial matters (ie matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) in the selection, retention and realisation of investments during the Fund Year.

8. Voting and engagement

The Trustee has delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. However, the Trustee takes ownership of the Fund's stewardship by monitoring and engaging with managers as detailed below.

As part of its advice on the selection and ongoing review of the investment managers, the Fund's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to voting and engagement.

Following the introduction of DWP's guidance and training on the new requirements on 11 November 2022, the Trustee agreed to set stewardship priorities to focus monitoring and engagement with their investment managers on specific ESG factors. The Trustee discussed and agreed stewardship priorities for the Fund which were:

- Climate Change; and

- Diversity & Inclusion.

These priorities were selected because the Trustee felt these were important areas where voting and engagement could influence change and make a financial impact.

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. Description of voting behaviour during the Fund Year

All of the Trustee's holdings in listed equities are within pooled funds and the Trustee has delegated to its investment managers the exercise of voting rights. Therefore, the Trustee is not able to direct how votes are exercised and the Trustee itself has not used proxy voting services over the Fund Year. However, the Trustee monitors managers' voting and engagement behaviour periodically and challenges managers where their activity has not been in line with the Trustee's expectations.

In this section we have sought to include voting data in line with the Pensions and Lifetime Savings Association ("PLSA") guidance, PLSA Vote Reporting template and DWP's guidance, on the Fund's funds that are used in the default strategy and hold equities, and funds with enhanced responsible investment credentials, as follows:

- BlackRock Aquila Connect MSCI World Fund
- BlackRock Aquila Connect MSCI World Fund – Hedged
- BlackRock iShares Emerging Markets Equity Index Fund
- L&G Diversified Fund
- L&G Low Carbon Transition Global Equity Index Fund
- L&G Low Carbon Transition Global Equity Index Fund - Hedged

We have included the funds with equity holdings used in the Default given the high proportion of DC Section assets invested in these funds.

9.1 Description of the voting processes

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

BlackRock

BlackRock Investment Stewardship's benchmark policies form the basis of its stewardship activities. These policies, which include the published BlackRock Investment Stewardship Global Principles, regional voting guidelines, and engagement priorities, are grounded in financial materiality and focused solely on advancing clients' financial interests.

BlackRock Investment Stewardship uses Institutional Shareholder Services (ISS) as its primary proxy services vendor. ISS provides research, voting recommendations, and the electronic platform used to monitor voting activity, execute proxy instructions, maintain records, and generate voting reports.

BlackRock's stewardship team includes operational specialists who ensure accurate and timely vote execution using vendor platforms. They identify upcoming meetings, cast votes before deadlines, reconcile holdings, and address any uninstructed ballots.

To promote transparency, BlackRock Investment Stewardship publishes "vote bulletins" and "case studies" on significant shareholder meeting votes. These resources, available on the firm's website and key publications like the Investment Stewardship Annual Report and Global Voting Spotlight, provide insight into vote decisions on various corporate governance topics, including material sustainability issues. Selection for publication depends on factors such as issue prominence and expected client interest and often includes company context, market insights, and engagement history.

BlackRock does not disclose vote intentions ahead of shareholder meetings, as it does not seek to influence other investors' decisions. Instead, its focus is on communicating its perspective on how company leadership is fulfilling responsibilities to minority shareholders.

L&G

L&G'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 all L&G clients. L&G's voting policies are reviewed annually and take into account feedback from clients. Every year, L&G holds a stakeholder roundtable event where clients and other stakeholders are invited to express their views directly to the members of the Investment Stewardship team.

All voting decisions are made by L&G's Investment Stewardship team and in accordance with L&G's Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures L&G's stewardship approach flows smoothly and that engagement is fully integrated into the vote decision process, sending consistent messaging to companies.

L&G's Investment Stewardship team uses International Shareholder Services ("ISS")'s electronic voting platform to electronically vote using clients' shares. All voting decisions are made by L&G and no part of the strategic decision-making process is outsourced. L&G's use of ISS recommendations is purely to augment its own research and proprietary ESG assessment tools. L&G also use research reports from Institutional Voting Information Services to supplement the reports it receives from ISS for UK companies when making specific voting decisions.

To ensure its proxy provider votes in accordance with L&G's position on ESG, L&G has put in place a custom voting policy with specific voting instructions. L&G retains the ability in all markets to override any vote decisions. L&G has strict monitoring controls to ensure its votes are fully and effectively executed in accordance with its voting policies.

In determining significant votes, L&G takes into account the criteria provided by the PLSA guidance. This includes but is not limited to:

- a 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 to L&G at its stakeholder roundtable event, or where there is a significant increase in requests on a particular vote;
- a sanction vote as a result of a direct or collaborative engagement; and
- a vote linked to an L&G engagement campaign.

Voting execution is monitored through manual checks and electronic alerts. ISS's performance is assessed quarterly in due diligence meetings involving key LGIM departments. These meetings cover service quality, vote execution, research, conflicts of interest, personnel updates, and any outstanding action items.

LGIM maintains an internal Risk Management System (RMS) to oversee voting processes and client reporting. Senior team members confirm vote execution weekly, with monthly reviews by the Director of Investment Stewardship. Annually, the Director also confirms a full review of the proxy provider's capabilities, ensuring impartial analysis and adequate competence.

9.2 Summary of voting behaviour over the Fund Year

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

	BlackRock Aquila Connect MSCI World Fund (hedged and unhedged)	BlackRock iShares Emerging Markets Equity Index Fund	L&G Diversified Fund	L&G Low Carbon Transition Global Equity Index Fund (hedged and unhedged)
Manager name	BlackRock	BlackRock	L&G	L&G
Total size of fund at end of the Fund Year	£1.7bn	£3.6bn	£12.0bn	£7.2bn
Value of Fund DC assets at end of the Fund Year (£ / % of total DC assets)	£118m / 50%	£14.3m / 6%	£27.1m / 11%	£23.6m / £10%
Number of equity holdings at end of the Fund Year	1,335	1,868	7,203	2,737
Number of meetings eligible to vote	1,487	4,229	10,796	4,703
Number of resolutions eligible to vote	21,305	32,126	107,020	47,050
% of resolutions voted	98.0%	98.5%	99.8%	99.8%
Of the resolutions on which voted, % voted with management	94.1%	86.9%	76.5%	79.6%
Of the resolutions on which voted, % voted against management	3.8%	11.7%	22.4%	19.2%
Of the resolutions on which voted, % abstained from voting	0.4%	2.2%	1.1%	1.2%
Of the meetings in which the manager voted, % with at least one vote against management	23.5%	39.5%	69.3%	61.4%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	0.2%	0.4%	13.7%	10.9%

Note: Voting figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote.

9.3 Most significant votes over the Fund Year

Commentary on the most significant votes over the Fund Year, from the Fund's asset managers who hold listed equities, is set out below.

Given the large number of votes which are cast by managers during every Annual General Meeting season, the timescales over which voting takes place as well as the resource requirements necessary to allow this, the Trustee did not identify significant voting ahead of the reporting period. Instead, the Trustee has retrospectively created a shortlist of most significant votes by requesting each manager provide a shortlist of votes, which comprises a minimum of ten most significant votes, and suggested the managers could use the PLSA's criteria² for creating this shortlist. By informing its managers of its stewardship priorities and through its regular interactions with the managers, the Trustee believes that its managers will understand how it expects them to vote on issues for the companies they invest in on its behalf.

The Trustee has interpreted "significant votes" to mean those that have one or more of the following characteristics:

- the investment manager has identified as significant
- 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 Fund or the sponsoring employer may have a particular interest in.

With the support of its investment adviser, the Trustee has selected votes which meets the criteria above, for each of its stewardship priorities and for each of the funds used, as its "most significant" votes. If members wish to obtain more investment manager voting information, this is available upon request from the Trustee.

BlackRock Aquila Connect MSCI World Fund (hedged and unhedged)

Significant vote 1: Shell Plc., May 2024

Relevant stewardship priority: Climate Change.

Vote cast: Against. **Management recommendation:** Against.

Summary of resolution: Advise Shell to Align its Medium-Term Emissions Reduction Targets Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement.

Rationale for the voting decision: At Shell's May 2024 AGM, a shareholder proposal requested the company align its medium-term Scope 3 GHG emissions reduction targets with the Paris Agreement goal of limiting global warming to well below 2°C and pursuing efforts towards 1.5°C. Similar proposals were filed in previous years, receiving 30.5%, 20.3%, and 20.2% shareholder support from 2021 to 2023. BlackRock, as a minority investor on behalf of clients, relies on company boards and management to set strategies that aim to deliver long-term financial returns. Shell's targets are based on a 1.5°C pathway informed by IPCC scenarios and implemented through its Energy Transition Strategy. Given the uncertainty around how energy suppliers should decarbonise, such targets are understood to be set on a best-efforts basis. While Shell's current disclosures and climate approach align with BlackRock's view of long-term financial interests, the proposal's request for faster Scope 3 emissions cuts—largely outside Shell's control—was seen as potentially financially harmful. Despite softer language than in past proposals, the request was still considered overly constraining and inconsistent with Shell's stated strategy.

Approximate size of the fund's holding as at the date of the vote (as a proportion of the fund's holdings): 0.36% (as at 31 May 2024)

The reason the Trustee considered this vote to be "most significant": This vote was related to a stewardship priority selected by the Trustee.

Was the vote communicated to the company ahead of the vote: No

Outcome and next steps: Not passed. The outcome was in line with the manager's vote.

² [Vote reporting template for pension scheme implementation statement – Guidance for Trustees \(plsa.co.uk\)](#). Trustees are expected to select "most significant votes" from the long-list of significant votes provided by their investment managers.

Significant vote 2: Berkshire Hathaway Inc., May 2024

Relevant stewardship priority: Climate Change.

Vote cast: For. **Management recommendation:** Against.

Summary of resolution: Disclose BHE's Emissions and Progress Towards Goal in Consolidated Report

Rationale for the voting decision: Additional information regarding the company's plan to manage its strategy in the context of a transition to a low-carbon economy will help investors assess long-term risks and opportunities on this economically material issue.

Approximate size of the fund's holding as at the date of the vote (as a proportion of the fund's holdings): 0.84% (as at 31 May 2024)

The reason the Trustee considered this vote to be "most significant": This vote relates to the Trustee's stewardship priority "Climate Change", at a large issuer.

Was the vote communicated to the company ahead of the vote: No

Outcome and next steps: Failed. The outcome was not in line with the manager's vote. BIS will continue to engage with Berkshire Hathaway to discuss the company's approach to these matters.

BlackRock iShares Emerging Markets Equity Index Fund

Significant vote 3: CSPC Pharmaceutical Group Limited, May 2024

Relevant stewardship priority: N/A

Vote cast: Against. **Management recommendation:** For.

Summary of resolution: Elect Cai Dongchen as an executive director.

Rationale for the voting decision: BlackRock did not support the re-election of CSPC's Chairman at the company's May 2024 Annual General Meeting due to concerns over board independence. The Chairman, who also leads the board's Nomination Committee, is CSPC's founder, former CEO, and a member of a management group holding a 30% controlling stake. BlackRock emphasises the importance of independent and effective corporate governance, particularly in board nomination processes. While Hong Kong listing rules allow either the board chairman or an independent non-executive director to chair the nomination committee, BlackRock's proxy voting guidelines advocate for independent leadership to avoid overconcentration of power. Given the Chairman's dual role and controlling ownership, BlackRock determined that his leadership of the nomination committee could undermine objective oversight. As a result, BlackRock withheld support for his re-election to help protect the interests of minority, long-term shareholders.

Approximate size of the fund's holding as at the date of the vote (as a proportion of the fund's holdings): 0.10% (as at 28 May 2024)

The reason the Trustee considered this vote to be "most significant": This vote was deemed significant by the manager.

Was the vote communicated to the company ahead of the vote: No

Outcome and next steps: The resolution was passed. BlackRock will continue to engage with CSPC on a range of business-relevant risks and opportunities.

L&G Diversified Fund

Significant vote 4: Unilever Plc, May 2024

Relevant stewardship priority: Climate Change.

Vote cast: For. **Management recommendation:** For.

Summary of resolution: Approve Climate Transition Action Plan.

Rationale for the voting decision: LGIM supported the Climate Transition Action Plan (CTAP), as it met the firm's minimum expectations. These include disclosure of Scope 1, 2, and material Scope 3 greenhouse gas emissions, along with short-, medium-, and long-term emissions reduction targets aligned with the 1.5°C Paris Agreement goal. Although the Science Based Targets initiative (SBTi) recently withdrew approval of the company's long-term Scope 3 target, LGIM acknowledged the company's recent submission of near-term, 1.5°C-aligned Scope 3 targets for validation. As a result, LGIM considers the company's current level of climate ambition adequate and continues to support its net zero trajectory.

Approximate size of the fund's holding as at the date of the vote (as a proportion of the fund's holdings): 0.18%

The reason the Trustee considered this vote to be "most significant": This vote relates to a priority selected by the Trustee.

Was the vote communicated to the company ahead of the vote: L&G publicly communicates its vote instructions on its website the day after the company meeting, with the rationale for all votes against management. It is not its policy to engage with investee companies in the three weeks prior to an AGM.

Outcome and next steps: Passed.

Significant vote 5: Toyota Motor Corp., June 2024

Relevant stewardship priority: N/A

Vote cast: Against. **Management recommendation**: For.

Summary of resolution: Elect Director Toyoda, Akio

Rationale for the voting decision: LGIM voted against Mr Toyoda, citing concerns over the ongoing use of the former CEO as an Advisor to the Board and holding him accountable for certification irregularities across the Toyota Motor group. LGIM believes these issues reflect deeper cultural shortcomings that must be addressed.

Approximate size of the fund's holding as at the date of the vote (as a proportion of the fund's holdings): 0.31%

The reason the Trustee considered this vote to be "most significant": This vote was identified by the manager as significant and relates to material governance concerns.

Was the vote communicated to the company ahead of the vote: L&G publicly communicates its vote instructions on its website the day after the company meeting, with the rationale for all votes against management. It is not its policy to engage with investee companies in the three weeks prior to an AGM.

Outcome and next steps: Passed. *"L&G will continue to engage with investee companies, publicly advocate its position on this issue and monitor company and market-level progress."*

L&G Low Carbon Transition Global Equity Index Fund (hedged and unhedged)

Significant vote 6: Tesla, Inc., June 2024

Relevant stewardship priority: N/A

Vote cast: Against. **Management recommendation**: For.

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

Rationale for the voting decision: LGIM applies a vote against the proposal, believing the approved remuneration policy should already suffice to retain and motivate executives. One executive was granted an outsized, time-based stock option award upon promotion. The magnitude and design of this grant were inadequately explained, it vests without any pre-set performance criteria, and its value is deemed excessive.

Approximate size of the fund's holding as at the date of the vote (as a proportion of the fund's holdings): 1.25%

The reason the Trustee considered this vote to be "most significant": The Trustee considered the vote significant because of the high profile nature of the vote and the size of the holding within the fund.

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 its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.

Outcome and next steps: Passed. The outcome was not in line with the manager's vote. *"L&G will continue to engage with the company and monitor progress."*

Significant vote 7: Microsoft Corporation, December 2024

Relevant stewardship priority: N/A

Vote cast: For. **Management recommendation**: Against.

Summary of resolution: Report on AI Data Sourcing Accountability.

Rationale for the voting decision: A vote in favour of this resolution is warranted as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language models.

Approximate size of the fund's holding as at the date of the vote (as a proportion of the fund's holdings): 4.1%

The reason the Trustee considered this vote to be "most significant": The Trustee considered the vote significant because of the high profile nature of the vote and the size of the holding within the fund.

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 its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.

Outcome and next steps: Not passed. The outcome was not in line with the manager's vote. *"L&G will continue to engage with the company and monitor progress."*