

The Cabot Carbon Limited Cab-O-Sil Division Pension Plan – Implementation Statement for the year ended 5 April 2025

1. Purpose

This Implementation Statement (“Statement”) has been prepared by the Trustees of The Cabot Carbon Limited Cab-O-Sil Division Pension Plan (the “Plan”). It reports on how, and the extent to which, the policies as set out in the Plan’s Statement of Investment Principles (“SIP”) have been complied with during the year ending 5 April 2025. In preparing this Statement, the Plan has been reviewed with respect to the whole SIP and the relevant policies. This review has been conducted by the Plan’s Investment Adviser (Quantum Advisory) and the Trustees have reviewed and approved the conclusions within this Statement. This includes the exercise of rights (including voting) and other engagement activities undertaken in respect of the Plan’s investments.

2. Background

This Statement has been prepared by the Trustees, with the assistance of their Investment Adviser, in line with the current regulatory guidance that was in place at the Plan year end.

References herein to the actions, review work or determinations of the Trustees refer to activity that has been carried out by either the Trustees, or the Investment Adviser on the Trustees’ behalf.

3. Executive summary

Over the Plan year:

- The Trustees’ Investment Adviser reviewed the voting and engagement activity of the funds that invest in equities. The Trustees are satisfied with their Investment Adviser’s conclusion that the Plan’s investment managers have appropriately carried out their stewardship duties.
- The Trustees are of the opinion that they have complied with the relevant policies and procedures as identified in the SIP. The Trustees updated the SIP during the Plan year to include their stewardship priorities and a policy on illiquid investments, per regulatory guidance and requirements.
- The Trustees have remained aware of the relevant policies and procedures as identified in the SIP and received input from their Investment Adviser to aid ongoing compliance.

The voting activities for funds that do not hold equities have not been reviewed as part of this exercise, as the Trustees believe there is less scope to influence the practices within such arrangements. However, the general stewardship practices/policies of non-equity

managers have been reviewed to ensure that that they engage with their investee companies.

4. Investment Managers' voting and stewardship policies and activity

Trustees' voting and stewardship policies

The Trustees consider how stewardship factors are integrated into the investment processes when: (i) appointing new investment managers; and (ii) reviewing existing investment managers.

The Trustees are unable to direct how votes are exercised and have not used a proxy voting services provider over the year. The Trustees have given the investment managers full discretion concerning voting and engagement decisions. As part of this exercise, the Trustees, with the assistance of their Investment Adviser, have reviewed the voting activities and stewardship policies of the funds.

The Trustees set stewardship priorities for the Plan in 2024 and decided to focus on:

- Managing climate-related risks, as they recognise that a rise in global temperatures could have an adverse effect on the Plan's investments;
- Board structure, as they recognise that a good level of diversity of thought, independence and experience in company boards can help improve long-term returns for investors; and
- Human rights and labour practices, as they recognise the negative impact these can have on society, company valuations and returns.

On an annual basis, the Trustees will review the voting activity and stewardship policies of the investment managers. The Trustees will monitor and discuss instances where the investment managers' voting activity does not align with their priorities, and seek to understand the reasons for this in the first instance. The Trustees will then escalate the matter if it persists and may review the fund offering if this is deemed appropriate.

Over the Plan year, the voting activities of the following funds, which invest in equities, have been reviewed:

- BlackRock Aquila US Equity Index
- BlackRock Aquila UK Equity Index
- Legal & General Asset Management ("L&G") World Equity Index
- L&G FTSE4Good Global Equity Index (previously "L&G Ethical Global Equity Index")
- L&G Dynamic Diversified

Managers' voting and stewardship policies and procedures

Details of the managers' voting and stewardship policies can be found in Appendix 1. In this Statement, the investment managers' stewardship policies, and the extent to which the investment managers make use of any proxy advisory and voting services, are noted. Quantum Advisory are satisfied that the voting and policies/procedures of the investment managers are reasonable and consistent with industry practice. Quantum Advisory are also satisfied that the general stewardship policies of all the investment managers are reasonable and consistent with industry practice. This includes investments in bonds and other instruments. The Trustees have approved these conclusions.

Voting statistics

The table below sets out the key statistics on voting eligibility and action over the year to 31 March 2025. Data to 5 April 2025 is not available as the investment managers only provide this information to calendar quarter-end dates.

Statistic	BlackRock Aquila US Equity Index	BlackRock Aquila UK Equity Index	L&G World Equity Index	L&G FTSE4Good Global Equity Index	L&G Dynamic Diversified
Number of equity holdings	528	545	2,798	1,078	7,027
Meetings eligible to vote at	576	690	2,928	1,194	10,106
Resolutions eligible to vote on	7,520	9,801	35,750	16,792	102,057
Proportion of eligible resolutions voted on (%)	98	99	100	100	100
Votes with management (%)	98	97	79	82	77
Votes against management (%)	1	2	21	18	23
Votes abstained from (%)	0	<1	<1	<1	<1
Meetings where at least one vote was against management (%)	15	14	74	74	71
Votes contrary to the recommendation of the proxy adviser (%)	0	0	15	14	14

Source: respective managers.¹ Note: Baillie Gifford does not delegate or outsource any Stewardship activities, all client voting decisions are made in-house and do not follow proxy voting providers policies.

As a whole, the voting activity meets expectations and the Trustees are generally satisfied with the level of voting activity that has been undertaken during the Plan year.

Significant votes over the reporting year

The significant votes provided by investment managers are determined by the stewardship policies they have in place. As the Plan has set stewardship priorities, where possible, significant votes have been selected to align with the stewardship priorities of the Plan. The Trustees have reviewed and are satisfied with the significant votes undertaken during the Plan year.

A cross section of the most significant votes cast is contained in Appendix 2.

5. Conflicts of interest

This section reviews whether the managers are affected by the following conflicts of interest, and how these are managed.

1. The asset management firm overall having an apparent client-relationship conflict e.g. the manager provides significant products or services to a company in which they also have an equity or bond holding;
2. Senior staff at the asset management firm holding roles (e.g. as a member of the Board) at a company in which the asset management firm has equity or bond holdings;
3. The asset management firm's stewardship staff having a personal relationship with relevant individuals (e.g. on the Board or the company secretariat) at a company in which the firm has an equity or bond holding;
4. A situation where the interests of different clients diverge. An example of this could be a takeover, where one set of clients is exposed to the target and another set is exposed to the acquirer; and
5. Differences between the stewardship policies of managers and their clients.

BlackRock

BlackRock stated that they have robust policies in place at the firm level to mitigate situations that may arise due to conflicts of interest. During the period, BlackRock were not aware of any specific situations that have created a conflict of interest affecting the invested equity funds.

BlackRock also refers investors to its conflicts of interest policies, which include several examples of conflicts and how these might be managed.

This accessed further at the following links:

<https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf>

<https://www.blackrock.com/corporate/literature/publication/blk-statement-conflicts-of-interest.pdf>

L&G

L&G has refrained from directly commenting on which of the conflicts of interest, detailed above, it is impacted by. Instead, L&G refers investors to its conflicts of interest policies, which include several examples of conflicts and how these might be managed.

These are available at the following link:

https://www.L&G.com/landg-assets/L&G/_document-library/capabilities/L&G-conflicts-of-interest.pdf

6. Implementation of policies contained within the Plan's SIP

This part of the statement sets out the various policies within the Plan's SIP and the actions that the Trustees have undertaken in respect of them over the Plan year.

SIP policy	Comments
1. Investment policies and governance structure	
<p><u>Investment Strategy</u></p> <p>It is the policy of the Trustees, after taking appropriate written advice from their Investment Advisers and in consultation with the Sponsoring Employer, to set the investment strategy for the Plan, following a consideration of their objectives and other related matters.</p> <p>The Trustees' policy is to review their objectives and investments, and to obtain written advice about them at regular intervals.</p> <p>It is the Trustees' policy not to hold any direct investment in the Sponsoring Employer.</p> <p>The Trustees review the default arrangement at least every three years and without delay following any significant change in investment policy, or the demographic profile of relevant members.</p>	<p><u>Investment Strategy</u></p> <p>The Trustees reviewed their investment strategy in 2025 following the Plan year end and the review is still in progress. The investment strategy in place at the year-end was set in 2022.</p> <p>The Trustees review the investments during Trustees' meetings.</p> <p>The Trustees considered each investment manager prior to appointment and received advice from their Investment Adviser on their appropriateness as part of such considerations.</p> <p>The Trustees do not hold any direct investments in the Sponsoring Employer.</p>

Performance Monitoring

The Trustees, through Quantum Advisory, measure the investment performance of the investment managers.

Conflict of Interest

The Trustees consider any potential and actual conflicts of interest (subject to reasonable levels of immateriality) at the start of each Trustees' meeting and document these in the minutes. Investment managers report on potential and actual conflicts of interest annually.

Charges

The Trustees consider the fees and charges associated with each investment before investing. The Trustees will compare the annual turnover and associated costs for each fund with previous years to ensure each investment manager's process and philosophy remain consistent.

Performance Monitoring

The Trustees reviewed the performance of the funds available to members during the period, using quarterly reports issued by Scottish Widows.

The Trustees discussed the underperformance of the Diversified Growth Funds used by the Plan and sought to understand the reasons for this. The Investment Adviser discussed this matter in detail with the Trustees. As a result, the Trustees agreed to monitor the fund performance.

Conflicts of interest

The Trustees discussed conflicts of interest at the start of each Trustees' meeting, however no new conflicts of interest arose over the reporting period. The investment managers' conflicts of interest are discussed in section 5 of this statement.

Charges

The Trustees reviewed the transaction costs incurred over the reporting year in the annual Chair's Statement. The Chair's Statement incorporates annual reviews of: (i) transaction charges; and (ii) investment management charges. Whilst the Trustees do not have pre-defined targets for these, they appear reasonable. Furthermore, the default investment strategy was compliant with the charge cap on Member Borne Deductions of 0.75% p.a.

<p><u>Statement of Investment Principles</u></p> <p>The Trustees will review the SIP at least every three years and without delay after any significant change in investment policy. Any change to this SIP will only be made after having obtained and considered the written advice of someone who the Trustees reasonably believe to be qualified by their ability in, and practical experience of, financial matters and to have the appropriate knowledge and experience of the management of pension scheme investments; and consulting the Sponsoring Employer.</p>	<p>The Trustees considered the fees and charges associated with each investment before selecting new funds as part of the recent investment strategy review.</p> <p><u>Statement of Investment Principles</u></p> <p>The Trustees reviewed the Plan’s SIP in August 2024 to include stewardship priorities and a policy on illiquid investments.</p>
<p>2. Responsible Investment</p>	
<p>This section discusses the Trustees’ policies on financially material considerations, non-financial matters and stewardship policies.</p> <p>If the Trustees feel that the fund manager is not assessing financial and non-financial performance adequately, or engaging with the companies they are investing in, they will use these factors in deciding whether to retain or terminate the relationship with the manager.</p>	<p>The Trustees believe that the current selection of fund managers is performing these duties adequately.</p> <p>The Trustees are satisfied that ESG integration was considered as a part of the investment strategy review when choosing the funds. Further detail on each of these areas is set out below.</p>

Financially material considerations

With specific regard to ESG factors, the Trustees consider how these are integrated into the investment processes when (i) appointing new Investment Managers; and (ii) monitoring the existing Investment Manager.

The Trustees also periodically consider publicly available ESG related publications pertaining to the incumbent investment managers.

The Trustees acknowledge that some of the Plan's investments are implemented on a passive basis. This restricts the ability of the investment manager to take active decisions on whether to hold securities based on their consideration of ESG factors. The Trustees do however expect the incumbent managers, where relevant, to utilise their position to engage with companies on these matters.

Stewardship

The Trustees review their investment managers' policies on the exercise of voting rights and monitor their engagement practice and proxy voting activity via their annual reports.

The Trustees consider how stewardship factors are integrated into the investment processes when: (i) appointing new investment managers; and (ii) reviewing existing investment managers. The Trustees have provided the appointed investment managers with full discretion concerning the stewardship of their investments.

Financially material considerations

As part of the 2022 investment strategy review, the Trustees received a report from Quantum Advisory detailing how each investment manager integrates ESG factors.

The Plan's investment managers, BlackRock Investment Management ("BlackRock") and Legal & General Investment Management ("L&G") are signatories to the United Nations Principles of Responsible Investment ("UNPRI"), as are Scottish Widows (the platform through which the Plan accesses its investments).

The Trustees did not formally review the investment managers' publicly available ESG reporting during the period.

Stewardship

The Investment Adviser, on behalf of the Trustees, reviewed the voting information prepared by the investment managers. The Trustees did not have any immediate concerns around the votes cast.

The Trustees acknowledge that the voting practices of their investment managers will not necessarily reflect their views or those of the members and that they will have little, or no, influence on their investment managers' voting practices. However, they will make their views known to their investment managers if they feel it is appropriate to do so, and in the event of frequent disagreement

<p><u>Non-financial matters</u></p> <p>The Trustees consider non-financial factors (where members have been forthcoming with their views) however the Trustees do not employ a formal policy in relation to this when selecting, retaining and realising investments.</p>	<p>will review the suitability of retaining the investment manager in question.</p> <p>The Trustees will consider these factors when reviewing the Plan's investments.</p> <p>Furthermore, the investment managers' voting activity has been reviewed in section 4 of this Statement.</p> <p><u>Non-financial matters</u></p> <p>Over the period, there were no views raised by members with respect to non-financial matters. Though the Trustees have noted that going forward ESG will continue to be a more important consideration when thinking about investments.</p>
<p>3. Risk management</p>	
<p>The Trustees have identified a range of risks members face including: inflation risk, annuity conversion risk, capital risk, liquidity risk, negligence risk and mis-statement risk. The investment strategy has been constructed in a manner that seeks to manage these. Furthermore, the Trustees manage these by:</p> <ul style="list-style-type: none"> • Taking regular investment advice; and • Ensuring member communications are reviewed by an investment professional. 	<p>The Trustees, with the help of their Investment Adviser, reviewed the Plan's investments periodically to manage these risks. The Trustees are generally satisfied with the performance delivered and have not raised any concerns.</p>

Appendix 1 – Investment manager stewardship policies and procedures

BlackRock's voting policies and process

BlackRock are guided by their global policies when evaluating their responsibilities in investment stewardship. As part of this BlackRock believes that companies should have appropriate governance structures in place to protect the interests of shareholders and other stakeholders, while also creating sustainable value. Although BlackRock tend to focus on equity stewardship, as these securities have more scope to influence positive change, BlackRock also assess downside ESG risks when evaluating fixed income securities. This comes in terms of evaluating these risks when determining the portfolio allocation and engaging with bond issuers to gain insights on their ESG risks and practices. ESG risk analysis also extends to private market investments, where BlackRock may also hold board or advisory seats with the company and advise on ESG initiatives.

BlackRock have developed high-level principles (“BlackRock’s Global Corporate Governance and Engagement Principles”) which set the framework for their voting on equity securities. These are publicly accessible on the following website (<https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf>).

Their voting guidelines are market specific, and consider a company’s unique circumstances, where relevant. BlackRock inform their voting decision through research and engage as necessary.

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 BIS with input from investment colleagues as required, in each case, in accordance with BlackRock’s Global Corporate Governance and Engagement Principles and market-specific guidelines.

While BlackRock subscribe to research from the proxy advisory firms ISS and Glass Lewis (also a voting proxy advisory firm), they do not follow any single proxy research firm’s voting recommendations. BlackRock use several other inputs, including a company’s own disclosures, and their record of past engagements, in their voting and engagement analysis.

Blackrock use ISS’s electronic platform to execute their vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, they work with proxy research firms who apply their proxy voting guidelines to filter out routine or non-contentious proposals and refer to BlackRock any meetings where additional research and possibly engagement might be required to inform their voting decision.

L&G's voting policies and process

L&G have a proven track-record of being active owners; striving to use their scale to ensure that the companies in which they invest are acting responsibly and markets / regulators create an environment in which good management of ESG factors are valued and supported. Although L&G tend to focus on equity stewardship, L&G also extends its ESG analysis and engagement policies to its active fixed income investments. L&G aims to incorporate ESG considerations to assess ESG risks from a financial perspective and L&G also engages with issuer companies through its global engagement groups. Please note, however, this approach does not extend to the Scheme's Liquidity Fund bond holdings with L&G as they invest passively in cash like instruments. Quantum believes this is reasonable given their underlying investments. For Equity holdings, L&G's Investment Stewardship team make all voting decisions, 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.

L&G's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G and strategic decisions are not outsourced. The use of ISS recommendations is purely to augment L&G's own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of IVIS to supplement the research reports that are received from ISS for UK companies when making specific voting decisions.

To ensure the proxy provider votes in accordance with L&G's position on ESG, L&G have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what L&G consider are minimum best practice standards which L&G believe all companies globally should observe, irrespective of local regulation or practice. L&G retain the ability in all markets to override any voting decisions, which are based on their custom voting policy. This may happen where engagement with a specific company has provided additional information that allows L&G to apply a qualitative overlay to their voting judgement. L&G have strict monitoring controls to ensure their votes are fully and effectively executed in accordance with their voting policies by their service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform them of rejected votes which require further action.

Appendix 2 – Most significant votes

The tables below set out a cross section of significant votes undertaken by the investment managers of the funds held by the Plan. Information on further significant votes undertaken by the Plan’s investment managers has been reviewed by Quantum Advisory on behalf of the Trustees.

Significant vote definitions

L&G

In determining significant votes, L&G’s Investment Stewardship team consider the criteria provided by the Pensions & Lifetime Savings Association (“PLSA”) consultation. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at L&G’s annual Stakeholder roundtable event, or where L&G note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement; and
- Vote linked to an L&G engagement campaign, in line with L&G Investment Stewardship’s 5-year ESG priority engagement themes.

L&G have determined their ten most significant votes at a firmwide level. Consequently, fewer than ten votes have been provided for some of their funds. Furthermore, because of this approach, L&G have not disclosed the size of the holding (as a proportion of the fund size).

BlackRock

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

Significant votes

BlackRock Aquila US Equity Index

Company Name	Berkshire Hathaway Inc.	The Boeing Company
Date of Vote	May 2024	May 2024
Summary of the resolution	Disclose Berkshire Hathaway Energy's (BHE's) Emissions and Progress Towards Goal in Consolidated Report	Elect Director David L. Joyce
Stewardship priority	Climate-related risks	Board structure
Size of the holding (% of portfolio)	N/A	N/A
How the firm voted	For the proposal	Against the proposal
Was the vote against management and was this communicated beforehand?	The vote was against management. BlackRock does not disclose its vote intentions in advance of shareholder meetings as the team do not see it as its role to influence other investors' proxy voting decisions.	
On which criteria has the vote been deemed as 'significant'?	The vote was significant as it related to climate risk. BlackRock thought that additional information regarding the company's plan to manage their strategy in the context of a transition to a low-carbon economy would help investors assess long-term risks and opportunities.	The vote was significant as it related to Board structure. BlackRock had concerns with the level of oversight provided by the supervisory board.
Outcome of the vote	The vote failed	The vote passed
Do the Trustees/asset manager intend to escalate stewardship efforts?	BlackRock did not confirm if they intent to escalate this stewardship effort however they noted that they may engage in follow up meetings with companies regarding an engagement to provide additional clarity.	BlackRock stated that they will continue to engage with members of the Committee and Boeing's executive leadership to understand how these issues are being rectified and robust practices are being established to safeguard key stakeholders and advance the long-term

		financial interests of shareholders.
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Source: BlackRock.

BlackRock Aquila UK Equity Index

Company Name	Shell Plc	Shell Plc
Date of Vote	May 2024	May 2024
Summary of the 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	Approve the Shell Energy Transition Strategy
Stewardship priority	Climate-related risks	Climate-related risks
Size of the holding (% of portfolio)	N/A	N/A
How the firm voted	Against the proposal	For the proposal
Was the vote against management and was this communicated beforehand?	The vote was with management. BlackRock does not disclose its vote intentions in advance of shareholder meetings as the team do not see it as its role to influence other investors' proxy voting decisions.	
On which criteria has the vote been deemed as 'significant'?	The vote was significant as it related to climate risk. BlackRock considered the request unduly constraining on management's decision-making in its request to align targets to a specific GHG emissions reduction pathway.	The vote was significant as it related to climate risk. BlackRock views Shell's adjustments to its transition plan as reasonable and in the interest of shareholders.
Outcome of the vote	The vote failed	The vote passed
Do the Trustees/asset manager intend to escalate stewardship efforts?	BlackRock voted with management in regards to this resolution and therefore did not provide any comments on future escalation.	

Source: BlackRock.

L&G World Equity Index

Company Name	Meta Platforms, Inc.	Eli Lilly and Company
Date of Vote	May 2024	May 2024
Summary of the resolution	Elect Director Peggy Alford	Elect Director Jamere Jackson
Stewardship priority	Board structure	Board structure
Size of the holding (% of portfolio)	1.6	0.9
How the firm voted	Against the proposal	Against the proposal
Where the vote was against management, was this communicated beforehand?	Voted against management. 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 their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.	Voted against management. 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 their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.
On which criteria has the vote been deemed as 'significant'?	The vote was significant as it related to Board structure. L&G views gender diversity as a financially material issue for clients, with implications for the assets they manage on their behalf.	The vote was significant as it related to Board structure. L&G considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO.
Outcome of the vote	The vote passed	The vote passed
Do the Trustees/asset manager intend to escalate stewardship efforts?	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	

Source: L&G.

L&G Dynamic Diversified

Company Name	Unilever Plc	Prologis, Inc.
Date of Vote	May 2024	May 2024
Summary of the resolution	Approve Climate Transition Action Plan	Elect Director Hamid R. Moghadam
Stewardship priority	Climate-related risks	Board structure
Size of the holding (% of portfolio)	0.3	0.3
How the firm voted	For the proposal	Against the proposal
Was the vote against management and was this communicated beforehand?	Voted with management. 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 their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.	Voted against management. 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 their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.
On which criteria has the vote been deemed as 'significant'?	The vote was significant as it related to climate risk. L&G expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, L&G deem such votes to be significant.	The vote was significant as it related to board structure. L&G considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO.
Outcome of the vote	The vote passed	The vote passed
Do the Trustees/asset manager intend to escalate stewardship efforts?	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	

Source: L&G.

L&G FTSE4Good Global Equity Index

Company Name	Bank of America Corporation	The Home Depot, Inc.
Date of Vote	April 2024	May 2024
Summary of the resolution	Report on Clean Energy Supply Financing Ratio	Elect Director Edward P. Decker
Stewardship priority	Climate-related risks	Board structure
Size of the holding (% of portfolio)	0.6	0.8
How the firm voted	For the proposal	Against the proposal
Was the vote against management and was this communicated beforehand?	Voted against management. 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 their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.	Voted against management. 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 their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.
On which criteria has the vote been deemed as 'significant'?	The vote was significant as it related to climate risk. L&G believes that banks and financial institutions have a significant role to play in shifting financing away from 'brown' to funding the transition to 'green'. L&G expects companies to be undertaking appropriate analysis and reporting on climate change matters, as they consider this issue to be a material risk to companies.	The vote was significant as it related to board structure. L&G considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO.
Outcome of the vote	The vote failed	The vote passed

Do the Trustees/asset manager intend to escalate stewardship efforts?

L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.

Source: L&G.