

# **Anderton Retirement and Life Assurance Plan Implementation Statement for the year ended 31 March 2023**

## **Purpose**

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This Implementation Statement provides information on how, and the extent to which, the Trustees of the Anderton Retirement and Life Assurance Plan ("the Plan") have followed their policy in relation to the exercising of rights (including voting rights) attached to the Plan's investments, and engagement activities during the year ended 31/03/23 ("the reporting year").

## **The Trustees' policy**

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The Trustees believe that there can be financially material risks relating to ESG issues. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Plan's investment managers. The Trustees require the Plan's investment managers to take ESG and climate change risks into consideration within their decision-making, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

The Trustees have delegated responsibility for the exercise of rights (including voting rights) attached to the Plan's investments to the investment managers and encourage them to engage with investee companies and vote whenever it is practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments.

## **Manager selection exercises**

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One of the main ways in which this updated policy is expressed is via manager selection exercises: the Trustees seek advice from their advisers on the extent to which their views on ESG and climate change risks may be considered in any future investment manager selection exercises.

During the reporting year, there have been no such manager selection exercises.

## **Ongoing governance**

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The Trustees invest their assets through the Royal London Platform and so have no direct access to the underlying investment managers. However, they do monitor the returns on each fund on a regular basis, to ensure they remain appropriate and in line with the Trustees' requirements as set out as set out in the Plan's Statement of Investment Principles.

Beyond the governance work currently undertaken, the Trustees believe that their approach to, and policy on, ESG matters will evolve over time based on factors including developments within the industry. In particular, whilst the Trustees have not, to date, introduced specific stewardship priorities, they will monitor the results of those votes deemed by the managers to be most significant in order to determine whether specific priorities should be introduced and communicated to the managers.

## Adherence to the Statement of Investment Principles

During the reporting year the Trustees are satisfied that they followed their policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree, namely to delegate this activity to the underlying investment managers.

## Voting activity

The main asset class where the investment managers will have voting rights is equities. The Scheme has specific allocations to equities within the Blackrock ACS UK Equity Fund and the BlackRock Consensus 85 Fund, together with smaller holdings in the Baillie Gifford UK Equity Alpha Fund, Baillie Gifford Equity Core Fund, Royal London Equity Income Fund, Fidelity MoneyBuilder Dividend Fund, and the M&G Investments Optimal Income Fund.

A summary of the voting behaviour and most significant votes cast by each of the relevant investment manager organisations is shown below. This voting information has been provided by the investment managers. The Trustees have selected significant votes on the basis they are linked to key ESG issues including, but not limited to: climate change; other climate issues such as natural capital; executive remuneration; governance; independence; modern slavery or other factors such as the size of the holding. Where the manager has provided a selection of significant votes, the Trustee has reviewed the rationale for significant votes provided by the managers and is comfortable with the rationale provided, and that this is consistent with their policy. The Trustees, with the help of their Investment Consultant, have considered the information the Investment Managers have been able to provide on significant voting, and have deemed the below information as most relevant.

Please note any reference to "I/we" in the following voting data is a reference to the Investment Manager directly.

### Baillie Gifford UK Equity Alpha Fund

The manager voted on 100% of resolutions of which they were eligible out of 893 eligible votes.

### Investment Manager Client Consultation Policy on Voting

All voting decisions are made by our ESG team in conjunction with investment managers. We do not regularly engage with clients prior to submitting votes, however if a segregated client has a specific view on a vote then we will engage with them on this. If a vote is particularly contentious, we may reach out to clients prior to voting to advise them of this or request them to recall any stock on loan.

### Investment Manager Process to determine how to Vote

Thoughtful voting of our clients' holdings is an integral part of our commitment to stewardship. We believe that voting should be investment led, because how we vote is an important part of the long-term investment process, which is why our strong preference is to be given this responsibility by our clients. The ability to vote our clients' shares also strengthens our position when engaging with investee companies. Our ESG team oversees our voting analysis and execution in conjunction with our investment managers. Unlike many of our peers, we do not outsource any part of the responsibility for voting to third-party suppliers. We utilise research from proxy advisers for information only. Baillie Gifford analyses all meetings in-house in line with our ESG Principles and Guidelines and we endeavour to vote every one of our clients' holdings in all markets.

### How does this manager determine what constitutes a 'Significant' Vote?

The list below is not exhaustive, but exemplifies potentially significant voting situations:

- Baillie Gifford's holding had a material impact on the outcome of the meeting
- The resolution received 20% or more opposition and Baillie Gifford opposed
- Egregious remuneration
- Controversial equity issuance
- Shareholder resolutions that Baillie Gifford supported and received 20% or more support from shareholders
- Where there has been a significant audit failing
- Where we have opposed mergers and acquisitions
- Where we have opposed the financial statements/annual report
- Where we have opposed the election of directors and executives.

### Does the manager utilise a Proxy Voting System? If so, please detail

Whilst we are cognisant of proxy advisers' voting recommendations (ISS and Glass Lewis), we do not delegate or outsource any of our stewardship activities or follow or rely upon their recommendations when deciding how to vote on our clients' shares. All client voting decisions are made in-house. We vote in line with our in-house policy and not with the proxy voting providers' policies. We also have specialist proxy advisors in the Chinese and Indian markets to provide us with more nuanced market specific information.

### Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
RIO TINTO PLC	Other	Against	Fail
This resolution relates to an Australian legal requirement to hold a fresh shareholder meeting if the remuneration resolution fails at two successive AGMs. As we supported remuneration at this AGM, we opposed this resolution in line with the management recommendation.			
OCADO GROUP PLC	Remuneration	Against	Pass
Following the submission of our votes we contacted the company to reconfirm our decision to oppose the extension to the value creation plan. We have concerns regarding the potential size of awards and in addition believe that given that this plan sits alongside an annual bonus scheme believe that the growth rate threshold should be set higher.			
OCADO GROUP PLC	Remuneration	Against	Pass

Following the submission of our votes we contacted the company to reconfirm our decision to oppose the extension to the value creation plan. We have concerns regarding the potential size of awards and in addition believe that given that this plan sits alongside an annual bonus scheme believe that the growth rate threshold should be set higher.			
<b>STANDARD CHARTERED PLC</b>	<b>Remuneration</b>	<b>Against</b>	<b>Pass</b>
Following the submission of our votes we wrote to the company to explain our decision to oppose the remuneration report and remuneration policy. We remain concerned with certain pay practices and have been opposing remuneration for a number of years.			
<b>STANDARD CHARTERED PLC</b>	<b>Remuneration</b>	<b>Against</b>	<b>Pass</b>
Following the submission of our votes we wrote to the company to explain our decision to oppose the remuneration report and remuneration policy. We remain concerned with certain pay practices and have been opposing remuneration for a number of years.			

### Voting Information

#### Baillie Gifford UK Equity Core Fund

The manager voted on 100% of resolutions of which they were eligible out of 1,067 eligible votes.

### Investment Manager Client Consultation Policy on Voting

All voting decisions are made by our ESG team in conjunction with investment managers. We do not regularly engage with clients prior to submitting votes, however if a segregated client has a specific view on a vote then we will engage with them on this. If a vote is particularly contentious, we may reach out to clients prior to voting to advise them of this or request them to recall any stock on loan.

### Investment Manager Process to determine how to Vote

Thoughtful voting of our clients' holdings is an integral part of our commitment to stewardship. We believe that voting should be investment led, because how we vote is an important part of the long-term investment process, which is why our strong preference is to be given this responsibility by our clients. The ability to vote our clients' shares also strengthens our position when engaging with investee companies. Our Governance and Sustainability team oversees our voting analysis and execution in conjunction with our investment managers. Unlike many of our peers, we do not outsource any part of the responsibility for voting to third-party suppliers. We utilise research from proxy advisers for information only. Baillie Gifford analyses all meetings in-house in line with our Governance & Sustainability Principles and Guidelines and we endeavour to vote every one of our clients' holdings in all markets.

### How does this manager determine what constitutes a 'Significant' Vote?

The list below is not exhaustive, but exemplifies potentially significant voting situations:

- Baillie Gifford's holding had a material impact on the outcome of the meeting
- The resolution received 20% or more opposition and Baillie Gifford opposed
- Egregious remuneration
- Controversial equity issuance
- Shareholder resolutions that Baillie Gifford supported and received 20% or more support from shareholders
- Where there has been a significant audit failing
- Where we have opposed mergers and acquisitions
- Where we have opposed the financial statements/annual report
- Where we have opposed the election of directors and executives.

#### Does the manager utilise a Proxy Voting System? If so, please detail

Whilst we are cognisant of proxy advisers' voting recommendations (ISS and Glass Lewis), we do not delegate or outsource any of our stewardship activities or follow or rely upon their recommendations when deciding how to vote on our clients' shares. All client voting decisions are made in-house. We vote in line with our in-house policy and not with the proxy voting providers' policies. We also have specialist proxy advisors in the Chinese and Indian markets to provide us with more nuanced market specific information.

#### Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
RIO TINTO PLC	Other	Against	Fail
We opposed the conditional resolution in line with management recommendation. This resolution relates to an Australian legal requirement to hold a fresh shareholder meeting if the remuneration resolution fails at two successive AGMs. As we supported remuneration at this AGM, we opposed this resolution in line with the management recommendation.			
PERSIMMON PLC	Remuneration	Against	Pass
We opposed the resolution to approve the remuneration report as we do not believe the performance conditions within the annual bonus are sufficiently stretching. We engaged with the company to communicate our expectations around remuneration.			
	Remuneration	Against	Pass

<b>STANDARD CHARTERED PLC</b>			
We opposed the resolution to approve the remuneration report because we have concerns with how the company is choosing to calculate pension contribution and variable incentives. Following the submission of our votes we wrote to the company to explain our decision to oppose the remuneration report and remuneration policy. We remain concerned with certain pay practices and have been opposing remuneration for a number of years.			
<b>STANDARD CHARTERED PLC</b>	<b>Remuneration</b>	<b>Against</b>	<b>Pass</b>
We opposed the resolution to approve the remuneration policy because we have concerns with how the company is choosing to calculate pension contribution and variable incentives. Following the submission of our votes we wrote to the company to explain our decision to oppose the remuneration report and remuneration policy. We remain concerned with certain pay practices and have been opposing remuneration for a number of years.			
<b>INFORMA PLC</b>	<b>Remuneration</b>	<b>Against</b>	<b>Fail</b>
We opposed the remuneration report as we do not believe that bonus payout outcomes aligned with shareholder experience.			

For the BlackRock funds, BlackRock provided XPS Investment with a list of votes they considered important over the reporting year, in various levels of detail. XPS then analysed the data and provided the below 'Top 5 Significant Votes' based on the level of detail provided.

<b>BlackRock ACS UK Equity Index Fund</b>
The manager voted on 99% of resolutions of which they were eligible out of 10,135 eligible votes.
<b>Investment Manager Client Consultation Policy on Voting</b>
<p>BlackRock believes that companies are responsible for ensuring they have appropriate governance structures to serve the interests of shareholders and other key stakeholders. We believe that there are certain fundamental rights attached to shareholding. Companies and their boards should be accountable to shareholders and structured with appropriate checks and balances to ensure that they operate in shareholders' best interests to create sustainable value. Shareholders should have the right to vote to elect, remove, and nominate directors, approve the appointment of the auditor, and amend the corporate charter or by-laws.</p> <p>Consistent with these shareholder rights, we believe BlackRock has a responsibility to monitor and provide feedback to companies, in our role as stewards of our clients' investments. BlackRock Investment Stewardship ("BIS") does this through engagement with management teams and/or board members on material business issues including environmental, social, and governance ("ESG") matters and, for those clients who have given us authority, through voting proxies in the best long-term economic interests of our clients. We also participate in the public debate to shape global norms and industry standards with the goal of a policy framework consistent with our clients' interests as long-term shareholders.</p>

BlackRock looks to companies to provide timely, accurate, and comprehensive reporting on all material governance and business matters, including ESG issues. This allows shareholders to appropriately understand and assess how relevant risks and opportunities are being effectively identified and managed. Where company reporting and disclosure is inadequate or the approach taken is inconsistent with our view of what supports sustainable long-term value creation, we will engage with a company and/or use our vote to encourage a change in practice.

BlackRock views engagement as an important activity; engagement provides us with the opportunity to improve our understanding of the business and ESG risks and opportunities that are material to the companies in which our clients invest. As long-term investors on behalf of clients, we seek to have regular and continuing dialogue with executives and board directors to advance sound governance and sustainable business practices, as well as to understand the effectiveness of the company's management and oversight of material issues. Engagement is an important mechanism for providing feedback on company practices and disclosures, particularly where we believe they could be enhanced. We primarily engage through direct dialogue but may use other tools such as written correspondence to share our perspectives. Engagement also informs our voting decisions.

BlackRock's approach to corporate governance and stewardship is explained in our Global Principles. These high-level Principles are the framework for our more detailed, market-specific voting guidelines, all of which are published on the BlackRock website. The Principles describe our philosophy on stewardship (including how we monitor and engage with companies), our policy on voting, our integrated approach to stewardship matters and how we deal with conflicts of interest. These apply across relevant asset classes and products as permitted by investment strategies. BlackRock reviews our Global Principles annually and updates them as necessary to reflect in market standards, evolving governance practice and insights gained from engagement over the prior year.

Our Global Principles available on our website at <https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf>

### Investment Manager Process to determine how to Vote

The team and its voting and engagement work continuously evolves in response to changing governance related developments and expectations. Our voting guidelines are market-specific to ensure we take into account a company's unique circumstances by market, where relevant. We inform our vote decisions through research and engage as necessary. Our engagement priorities are global in nature and are informed by BlackRock's observations of governance related and market developments, as well as through dialogue with multiple stakeholders, including clients. We may also update our regional engagement priorities based on issues that we believe could impact the long-term sustainable financial performance of companies in those markets. We welcome discussions with our clients on engagement and voting topics and priorities to get their perspective and better understand which issues are important to them.

As outlined in our Global Principles, BlackRock determines which companies to engage directly based on our assessment of the materiality of the issue for sustainable long-term financial returns and the likelihood of our engagement being productive. Our voting guidelines are intended to help clients and companies understand our thinking on key governance matters. They are the benchmark against which we assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. We apply our guidelines pragmatically, taking into account a company's unique circumstances where relevant. We inform our vote decisions through research and engage as necessary. If a client wants to implement their own voting policy, they will need to be in a segregated account. BlackRock's Investment Stewardship team would not implement the policy ourselves, but the client would engage a third-party voting execution platform to cast the votes.

### How does this manager determine what constitutes a 'Significant' Vote?

BlackRock Investment Stewardship prioritises its work around themes that we believe will encourage sound governance practices and deliver sustainable long-term financial performance. Our year-round engagement with clients to understand their priorities and expectations, as well as our active participation in market-wide policy debates, help inform these themes. The themes we have identified in turn shape our Global Principles, market-specific Voting Guidelines and Engagement Priorities, which form the benchmark against which we look at the sustainable long-term financial performance of investee companies.

We periodically publish “vote bulletins” setting out detailed explanations of key votes relating to governance, strategic and sustainability issues that we consider, based on our Global Principles and Engagement Priorities, material to a company’s sustainable long-term financial performance. These bulletins are intended to explain our vote decision, including the analysis underpinning it and relevant engagement history when applicable, where the issues involved are likely to be high-profile and therefore of interest to our clients and other stakeholders, and potentially represent a material risk to the investment we undertake on behalf of clients. We make this information public shortly after the shareholder meeting, so clients and others can be aware of our vote determination when it is most relevant to them. We consider these vote bulletins to contain explanations of the most significant votes for the purposes of evolving regulatory requirements.

#### Does the manager utilise a Proxy Voting System? If so, please detail

BlackRock’s proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams – Americas (“AMRS”), Asia-Pacific (“APAC”), and Europe, Middle East and Africa (“EMEA”) – located in seven offices around the world. The analysts with each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock’s Global Principles and custom market-specific voting guidelines.

While we subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into our vote analysis process, and we do not blindly follow their recommendations on how to vote. We primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial. Other sources of information we use include the company’s own reporting (such as the proxy statement and the website), our engagement and voting history with the company, and the views of our active investors, public information and ESG research.

In summary, proxy research firms help us deploy our resources to greatest effect in meeting client expectations

- BlackRock sees its investment stewardship program, including proxy voting, as part of its fiduciary duty to and enhance the value of clients’ assets, using our voice as a shareholder on their behalf to ensure that companies are well led and well managed
- We use proxy research firms in our voting process, primarily to synthesise information and analysis into a concise, easily reviewable format so that our analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial
- We do not follow any single proxy research firm’s voting recommendations and in most markets, we subscribe to two research providers and use several other inputs, including a company’s own disclosures, in our voting and engagement analysis
- We also work with proxy research firms, which apply our proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform our voting decision



- The proxy voting operating environment is complex and we work with proxy research firms to execute vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting.

### Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
Rio Tinto Plc	Climate risk	For	Pass
BlackRock voted for the management proposal seeking shareholders' approval of the Rio Tinto Group's Climate Action Plan, which is described in the report "Our Approach to Climate Change 2021." The group's climate action plan, targets, and disclosures are consistent with what we look for and, in our assessment, demonstrate management and board responsiveness to shareholder feedback. Accordingly, BlackRock determined that it is in the best interests of our clients as long-term shareholders to support the proposal to approve the Climate Action Plan.			
Ocado Group Plc	Remuneration	Against	Pass
BlackRock did not support the extension of the Value Creation Plan introduced in 2019, and the Remuneration Policy of which it formed a significant part, due to our concerns about its appropriateness as a tool for measuring performance and incentivising management.			
Barclays Plc	Climate risk	For	Pass
BlackRock supported this proposal in recognition of the company's disclosed plan to manage climate-related risks and opportunities and the company's progress against this plan. We do, however, believe there are areas where the company could enhance its disclosure.			
Royal Dutch Shell Plc	Corporate strategy and climate risk	For	Pass
BlackRock supported this management proposal of approving the Shell Energy Transition Progress report in recognition of the delivery to date against the company's Energy Transition Strategy.			
J Sainsbury Plc	Human capital management	Against	Fail
BlackRock recognizes the importance of frontline workers to Sainsbury's long-term success, and we see pay and benefits more broadly as a critical issue for companies to be managing effectively. However, BlackRock did not support the proposal to approve the resolution on Living Wage Accreditation given Sainsbury's strong positive track record on offering above-market employee benefits and because we believe the legally binding proposal is unduly constraining on management decision-making on a critical operational and financial issue given that it would require management to cede control of worker pay to a third-party entity.			

### BlackRock Consensus 85 Fund

The manager voted on 95% of resolutions of which they were eligible out of 75,121 eligible votes.

### Investment Manager Client Consultation Policy on Voting

BlackRock believes that companies are responsible for ensuring they have appropriate governance structures to serve the interests of shareholders and other key stakeholders. We believe that there are certain fundamental rights attached to shareholding. Companies and their boards should be accountable to shareholders and structured with appropriate checks and balances to ensure that they operate in shareholders' best interests to create sustainable value. Shareholders should have the right to vote to elect, remove, and nominate directors, approve the appointment of the auditor, and amend the corporate charter or by-laws.

Consistent with these shareholder rights, we believe BlackRock has a responsibility to monitor and provide feedback to companies, in our role as stewards of our clients' investments. BlackRock Investment Stewardship ("BIS") does this through engagement with management teams and/or board members on material business issues including environmental, social, and governance ("ESG") matters and, for those clients who have given us authority, through voting proxies in the best long-term economic interests of our clients. We also participate in the public debate to shape global norms and industry standards with the goal of a policy framework consistent with our clients' interests as long-term shareholders.

BlackRock looks to companies to provide timely, accurate, and comprehensive reporting on all material governance and business matters, including ESG issues. This allows shareholders to appropriately understand and assess how relevant risks and opportunities are being effectively identified and managed. Where company reporting and disclosure is inadequate or the approach taken is inconsistent with our view of what supports sustainable long-term value creation, we will engage with a company and/or use our vote to encourage a change in practice.

BlackRock views engagement as an important activity; engagement provides us with the opportunity to improve our understanding of the business and ESG risks and opportunities that are material to the companies in which our clients invest. As long-term investors on behalf of clients, we seek to have regular and continuing dialogue with executives and board directors to advance sound governance and sustainable business practices, as well as to understand the effectiveness of the company's management and oversight of material issues. Engagement is an important mechanism for providing feedback on company practices and disclosures, particularly where we believe they could be enhanced. We primarily engage through direct dialogue but may use other tools such as written correspondence to share our perspectives. Engagement also informs our voting decisions.

BlackRock's approach to corporate governance and stewardship is explained in our Global Principles. These high-level Principles are the framework for our more detailed, market-specific voting guidelines, all of which are published on the BlackRock website. The Principles describe our philosophy on stewardship (including how we monitor and engage with companies), our policy on voting, our integrated approach to stewardship matters and how we deal with conflicts of interest. These apply across relevant asset classes and products as permitted by investment strategies. BlackRock reviews our Global Principles annually and updates them as necessary to reflect in market standards, evolving governance practice and insights gained from engagement over the prior year.

Our Global Principles available on our website at <https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf>

### Investment Manager Process to determine how to Vote

The team and its voting and engagement work continuously evolves in response to changing governance related developments and expectations. Our voting guidelines are market-specific to ensure we take into account a company's unique circumstances by market, where relevant. We inform our vote decisions through research and engage as necessary. Our engagement priorities are global in nature and are informed by BlackRock's observations of governance related and market developments, as well as through dialogue with multiple stakeholders, including clients. We may also update our regional engagement priorities based on issues that we believe could impact the long-term sustainable financial performance of companies in those markets.

We welcome discussions with our clients on engagement and voting topics and priorities to get their perspective and better understand which issues are important to them. As outlined in our Global Principles, BlackRock determines which companies to engage directly based on our assessment of the materiality of the issue for sustainable long-term financial returns and the likelihood of our engagement being productive. Our voting guidelines are intended to help clients and companies understand our thinking on key governance matters. They are the benchmark against which we assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. We apply our guidelines pragmatically, taking into account a company's unique circumstances where relevant. We inform our vote decisions through research and engage as necessary. If a client wants to implement their own voting policy, they will need to be in a segregated account. BlackRock's Investment Stewardship team would not implement the policy ourselves, but the client would engage a third-party voting execution platform to cast the votes.

### How does this manager determine what constitutes a 'Significant' Vote?

BlackRock Investment Stewardship prioritizes its work around themes that we believe will encourage sound governance practices and deliver sustainable long-term financial performance. Our year-round engagement with clients to understand their priorities and expectations, as well as our active participation in market-wide policy debates, help inform these themes. The themes we have identified in turn shape our Global Principles, market-specific Voting Guidelines and Engagement Priorities, which form the benchmark against which we look at the sustainable long-term financial performance of investee companies.

We periodically publish "vote bulletins" setting out detailed explanations of key votes relating to governance, strategic and sustainability issues that we consider, based on our Global Principles and Engagement Priorities, material to a company's sustainable long-term financial performance. These bulletins are intended to explain our vote decision, including the analysis underpinning it and relevant engagement history when applicable, where the issues involved are likely to be high-profile and therefore of interest to our clients and other stakeholders, and potentially represent a material risk to the investment we undertake on behalf of clients. We make this information public shortly after the shareholder meeting, so clients and others can be aware of our vote determination when it is most relevant to them. We consider these vote bulletins to contain explanations of the most significant votes for the purposes of evolving regulatory requirements.

### Does the manager utilise a Proxy Voting System? If so, please detail

BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams – Americas ("AMRS"), Asia-Pacific ("APAC"), and Europe, Middle East and Africa ("EMEA") – located in seven offices around the world. The analysts with each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Principles and custom market-

specific voting guidelines.

While we subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into our vote analysis process, and we do not blindly follow their recommendations on how to vote. We primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial. Other sources of information we use include the company's own reporting (such as the proxy statement and the website), our engagement and voting history with the company, and the views of our active investors, public information and ESG research.

In summary, proxy research firms help us deploy our resources to greatest effect in meeting client expectations

- BlackRock sees its investment stewardship program, including proxy voting, as part of its fiduciary duty to and enhance the value of clients' assets, using our voice as a shareholder on their behalf to ensure that companies are well led and well managed
- We use proxy research firms in our voting process, primarily to synthesise information and analysis into a concise, easily reviewable format so that our analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial
- We do not follow any single proxy research firm's voting recommendations and in most markets, we subscribe to two research providers and use several other inputs, including a company's own disclosures, in our voting and engagement analysis
- We also work with proxy research firms, which apply our proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform our voting decision
- The proxy voting operating environment is complex and we work with proxy research firms to execute vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting

### Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
Bank of Montreal	Climate risk	Against	Fail
BlackRock did not support this shareholder proposal to adopt a policy to ensure the Bank's Financing is consistent with IEA's Net Zero Emissions by 2050 Scenario because it is overly prescriptive, unduly constraining on management and board decision-making, and would limit the company's ability to support an orderly energy transition. Further, we consider the company to have made a clear commitment to align their business model with the transition to a net zero economy, which includes greenhouse gas (GHG) emissions reductions targets.			
Santos Limited	Climate risk	Against	Withdrawn

BlackRock did not support the resolution to apply capital protection as it is overly prescriptive and risks unduly restricting management's ability to make business decisions.			
HCA Healthcare, Inc.	Climate risk	For	Pass
As a result of the company's demonstrated progress with respect to reporting climate-related risks and opportunities over the past year, BlackRock decided that it is in the best economic interests of clients to support Charles O. Holliday, Jr.'s re-election to HCA's Board of Directors.			
Intel Corporation	Executive compensation	Against	Fail
BlackRock did not support management's proposal to ratify their named executive officers' (NEOs) compensation program due to our continuing concerns that compensation as currently structured is not aligned with sustained long-term shareholder value creation.			
Marathon Petroleum Corporation	Executive compensation	Against	Fail
BlackRock did not support this shareholder proposal because we believe that the company's existing clawback policy is aligned with market practice and we recognize the potential for near-term Securities and Exchange Commission(SEC) rule making on clawback policies.			

### Voting Information

#### Fidelity MoneyBuilder Dividend Fund

The manager voted on 99.8% of resolutions of which they were eligible out of 1,011 eligible votes.

### Investment Manager Client Consultation Policy on Voting

We typically do not consult clients before voting. Fidelity's approach and policy with regard to the exercise of voting rights are in accordance with all applicable laws and regulations as well as being consistent with the respective investment objectives of the portfolio.

### Investment Manager Process to determine how to Vote

We have a specialist in-house Sustainable Investing team that has responsibility for and coordinates Fidelity's approach to sustainable investing and the implementation of our voting policies. The Sustainable Investing team is part of Fidelity's Investment Management team and collaborates with the firm's global team of investment analysts and portfolio managers to monitor, analyse and engage on ESG matters and voting with investee companies. The integration of the two teams ensures continuous collaboration which also includes regular cross team meetings, presentations and sharing of relevant data across key platforms. The Sustainable Investing team is responsible for voting activities, is based across a number of our global offices, and includes proxy voting and corporate governance experts. Information on the voting process is derived from a variety of sources and includes material provided by the company, proxy voting advisory services, internal and external research. Discussions may also be held with investee companies themselves.

Our votes are cast in accordance with Fidelity's established voting policies after consultation with the relevant portfolio managers where appropriate. We will generally consult the relevant portfolio managers and analysts before voting on certain resolutions, including items related to mergers and acquisitions (M&A), capital raisings, debt issuances, material changes to the articles and votes against management in cases where our shareholding is material. When voting, we consider the circumstances of investee companies and prevailing local market best practice. Fidelity's policy and approach to exercising its voting rights consider applicable laws and regulations and are consistent with the investment objectives of the various portfolios. We seek to vote all equity securities unless there is a regulatory obligation for us not to do so, or when the expected benefit of voting is outweighed by the expected costs. In cases when our shares will be immobilised from trading if we vote ("share blocking") or when there are onerous requirements for voting, we may consider not voting part or all of the holdings. We will not vote at the shareholder meetings of Fidelity funds unless specifically instructed by a client. The Sustainable Investing team carries out voting activities for the majority of our funds, including Fidelity Canada funds where Fidelity is the investment manager and segregated mandates where the client has delegated to us authority over voting decisions. For a minority of Fidelity-managed funds, voting is carried out in the local market where this is a regulatory requirement. In cases where Fidelity sub-delegates investment management responsibility for certain assets to third parties, voting activity is conducted by the investment manager to whom investment authority has been delegated, in accordance with that manager's voting policies.

Fidelity's voting instructions are generally processed electronically via our proxy voting agent, Institutional Shareholder Services (ISS). Our proxy voting agent provides general meeting notifications, processes our voting instructions, and records this activity for subsequent reporting purposes. Additionally, we subscribe to a number of corporate governance and voting advisory services. We have a set of customised policies with our voting agent but as mentioned above all eventual voting decisions are always made in accordance with Fidelity's policies and voting guidelines.

In instances where a fund holds an investment in more than one party to a transaction, we will always act in the interests of the specific fund in question and in instances where there is a conflict with Fidelity's own interests, we will either vote in accordance with the recommendation of our principal third party research provider or, if no recommendation is available, we will either abstain or not vote. We do not vote at shareholder meetings of any Fidelity funds unless specially instructed to do so by a client.

We encourage boards to consult with investors in advance rather than risk putting forward resolutions at general meetings which may be voted down. Subject to the size of our investment, where our views differ from those of the board, we will seek to engage with the board at an early stage to try and resolve differences. Where this is not successful and we decide to abstain or vote against a company, for all of our larger holdings we will generally ensure that the management understands the reason for our opposition. We abstain when we have insufficient information to form our view, and where there are restrictions that do not permit us to cast our vote, but in some markets we also abstain where we wish to give a cautionary message to a company. Our guiding principle is that voting rights should always be exercised in the best interest of our clients.

It is not our usual policy to attend shareholder meetings but if circumstances warrant, we will on occasion vote in person and may additionally make a statement explaining our position. In exceptional circumstances, we may also submit a

resolution for a shareholder vote at a general meeting. We encourage those companies that still undertake voting by a show of hands to move towards implementing poll voting.

We disclose our voting record for the preceding 12 months on our website (<https://www.fidelity.co.uk/voting-record/>) and this information is updated on a quarterly basis. Quarterly voting reports are provided to institutional clients as well as a more in-depth annual sustainable investing report.

Please refer to our sustainable investing voting principles and guidelines at [https://www.fidelity.lu/static/master/media/pdf/esg/fidelity\\_voting\\_policy\\_2021\\_v17.pdf](https://www.fidelity.lu/static/master/media/pdf/esg/fidelity_voting_policy_2021_v17.pdf)

### How does this manager determine what constitutes a 'Significant' Vote?

There are broadly two key types of assessment considerations that will frame and contribute to whether a vote is assessed as 'significant' - those relating to the vote we submit, the size of our position, the nature of the agenda items, and the issuer's market (intrinsic considerations) and factors that are dependent on views or special situations internal to Fidelity or that occur in the market (situational/ extrinsic considerations). Additional relevant factors may also be considered. Factors relating to the assessment of our voting activity will be weighed holistically, and with recency, when identifying Fidelity's most significant votes and our framework sets out to assist, not dictate, this assessment. Fidelity retains discretion to determine which of the 'significant' votes identified under this Framework are reported in line with its regulatory reporting requirements.

'Significant' votes will be identified, assessed and reviewed regularly on a periodic frequency by the Sustainable Investing Team.

### Does the manager utilise a Proxy Voting System? If so, please detail

Fidelity's voting instructions are generally processed electronically via our proxy voting agent Institutional Shareholder Services (ISS). Our proxy voting agent provides general meeting notifications, processes our voting instructions, and records this activity for subsequent reporting purposes. Additionally, we subscribe to a number of corporate governance and voting advisory services. We have a set of customised policies with our voting agent, but all eventual voting decisions are always made in accordance with Fidelity's policies and voting guidelines.

### Top 5 Significant Votes during the Period

Company	Voting Subject		Result
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		How did the Investment Manager Vote?	
Rio Tinto plc	Approve Climate Action Plan	Abstain	The resolution was approved, though with substantial dissent: c. 15% of votes were cast against.
<p>Rio Tinto held an advisory vote on its climate action plan at its 2022 AGM.</p> <p>The company has significantly upped the ambition of its targets over the past year, including a new 2030 operational (scope 1 and 2) emissions reduction target that compares favourably with peers and \$7.5bn in green capex commitments. It also provides a relatively high degree of transparency on its abatement methods.</p> <p>The company has not set a quantifiable scope 3 emissions reduction target with a set timeframe. Scope 3 emissions refers to emissions in the value chain which not directly under the company's ownership or control (e.g. from clients), which represent over 95% of the company's total emissions footprint. Though it has not set a quantified scope 3 reduction target, Rio has committed to undertake a number of initiatives to influence scope 3 reductions.</p> <p>We ultimately concluded that an abstention was warranted, to recognise the company's ambition on operational emissions reductions but the position that we have adopted for the sector is that we will not approve long-term climate mandates until companies are in a position to give Scope 3 reduction targets. We have also flagged that we would prefer such targets to be science-based - we recognise that this requires progress on an industry-wide basis.</p>			
GlaxoSmithKline Plc	Approve Remuneration Policy	Against Management	The resolution was approved at the AGM, though with substantial dissent: c. 38% of participating votes were cast against the resolution.
<p>The board proposed an amendment to the director remuneration policy to increase the CEO's annual bonus opportunity from 200% of base salary to 300%.</p> <p>Based on our assessment, the company's executive remuneration arrangements are competitive relative to UK and European peers. Moreover, the decision to increase the CEO's remuneration at the same time as the size of the business was being significantly reduced via spin-off could be questioned. We did not believe that decision to increase the CEO's bonus opportunity had sufficient justification and decided to vote against it.</p> <p>We signalled our misgiving about the bonus opportunity to the board during a shareholder consultation prior to voting.</p>			
BP plc	Approve Net Zero - From Ambition to Action Report	Abstain	The climate report was approved at the AGM by a majority of c. 89%. The shareholder resolution was defeated.
<p>BP held an advisory vote on its climate change report at its 2022 AGM. There was also a separate resolution filed by a shareholder asking the company to set time-bound short, medium, and long-term emissions reduction targets aligned to the goals of the Paris Agreement. A similar resolution was filed last year.</p> <p>BP recently increased its 2030 Scope 1 and 2 emissions targets and carbon intensity target for products sold (downstream Scope 3), and expanded the definition of the latter to include physically traded sales of energy products. Also, its disclosure</p>			



<p>quality is high in many respects, and their use of offsetting also appears appropriate. The company's absolute Scope 3 target (i.e. concerning other emissions in the value chain not under the company's control) does not include physically traded sales, which means that the majority of the company's emissions are not covered by absolute reduction targets</p> <p>After careful analysis, we decided to abstain in order to recognise positive changes in respect of the company's climate targets while also recognising ongoing concerns.</p>			
<b>Royal Dutch Shell Plc</b>	<b>Approve the Shell Energy Transition Progress Update</b>	<b>With management</b>	<b>The resolution was approved, though with substantial dissent: c. 20% of votes were cast against.</b>
<p>Shell held an advisory resolution on its energy transition progress report at the 2022 AGM. Separately, a shareholder filed a resolution asking Shell to publish time-bound short, medium, and long-term emissions reduction targets aligned to the goals of the Paris Agreement (the latter was not endorsed by the board).</p> <p>Shell has a net zero by 2050 ambition, a target to reduce absolute operational (scope 1 and 2) emissions by 50% by 2030 vs. a 2016 baseline, and emissions intensity targets covering all scopes. While it has a net zero ambition, it does not yet have interim absolute scope 3 emissions reduction targets. It has reported good recent progress against its operational reduction targets, and has reported meaningful reduction in scope 3 emissions since 2019 (-17%), albeit this was in large part driven by the economic impact caused by Covid-19, divestments, and a shift in demand favouring gas. According to its climate strategy, decarbonisation is intended to be delivered through changes to the portfolio mix and divestments.</p> <p>A Dutch court made a landmark ruling in 2021 which - if it stands - will require Shell to increase the pace of its decarbonisation by reducing absolute emissions by 45% by 2030 vs. a 2019 baseline (including scope 3, albeit with differentiated responsibility). Shell is appealing against the ruling.</p> <p>We assess Shell as being among the leading oil majors when it comes to decarbonisation strategy, targets, and reporting. It must be acknowledged that the industry is not yet on a decarbonisation path which would meet the Paris Agreement goals, but the issue is complex: the vast majority of the sector's emissions come from clients over which Shell and others do not have direct control, so achieving net zero will only be possible with determined engagement from the industry, clients' willingness to adapt, and a supportive broader environment, including governmental cooperation at international level. Also, changes in demand for fossil fuels caused by the war in Ukraine may impact the ability to meet near term emissions reduction targets. We take these constraints into consideration, and therefore base our assessment on what companies are doing to contribute to global decarbonisation now and how they are positioning themselves for the requirements of a low carbon economy, drawing comparisons with competitors and globally accepted decarbonisation frameworks.</p> <p>We concluded that Shell's progress merited support. We abstained on the shareholder proposal, as we believe there is room for improving Shell's scope 3 targets but recognised that the binding nature of the proposal could impose constraints and create further legal uncertainty.</p>			
<b>Berkeley Group Holdings plc</b>	<b>Approve remuneration policy</b>	<b>Against management</b>	<b>The resolution was approved at the AGM with c. 40% of votes cast against.</b>
<p>The board proposed a new remuneration approach featuring two new incentive plans: a restricted share plan and one-off long-term option plan where executives would receive significant awards (1m options with a market value of £39m for the CEO and 350,000 options each for the other executive directors valued at £13.7m). We had concern about the quantum of award, which did not appear to have a strong justification, as well as the terms of the plan allowing for full immediate</p>			

vesting of awards in a change-of-control situation. The latter could create a windfall and negatively impact the awards' retention component. We therefore decided to vote against the proposed change to the director remuneration policy facilitating the new long-term award plans.

### Royal London UK Equity Income Fund

The manager voted on 100% of resolutions of which they were eligible out of 1,038 eligible votes.

### Investment Manager Client Consultation Policy on Voting

We are strong advocates of good corporate governance, and our preference is to vote 'as a house.' As a result, all of our funds are voted in the same way. No one fund or fund manager may single-handedly change a vote for their fund; any recommendations to change a vote is considered and discussed as a house. This is consistent with our 'Collaborate' corporate value, whereby we believe that collaboration and discussion across teams on governance and voting issues will result in the best outcomes for customers. We believe this 'house views' approach also helps send a clear and consistent message to companies on our governance expectations. It also allows us to engage more effectively to seek improvements to governance standards.

### Investment Manager Process to determine how to Vote

RLAM regards voting in a responsible, informed and consistent manner to be a fiduciary duty of institutional investors, as such proxy voting at RLAM is a highly active and integrated process led by dedicated staff within the Responsible Investment (RI) Team. The RI Team sits alongside fund managers who are involved in decision making and policy setting. We review our voting policies on an annual basis to ensure that we integrate best practice and market developments; this process is in conjunction with fund managers to ensure that we arrive at a strong, consistent approach. Our voting policies can be found on our website: <https://www.rlam.co.uk/intermediaries/our-capabilities/responsible-investment/governance-and-voting/>

All our votes are assessed and fully researched in-house by the RI Team, many of which are also discussed at length with the relevant fund management teams. To aid in this, RLAM purchases governance and voting research from IVIS (the voting service of the UK Investment Association) and Glass Lewis. This provides information around company meetings, and highlights items of particular interest or where there could potentially be an exception to generally agreed principles affecting RLAM's shareholder rights. This external research is used in conjunction with internal research, information gathered from meetings with the company and any other relevant sources. RLAM does have a custom voting template implemented by Glass Lewis, but we do not follow proxy recommendations and do not operate any standing instructions or auto-vote procedures. The voting recommendations are used rather as a method of flagging potential concerns. All votes are reviewed at a minimum by one member of the RI team before submission, and two if they are controversial or differ from our policy position. Fund managers receive automated notifications of all votes submitted for their funds, where they can raise any additional questions or concerns.

All of our votes are publicly disclosed one month in arrears on our website, and our voting records can be found at the following link: <http://www.rlam-voting.co.uk/voting/>. We will also write to any company held in our actively managed funds should we vote against or abstain, providing our vote decisions and our rationale for opposing management. This often leads to further dialogue and meetings with management.

### How does this manager determine what constitutes a 'Significant' Vote?

RLAM regards every vote as significant for the purposes of SRD II, and as such we publicly disclose the outcome of all our votes, alongside the rationales for when we vote against management on our voting website in a searchable online database. All votes are assessed on an equal basis by members of the RI Team, irrespective of holding size or subject matter. We highlight votes in our reporting we believe may be of greater interest to our clients due to the subject matter or materiality to the company and provide an illustration of how we approach a variety of issues when voting. Examples include but are not exclusively votes that deal with controversies, diversity, environmental issues, health and safety concerns, shareholder proposals or remuneration.

### Does the manager utilise a Proxy Voting System? If so, please detail

We use Glass Lewis' Viewpoint as our voting platform. All ballots are sent to Viewpoint by our custodians or our clients' custodians. For each agenda item, Glass Lewis applies RLAM's custom voting template which suggests a voting recommendation that reflects RLAM's high level Voting Policies and best practice standards. Our voting policies can be found on our website. The Responsible Investment team then conducts its own review of every vote, considering any unique circumstances facing the company, any engagement we have undertaken with the board, and any discussions with the fund managers. The vote is then approved by a member of the Responsible Investment team prior to being dispatched.

### Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
National Grid	Approval of climate transition plan	Abstain	98.43% - FOR
We welcome further engagement with the company on this issue.			
Shell Plc	Approval of the Energy Transition Strategy	Abstain	79.91% - FOR
We have continued to engage with the company and assess their climate transition plans.			
Shell Plc	Shareholder Proposal Regarding GHG Reduction Targets	Against	20.29% - FOR
We have continued to engage with the company and assess their climate transition plans.			
WH Smith Plc	Elect Maurice Thompson	For	78.2% - FOR

We will continue to monitor the situation around this Director.			
Pennon Group Plc	Approval of the Company's Climate-related Financial Disclosures	Abstain	94.57% - FOR
We welcome further engagement with the company on this issue.			

### Voting Information

#### M&G Investments Optimal Income Fund

The manager voted on 100% of resolutions of which they were eligible out of 190 eligible votes.

#### Investment Manager Client Consultation Policy on Voting

Voting decisions are taken in the best interests of clients and decision-making takes into account a wide range of factors. Whilst we do not solicit clients' views we would take them into account should they be known to us.

#### Investment Manager Process to determine how to Vote

An active and informed voting policy is an integral part of our investment philosophy. In our view, voting should never be divorced from the underlying investment management activity. By exercising our votes, we seek both to add value to our clients and to protect our interests as shareholders. We consider the issues, meet the management if necessary, and vote accordingly.

#### How does this manager determine what constitutes a 'Significant' Vote?

Under the Shareholder Rights Directive II, M&G is required to report on its stewardship activities, including proxy voting and the identification of significant votes. We have therefore determined our own definition of significant votes following internal discussion and consideration of external guidance. We periodically review our definition of significant votes.

#### Does the manager utilise a Proxy Voting System? If so, please detail

We use research provided by ISS and the Investment Association; and we use the Proxy Exchange platform from ISS for managing our proxy voting activity.

#### Significant Vote during the Period\*

Company	Voting Subject	How did the Investment Manager Vote?	Result
AT&T Inc.	Elect Director Glenn H. Hutchins	Against	Pass
Concern over low board gender diversity.			

\*The manager has confirmed there was only one significant vote during the period.

Please note that Royal London provided data as at 31 December 2022 due to availability of data.

Signed: Christine Pownall, Chair of Trustees

Date: 05/10/2023