

# **Yorkshire Building Society Pension Scheme**

## **Annual Implementation Statement – Scheme year ending 31 December 2024**

### **Voting activity**

## **1. Introduction**

This document is supplementary to the Annual Implementation Statement (“the statement”) prepared by the Trustee of the Yorkshire Building Society Pension Scheme (“the Scheme”) covering the Scheme year (“the year”) to 31 December 2024. It provides additional detail on the key voting and engagement activities for the managers during the year.

**Legal & General Investment Management (LGIM) – Diversified Fund, MSCI World Adaptive Capped Fund, World ex UK GBP Hedged Equity Index Fund and UK Equity Index Fund**

**Voting Activities:**

**Diversified Fund (DC)**

- There were 108,048 eligible votes for the fund over the 12 months to 31 December 2024
- The manager exercised 99.8% of its votes over the year
- 22.4% of votes were against management and <1% were abstained
- 13.8% of votes were contrary to the proxy advisor's recommendation

**MSCI Adaptive Capped ESG Index Fund (DC)**

- There were 35,924 eligible votes for the fund over the 12 months to 31 December 2024
- The manager exercised 99.7% of its votes over the year
- 20.2% of votes were against management and <1% were abstained
- 13.8% of votes were contrary to the proxy advisor's recommendation

**UK Equity Index Fund (DC)**

- There were 10,188 eligible votes for the fund over the 12 months to 31 December 2024
- The manager exercised 100.0% of its votes over the year
- 6.0% of votes were against management and <1% were abstained
- 5.2% of votes were contrary to the proxy advisor's recommendation

**World ex UK GBP Hedged Equity Index Fund (DC)**

- There were 33,453 eligible votes for the fund over the 12 months to 31 December 2024
- The manager exercised 99.7% of its votes over the year
- 21.6% of votes were against management and <1% were abstained
- 15.7% of votes were contrary to the proxy advisor's recommendation

**What is LGIM's policy on consulting with clients before voting?**

LGIM's voting and engagement activities are driven by ESG professionals and its assessment of the requirements in these areas seeks to achieve the best outcome for all its clients. LGIM's voting policies are reviewed annually and take into account feedback from its clients.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express its views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as LGIM continues to develop its voting and engagement policies and define strategic priorities in the years ahead. LGIM also takes into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

**Please describe whether LGIM has made use of any proxy voter services**

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

To ensure its proxy provider votes in accordance with LGIM's position on ESG, it has put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what LGIM considers to be minimum best practice standards which it believes all companies globally should observe, irrespective of local regulation or practice.

LGIM retains the ability in all markets to override any vote decisions, which are based on its custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows them to apply a qualitative overlay to its voting judgement. LGIM has strict monitoring controls to ensure its votes are fully and effectively executed in accordance with its voting policies by its service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform LGIM of rejected votes which require further action.

**Please provide an overview of LGIM's process undertaken for deciding how to vote**

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

**Please include here any additional comments which are relevant to LGIM's voting activities or processes**

LGIM sees it as vital that the proxy voting service is regularly monitored and LGIM do this through quarterly due diligence meetings with ISS. Representatives from a range of departments attend these meetings, including the client relationship manager, research manager and custom voting manager. The meetings have a standing agenda, which includes setting out its expectations, an analysis of any issues experienced when voting during the previous quarter, the quality of the ISS research delivered, general service level, personnel changes, the management of any potential conflicts of interest and a review of the effectiveness of the monitoring process and voting statistics. The meetings will also review any action points arising from the previous quarterly meeting.

LGIM has its own internal Risk Management System (RMS) to provide effective oversight of key processes. This includes LGIM's voting activities and related client reporting. If an item is not confirmed as completed on RMS, the issue is escalated to line managers and senior directors within the organisation. On a weekly basis, senior members of the Investment Stewardship team confirm on LGIM's internal RMS that votes have been cast correctly on the voting platform and record any issues experienced. This is then reviewed by the Director of Investment Stewardship who confirms the votes have been cast correctly on a monthly basis. Annually, as part of its formal RMS processes the Director

of Investment Stewardship confirms that a formal review of LGIM's proxy provider has been conducted and that it has the capacity and competency to analyse proxy issues and make impartial recommendations.

### **LGIM Diversified Fund**

**Most significant vote – Vote:** Shell Plc.

**Resolution:** Approve the Shell Energy Transition Strategy (Climate Change)

**Approximate size of the fund's holding as at the date of the vote:** 0.33%

**Guidance – Proxy:** Not provided, **Management recommendation:** For

**Action:** Against the resolution

A vote against is applied as in light of the revisions made to the Net Carbon Intensity (NCI) targets, coupled with the ambition to grow its gas and LNG business this decade, LGIM expects the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050. In essence, it seeks more clarity regarding the expected lifespan of the assets Shell is looking to further develop, the level of flexibility in revising production levels against a range of scenarios and tangible actions taken across the value chain to deliver customer decarbonisation.

**Was the voting intent communicated with management ahead of the vote?:** LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

**Outcome:** The resolution passed

**Most significant vote – Vote:** National Grid Plc

**Resolution:** Approve Climate Transition Plan (Climate Change)

**Approximate size of the fund's holding as at the date of the vote:** 0.23%

**Guidance – Proxy:** Not provided, **Management recommendation:** For

**Action:** For the resolution

LGIM commends the company's efforts in committing to net-zero emissions across all scopes by 2050 and setting 1.5C-aligned near term science based targets. It also appreciates the clarity provided in the 'Delivering for 2035 report' and look forward to seeing the results of National Grid's engagement with SBTi regarding the decarbonisation of heating.

**Was the voting intent communicated with management ahead of the vote?:** LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

**Outcome:** The resolution passed

**Most significant vote – Vote:** Unilever Plc

**Resolution:** Approve Climate Transition Action Plan (Climate Change)

**Approximate size of the fund's holding as at the date of the vote:** 0.18%

**Guidance – Proxy:** Not provided, **Management recommendation:** For

**Action:** For the resolution.

A vote for the CTAP is applied as LGIM understands this meets LGIM's minimum expectations. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short, medium and long-term GHG emissions reduction targets consistent with a 1.5°C Paris goal. Despite the SBTi recently removing their approval of the company's long-term scope 3 target, it notes that the company has recently submitted near term 1.5 degree aligned scope 3 targets to the SBTi for validation and therefore at this stage believe the company's ambition level to be adequate.

**Was the voting intent communicated with management ahead of the vote?:** LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

**Outcome:** The resolution passed

### **LGIM MSCI Adaptive Capped ESG Index Fund**

**Most significant vote – Vote:** HCA Healthcare, Inc.

**Resolution:** Elect Director Nancy-Ann DeParle(DEI)

**Approximate size of the fund's holding as at the date of the vote:** 0.20%

**Guidance – Proxy:** Not provided, **Management recommendation:** For

**Action:** Against the resolution

A vote against is applied as LGIM expects a company to have at least one-third women on the board.

**Was the voting intent communicated with management ahead of the vote?:** LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

**Outcome:** Not provided

**Most significant vote – Vote:** United Rentals, Inc.

**Resolution:** Elect Director Larry D. De Shon(DEI)

**Approximate size of the fund's holding as at the date of the vote:** 0.19%

**Guidance – Proxy:** Not provided, **Management recommendation:** For

**Action:** Against the resolution

A vote against is applied as LGIM expects a company to have at least one-third women on the board.

**Was the voting intent communicated with management ahead of the vote?:** LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

**Outcome:** The resolution passed

**Most significant vote – Vote:** Holcim Ltd

**Resolution:** Approve Climate Report(Climate Change)

**Approximate size of the fund's holding as at the date of the vote:** 0.18%

**Guidance – Proxy:** Not provided, **Management recommendation:** For

**Action:** For the resolution

LGIM is supportive of progress made this year by the company and improvements made to the report, namely expanding the scope of the 2050 net zero target to include all categories of scope 3 emissions, and the upgrading of 2030 scope 1 and 2 targets

**Was the voting intent communicated with management ahead of the vote?:** LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

**Outcome:** Not provided

### **LGIM UK Equity Index Fund**

**Most significant vote – Vote:** Shell Plc

**Resolution:**

Approve the Shell Energy Transition Strategy(Climate Change)

**Approximate size of the fund's holding as at the date of the vote:** 7.66%

**Guidance – Proxy:** Not provided, **Management recommendation:** For

**Action:** Against the resolution

In light of the revisions made to the Net Carbon Intensity (NCI) targets, coupled with the ambition to grow its gas and LNG business this decade, LGIM expects the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050. In essence, LGIM seeks more clarity regarding the expected lifespan of the assets Shell is looking to further develop, the level of flexibility in revising production levels against a range of scenarios and tangible actions taken across the value chain to deliver customer decarbonisation.

**Was the voting intent communicated with management ahead of the vote?:** LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

**Outcome:** The resolution passed

**Most significant vote – Vote:** Unilever Plc

**Resolution:** Approve Climate Transition Action Plan(Climate Change)

**Approximate size of the fund's holding as at the date of the vote:** 4.23%

**Guidance – Proxy:** Not provided, **Management recommendation:** For

**Action:** For the resolution

A vote for the CTAP is applied as LGIM understands it to meet LGIM's minimum expectations. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short, medium and long-term GHG emissions reduction targets consistent with a 1.5°C Paris goal. Despite the SBTi recently removing their approval of the company's long-term scope 3 target, it notes that the company has recently submitted near term 1.5 degree aligned scope 3 targets to the SBTi for validation and therefore at this stage believes the company's ambition level to be adequate.

**Was the voting intent communicated with management ahead of the vote?:** LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

**Outcome:** The resolution passed

**Most significant vote – Vote:** Glencore Plc

**Resolution:** Approve 2024-2026 Climate Action Transition Plan(Climature Change)

**Approximate size of the fund's holding as at the date of the vote:** 2.33%

**Guidance – Proxy:** Not provided, **Management recommendation:** For

**Action:** Against the resolution

A vote against is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. While it notes the progress the company has made in terms of disclosure, it remains concerned over the company's thermal coal activities, as it remains unclear how the planned thermal coal production aligns with global demand for thermal coal under a 1.5°C scenario.

**Was the voting intent communicated with management ahead of the vote?:** LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

**Outcome:** The resolution passed

### **LGIM World ex UK GBP Hedged Equity Index Fund**

**Most significant vote – Vote:** Meta Platforms, Inc.

**Resolution:** Elect Director Peggy Alford (DEI)

**Approximate size of the fund's holding as at the date of the vote:** 1.39%

**Guidance – Proxy:** Not provided, **Management recommendation:** For

**Action:** Against the resolution

A vote against is applied as LGIM expects a company to have at least one-third women on the board.



**Was the voting intent communicated with management ahead of the vote?:** LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

**Outcome:** Not provided

**Most significant vote – Vote:** Exxon Mobil Corporation

**Resolution:** Revisit Executive Pay Incentives for GHG Emission Reductions (Climate Change)

**Approximate size of the fund's holding as at the date of the vote:** 0.69%

**Guidance – Proxy:** Not provided, **Management recommendation:** Not provided

**Action:** Against the resolution

A vote against is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.

**Was the voting intent communicated with management ahead of the vote?:** LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

**Outcome:** Not provided

**Most significant vote – Vote:** United Health Group Incorporated

**Resolution:** Elect Director John Noseworthy (DEI)

**Approximate size of the fund's holding as at the date of the vote:** 0.64%

**Guidance – Proxy:** Not provided, **Management recommendation:** For

**Action:** Against the resolution

A vote against is applied as LGIM expects a company to have at least one-third women on the board.

**Was the voting intent communicated with management ahead of the vote?:** LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

**Outcome:** Not provided

## HSBC Global Asset Management – Islamic Global Equity Index Fund

### **Voting Activities (DC)**

- There were 1,677 eligible votes for the fund over the 12 months to 31 December 2024
- The manager exercised 94.0% of its votes over the year
- 22.0% of votes were against management and 0.0% were abstained
- 1.0% of votes were contrary to the proxy advisor's recommendation

### **What is HSBC's policy on consulting with clients before voting?**

The legal right to the underlying votes lies with the directors of the HSBC Islamic Global Equity Index Fund. It has delegated this execution of this voting to HSBC Global Asset Management (UK) Limited.

### **Please describe whether HSBC has made use of any proxy voter services**

HSBC uses a voting research and platform provider, Institutional Shareholder Services (ISS) to assist with the global application of its voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene HSBC guidelines. HSBC will review voting policy recommendations according to the scale of its overall holdings. The bulk of holdings are voted in line with the recommendation based on its guidelines.

### **Please provide an overview of HSBC's process undertaken for deciding how to vote**

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

### **Is HSBC currently affected by any of the five conflicts listed by the PLSA (see notes) or any other conflicts across any of its holdings?**

HSBC Funds and client mandates may hold shares in its parent, HSBC Holdings PLC. HSBC has a special procedure for voting on these shares to manage this conflict. HSBC also has procedures for managing other conflicts that may arise. However, HSBC does not believe that it has exposure to the conflicts listed.

### **Please include here any additional comments which are relevant to HSBC's voting activities or processes**

Please refer to the link below for details on our Global Voting Guidelines:  
<https://www.global.assetmanagement.hsbc.com/-/media/files/attachments/common/resource-documents/global-voting-guidelines-en.pdf>

**Most significant vote – Vote:** Alibaba Group Holding Limited

**Resolution:** Report on Median Gender/Racial Pay Gap (DEI)

**Approximate size of the fund's holding as at the date of the vote:** 8.62%

**Guidance – Proxy:** Not provided, **Management recommendation:** Not provided

**Action:** For the resolution.

HSBC voted for the resolution as it believes that the proposal would contribute to improving gender inequality.

**Was the voting intent communicated with management ahead of the vote?:** HSBC communicates its thinking on the shareholder proposals ahead of the AGM.

**Outcome:** The resolution did not pass

**Most significant vote – Vote:** Amazon.com, Inc.

**Resolution:** Report on Impact of Climate Change Strategy Consistent With Just Transition Guidelines (Climate Change)

**Approximate size of the fund's holding as at the date of the vote:** 6.77%

**Guidance – Proxy:** Not provided, **Management recommendation:** Against

**Action:** For the resolution.

HSBC believes that the proposal would contribute to the better management of climate issues, particularly relating to just transition.

**Was the voting intent communicated with management ahead of the vote?:** HSBC communicates its thinking on the shareholder proposals ahead of the AGM.

**Outcome:** The resolution did not pass

**Most significant vote – Vote:** Broadcom Inc.

**Resolution:** Elect Director Eddy W. Hartenstein (DEI)

**Approximate size of the fund's holding as at the date of the vote:** 3.57%

**Guidance – Proxy:** Not provided, **Management recommendation:** Not provided

**Action:** Against the resolution.

HSBC voted against this Nomination Committee Chair as it has concerns about insufficient gender diversity of the board.

**Was the voting intent communicated with management ahead of the vote?:** HSBC communicates its thinking on the shareholder proposals ahead of the AGM.

**Outcome:** The resolution passed.

## BlackRock - Emerging Markets Index Fund

### **Voting Activities (DC)**

- There were 22,910 eligible votes for the fund over the 12 months to 31 December 2024
- The manager exercised 99.2% of its votes over the year
- 11.8% of votes were against management and 3.4% were abstained
- 0% of votes were contrary to the proxy advisor's recommendation

### **What is BlackRock's policy on consulting with clients before voting?**

BlackRock inform companies and clients about their engagement and voting policies through direct communication and through disclosures on their website. BlackRock's approach to corporate governance and stewardship is explained in their Global Principles. These high-level Principles are the framework for their more detailed, market-specific voting guidelines, all of which are published on the BlackRock website. Their Global Principles and market-specific voting guidelines are intended to help companies understand their thinking on key governance matters. They are the benchmark against which they assess a company's approach to corporate governance and the items on the agenda for the shareholder meeting. When applying their guidelines, BlackRock account for a company's unique circumstances where relevant

### **Please describe whether BlackRock has made use of any proxy voter services**

BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS) with input from investment colleagues as required. BlackRock subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis. BlackRock have outlined that they do not follow any single proxy research firm's voting recommendations but use Institutional Shareholder Services' (ISS) electronic platform to execute its vote instructions.

### **Please provide an overview of BlackRock's process undertaken for deciding how to vote**

The team and its voting and engagement work continuously evolves in response to changing governance related developments and expectations. Their voting guidelines are market-specific to ensure they take into account a company's unique circumstances by market, where relevant. BlackRock inform their vote decisions through research and engage as necessary. The 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. They may also update their regional engagement priorities based on issues that they believe could impact the long-term sustainable financial performance of companies in those markets. BlackRock welcome discussions with their clients on engagement and voting topics and priorities to get their perspective and better understand which issues are important to them. As outlined in the 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 their engagement being productive. The voting guidelines are intended to help clients and companies understand BlackRock's thinking on key governance matters. They are the benchmark against which they assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. They apply their guidelines pragmatically, taking into account a company's unique circumstances where relevant. 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.

### **Is BlackRock currently affected by any of the five conflicts listed by the PLSA (see notes) or any other conflicts across any of its holdings?**

As an investment manager, BlackRock has a duty of care to its clients. BlackRock's duty extends to all of its employees and is critical to our reputation and business relationships, and to meeting the requirements of our various regulators worldwide. Employees are held responsible by BlackRock to seek to avoid any activity that might create potential or actual conflicts with the interests of clients.

BlackRock maintains a compliance program for identifying, escalating, avoiding and/or managing potential or actual conflicts of interest. The program is carried out through our employees' adherence to relevant policies and procedures, a governance and oversight structure and employee training.

Among the various policies and procedures that address conflicts of interest is BlackRock's Global Conflicts of Interest Policy. This policy governs the responsibility of BlackRock and its employees to place our clients' interests first and to identify and manage any conflicts of interest that may arise in the course of our business. In order to mitigate potential and actual conflicts of interest, each BlackRock employee must, among other things:

- Identify potential or actual conflicts of interest both in relation to existing arrangements and when considering changes to, or making new, business arrangements;
- Report any conflicts of interest promptly to his/her supervisor and Legal & Compliance;
- Avoid (where possible) or otherwise take appropriate steps to mitigate a conflict to protect our clients' interests; and
- Where appropriate, disclose conflicts of interest to clients prior to proceeding with a proposed arrangement

BlackRock Legal & Compliance conducts mandatory annual compliance training, which includes a discussion of the Global Conflicts of Interest Policy.

**Please include here any additional comments which are relevant to BlackRock's voting activities or processes**

On behalf of BlackRock's clients it intends to vote at all shareholder meetings of companies in which its clients are invested. In certain markets, there might be regulatory constraints or operational issues which can affect BlackRock's ability to vote certain proxies, as well as the desirability of doing so. BlackRock does not support impediments to the exercise of voting rights and will engage regulators and companies about the need to remedy the constraint. Where BlackRock experiences impediments in relation to a specific shareholder meeting, it will review the resolutions to assess whether the business under consideration warrants voting despite the complications caused by the impediment. For example, BlackRock currently does not vote at shareholder meetings that require share blocking: the restriction that is imposed when a vote is cast represents a liquidity constraint on the portfolio managers and increases the risk of failed trades, which can be costly to clients. BlackRock may in its discretion determine that the value of voting outweighs the costs of blocking shares from trading, and thus cast the vote and block the shares in that instance.

With regards to US assets, BlackRock has approximately a 100% success rate in voting its funds' assets, with the exception of certain portfolios that utilise a long/short strategy whereby the funds leverage may prevent it from voting.

With regards to non-U.S. assets generally, BlackRock has approximately a 90% success rate in voting its funds' assets. Of the remaining: 8% were uninstructed due to share blocking, and 2% of the votes go unexecuted result from either the fund's leverage or market-based impediments such as ballots received post cut-off date or post meeting date, meeting specific power of attorney requirements, special documentation, etc.

**Most significant vote – Vote:** Accton Technology Corp

**Resolution:** Elect HENG YI Du as a Representative of TING SING CO., LTD. as a Non-Independent Director

**Approximate size of the fund's holding as at the date of the vote:** Not provided.

**Guidance – Proxy:** Not provided, **Management recommendation:** For.

**Action:** Against the resolution.

A Vote against the management was cast due to concerns about gender-related diversity at the board level. BlackRock believes greater board diversity may lead to better risk management and identification of business opportunities, leading to better financial outcomes for shareholders.

**Was the voting intent communicated with management ahead of the vote?:** BlackRock endeavours to communicate to companies when it intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. It publishes voting guidelines to help clients and companies understand its thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which it assesses a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. It applies its guidelines pragmatically, taking into account a company's unique circumstances where relevant. Its voting decisions reflect its analysis of company disclosures, third-party research and, where relevant, insights from recent and past company engagement and its active investment colleagues.

**Outcome:** Not Provided

**Most significant vote – Vote:** Agricultural Bank of China Limited

**Resolution:** Approve Work Report of the Board of Directors

**Approximate size of the fund's holding as at the date of the vote:** Not provided.

**Guidance – Proxy:** Not provided, **Management recommendation:** For

**Action:** Against the resolution.

A vote against the management was cast as BlackRock believes greater climate-related disclosure, including relevant metrics and targets, would enable investors to assess climate-related investment risks and opportunities better.

**Was the voting intent communicated with management ahead of the vote?:** BlackRock endeavours to communicate to companies when it intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. It publishes voting guidelines to help clients and companies understand its thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which it assesses a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. It applies its guidelines pragmatically, taking into account a company's unique circumstances where relevant. Its voting decisions reflect its analysis of company disclosures, third-party research and, where relevant, insights from recent and past company engagement and its active investment colleagues.

**Outcome:** Not Provided

**Most significant vote – Vote 3:** Air China Limited

**Resolution:** Approve Work Report of the Board

**Approximate size of the fund's holding as at the date of the vote:** Not provided.

**Guidance – Proxy:** Not provided, **Management recommendation:** For

**Action:** Against the resolution

A vote against the management was cast because BlackRock believes greater board-level oversight of climate-related risks would result in more comprehensive risk management and potentially improved financial outcomes for shareholders. Greater climate-related disclosure, including disclosure aligned with all four pillars of TCFD, would enable investors to assess climate-related risks and opportunities better. Greater climate-related disclosure, including relevant metrics and targets, would enable investors to assess climate-related investment risks and opportunities better.

**Was the voting intent communicated with management ahead of the vote?:** BlackRock endeavours to communicate to companies when it intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. It publishes voting guidelines to help clients and companies understand its thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which it assesses a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. It applies its guidelines pragmatically, taking into account a company's unique circumstances where relevant. Its voting decisions reflect its analysis of company disclosures, third-party research and, where relevant, insights from recent and past company engagement and its active investment colleagues.

**Outcome:** Not Provided

**Notes:**

1. The following five conflicts were provided to investment managers and have been sourced from the Vote reporting template for pension scheme implementation statement issued by the Pensions and Lifetime Savings Association ("PLSA"):
  - a) The asset management firm overall has an apparent client-relationship conflict e.g. the manager provides significant products or services to a company in which it also has an equity or bond holding;
  - b) Senior staff at the asset management firm hold roles (e.g. as a member of the Board) at a company in which the asset management firm has equity or bond holdings
  - c) The asset management firm's stewardship staff have 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
  - d) There is 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
  - e) There are differences between the stewardship policies of managers and their clients