Implementation Statement, covering 1 July 2021 to 30 June 2022

The Trustee of the TotalEnergies UK Pension Plan (the "Plan") is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed its Statement of Investment Principles ("SIP") during the year, as well as details of any review of the SIP during the year and subsequent changes made with the reasons for the changes, and the date of the last SIP review. This needs to cover information for the defined benefit ("DB") and defined contribution ("DC") Sections of the Plan, and also covers Additional Voluntary Contributions ("AVC") benefits in respect of DB members ("AVC Section"). Information is provided on the recent reviews of the SIP in Section 1 and on the implementation of the SIP in Sections 2-9 below.

The Implementation Statement is also required to include a description of the voting behaviour during the year by, and on behalf of, Trustee (including the most significant votes cast by Trustee or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 10.

The Implementation Statement is set out in an equivalent order to how the Trustee has set out its SIP.

1. Introduction

The SIP was updated during the Plan Year in September 2021 and March 2022 to reflect:

- the change in name of the Plan (from Total UK Pension Plan to TotalEnergies UK Pension Plan);
- the strategic asset allocations agreed as part of the Trustee's decision to de-risk the investment strategy in Q2-Q3 2021;
- the cessation of the policy to increase the bond allocation as the Plan's membership matures;
- the removal of Newton, LGIM and Schroders in respect of the Plan's global equity and multi-asset absolute return mandates;
- the inclusion of the Plan's interest rate and inflation target hedge ratio;
- the appointment of LaSalle Global Partner Solutions ("LaSalle GPS") to manage a segregated 'fund of funds' property holding, which will replace the current allocation to directly held property with LaSalle Investment Managers over the next 12-18 months as this portfolio is liquidated.
- The appointment of Baillie Gifford & Co ("Baillie Gifford") to manage a new allocation to equities, funded from around half of the Plan's exposure to MFS;
- the agreed changes to the Plan's DC Section default strategy and self-select options;
- the removal of the auto selection mechanism that moved members from the drawdown lifestyle to the cash lifestyle;
- the inclusion of the Plan's new DC Outcomes & Governance Committee in Appendix B, responsibilities and charges; and
- other non-material wording changes which were made with the aim of improving clarity.

In June 2022, the Trustee agreed to increase the Plan's target interest rate and inflation hedge ratios to 80% and 100% respectively on a Technical Provisions basis, achieved using a combination of LGIM's gilt funds and the bespoke equity-linked bond portfolio managed by Columbia Threadneedle. This key change occurred during the Plan year, although this was not reflected in the March 2022 SIP.

As part of the SIP update, the employer was consulted and confirmed it was comfortable with the changes.

The Trustee has, in its opinion, followed the policies within the Plan's SIP during the year. The following Sections provide detail and commentary about how, and the extent to which, it did this.

2. Investment objectives

2.1 DB investment objectives

Progress against the Trustee's objectives and the Plan's funding position is reviewed as part of the quarterly performance monitoring reports. The Trustee is also able to view the progress on an ongoing basis using its investment advisers', LCP's, online analysis tool LCP Visualise (a tool provided by the Plan's investment adviser which show key metrics and information on the Plan).

As at 30 June 2022, the Plan's funding position was ahead of the position projected by the 2020 Actuarial Valuation.

2.2 DC investment objectives

The Trustee began its review of the auto-select (default) investment strategies for the DC Sections (the Drawdown Lifestyle for main DC Section benefits and the Cash Lifestyle for the AVC Section) on 30 June 2020 and concluded it on 8 June 2021. The agreed changes were implemented in October 2021, with some changes being phased in over the two year period to October 2023. This review also considered the range of alternative strategies and funds that members may choose from. As part of this review, the Trustee considered the DC and AVC Section membership demographics, projected pot sizes at retirement and the variety of ways that members have drawn and may draw their benefits from the Plan.

Based on the outcome of the strategy review, the Trustee concluded that the relevant default strategies continue to be appropriate to meet the long and short-term investment requirements of the majority of DC and AVC Section members.

The Trustee also provide members with access to a range of investment options which they believe are suitable for this purpose and enable appropriate diversification. The Trustee has made available two alternative lifestyle strategies and a self-select fund range to members covering all major assets classes as set out in the SIP. The Trustee monitors the take up of these funds and it has been high in comparison to the market.

The Drawdown Lifestyle is the default arrangement for the DC Section, while the Cash Lifestyle is the default arrangement for the DB AVC Section.

The Trustee previously had a policy where DC members that are 5.5 years from their selected retirement age and with pots smaller than £25,000 were moved automatically from the Drawdown Lifestyle into the Cash Lifestyle. The Trustee agreed at its meeting on 8 September 2021 to remove this automatic switching mechanism.

The Trustee continually reminds members to review their investment holdings and check they are suitable for their risk tolerances and retirement planning. The Trustee, via the Defined Contribution Outcomes Group, reviews changes in member choices, behaviour and trends each year using administration reports and information provided by the internal pension team at Total Energies.

3. Investment strategy

3.1 DB investment strategy

The Trustee, with the help of its advisers and in consultation with the sponsoring employer, reviewed the DB Section's investment strategy in June 2021.

Key changes to the DB Section's investments during the Plan Year to 30 June 2022 are set out below:

- In July 2021, the Trustee fully disinvested from the Schroders Dynamic Multi Asset Fund, the Legal & General World Equity Index Fund and the Newton Equity Fund, with cash proceeds invested in fixed and index-linked gilts managed by LGIM.

- The Trustee adjusted the regional equity allocation of the Columbia Threadneedle (previously BMO) equity-linked bonds portfolio to reduce the UK bias in September 2021.

- In December 2021, the Trustee invested in the Baillie Gifford Global Alpha Growth Fund, representing about 50% of the Plan's active equity allocation.

- In June 2022, the Trustee agreed to increase the Plan's target interest rate and inflation hedge ratios to 80% and 100% respectively on a Technical Provisions basis, achieved using a combination of LGIM's gilt funds and the bespoke equity-linked bond portfolio managed by Columbia Threadneedle.

- During the year the Plan's allocation to LaSalle's direct UK core property mandate was sold down, with cash proceeds used to fund an allocation to an indirect UK long lease mandate also managed by LaSalle.

Following significant improvement in the Plan's funding position over the year to June 2021, a revised strategic asset allocation for the DB Section was agreed by the Trustee in December 2021. The SIP update in March 2022 reflect this.

3.2 DC investment strategy

The Trustee did not review the DC investment strategy over the Plan year. However, the proposed changes that were agreed in the previous Plan year on 8 June 2021 were implemented during the Plan year on 22 October 2021, some of which are being phased in over a two-year period to October 2023. The key changes made are:

- A new Growth Fund, which replaces the Global Equity Fund in the growth phase of the lifestyle strategies. The new Growth Fund will utilise underlying funds that favour stocks with better ESG credentials by investing more in companies with proven lower carbon emissions.
- A new Lump Sum Fund, which replaces the Cash Fund within the final 5-years for each of the lifestyle strategies to provide a more appropriate balance between protecting member investments close to retirement whilst providing a level of expected return that will give moderate protection against inflation.
- A new self-select Climate-Aware Passive Equity Fund that invests in global equities that have a lower carbon emission intensity.

A review of the retirement data was considered as part of the last strategy review and is monitored on a regular basis by the Defined Contribution Outcomes Group.

4. Considerations in setting the investment arrangements

When the Trustee reviewed the DB investment strategy in June 2021, it considered the investment risks set out in Appendix A of the SIP. It also considered a wide range of asset classes for investment, taking into account the expected returns and risks associated with those asset classes as well as how these risks can be mitigated.

The DC strategy review was completed in June 2021 and was carried out against the background of the investment risks set out in Appendix A of the SIP. The Trustee also considered a wide range of asset classes for investment, taking into account the expected returns and risks associated with those asset classes as well as how these risks can be mitigated.

5. Implementation of the investment arrangements

In July and August of 2021, the Trustee implemented steps to de-risk the Plan's investment strategy. Particularly, the Trustee instructed a full disinvestment from Schroders Diversified Growth Fund , as well as from the Plan's equity investments with LGIM and Newton. Cash proceeds from the disinvestment, amounting to £291m funded an increased allocation to government bonds with LGIM.

The Trustee appointed two managers over the Plan Year – LaSalle Global Partners Solutions (September 2021) and Baillie Gifford (October 2021). The Trustee obtained formal written advice from its investment adviser, LCP, before investing in the funds and made sure the investment portfolio of the funds chosen was adequately and appropriately diversified.

Following the March 2021 Investment Committee meeting, the Trustee agreed to switch the Plan's existing direct UK core property mandate with LaSalle to a long lease mandate managed by LaSalle Global Partners Solutions. During the Plan Year, the Trustee agreed that the Plan's allocation to LaSalle's direct UK core property mandate was sold down, and cash proceeds from this sell-down was used to fund the indirect UK long lease mandate.

Baillie Gifford's appointment was agreed in September 2021 where Baillie Gifford would manage around 50% of the Plan's active equity allocation (then managed solely by MFS). Funding of the active equity allocation occurred in November 2021.

In June 2022, the Trustee instructed LGIM to transfer the Plan's holdings in the various single stock gilt and index-linked gilt funds to Columbia Threadneedle to simplify the hedging arrangements and increase the Plan's hedging levels. The transfer amounted to £258.1m.

The Plans investment adviser, LCP, monitors the investment managers on an ongoing basis, through regular research meetings. It monitors any developments at managers and informs the Trustee promptly about any significant updates or events it becomes aware of with regard to the Plan's investment managers that may affect the managers' ability to achieve their investment objectives. This includes:

- any significant change to the investment process or key staff for any of the funds the Plan invests in;
- any material change in the level of diversification in the portfolio; and
- any change in ownership, particularly if this could lead to a change in the manager's investment process. For example, LCP updated the Trustee on the acquisition of BMO by Columbia Threadneedle (now completed), confirming that it did not view this as reason to take any action on the Bespoke Fund allocation.

The Trustee regularly invites the Plan's investment managers to present at Investment Committee meetings, seeing each manager approximately once a year. Over the period, the Investment Committee met with Columbia Threadneedle, MFS, Barings, Baillie Gifford and LaSalle to discuss the Plan's investments.

The Trustee was comfortable with all of its investment manager arrangements over the Plan Year.

The Trustee monitors the performance of the Plan's investment managers on a quarterly basis, using LCP's quarterly performance monitoring reports. The reports show performance over a variety of short- and longer-term periods up to 5 years. Performance is considered in the context of the manager's performance benchmark and investment objectives.

After the Plan period, the Trustee undertook a value for members assessment in November 2022 in respect of the Plan's DC arrangements, which assessed a range of factors, including the fees payable to managers in respect of the DC assets. The ongoing charges and transaction costs were found to be reasonable when compared against Plans with similar size mandates.

6. Realisation of investments

The Trustee reviews the Plan's DB net current and future cashflow requirements at regular Investment Committee meetings. The Trustee's preference is for investments that are readily realisable but recognises that achieving a well-diversified portfolio may mean holding some investments that are less liquid (eg property).

To assist with cash flow management, the Trustee has a holding in LGIM's liquidity fund, which is topped up from time to time and is an efficient way for the Trustee to disinvest when it requires cash to meet benefit outgo from time to time. Over the year, the Trustee also used cashflow to help rebalance the Plan's DB assets towards the strategic asset allocation, as described in Section 3.

It is the Trustee's policy is to invest in funds that offer daily dealing to enable members to readily realise and change their investments. All of the DC funds which the Trustee offers are daily priced and daily traded, enabling members to realise and change their investments effectively.

7. Financially material considerations and non-financial matters

As part of its advice on the selection and ongoing review of the investment managers, LCP incorporates its assessment of the nature and effectiveness of managers' approaches to financially material considerations (including climate change and other ESG considerations), voting and engagement.

In June 2022, the Trustee reviewed LCP's responsible investment (RI) scores for the Plan's existing managers and funds, along with LCP's qualitative RI assessments for each fund and red flags for any managers of concern. These scores cover the manager's approach to ESG factors, voting and engagement. The fund scores and assessments are based on LCP's ongoing manager research programme and it is these that directly affect LCP's manager and fund recommendations. The manager scores and red flags are based on LCP's Responsible Investment Survey 2022.

The Trustee agreed to engage with three of the Plan's managers where the manager scores were lower than average, to request that they improve their RI practices in areas identified during the review.

Additionally, the Trustee also received training on climate metrics and targets in May 2022 as part of the TCFD Subcommittee meeting. The Trustee reaffirmed its climate belief statements during the meeting, which is reflected in the SIP update in September 2022 (after the Plan Year).

The Trustee also reviewed reports from their managers on voting and engagement activities undertaken on their behalf.

Within the DC Section, the Trustee recognises that some members may want ethical matters to be taken into account in their investments and therefore, as mentioned in the SIP, it has made available the Ethical Equity Fund as a self-select investment option for members.

As set out in Section 3.2, the Trustee agreed to implement a new Growth Fund that utilises underlying funds that favour companies with proven lower carbon emissions. The Trustee also agreed to add a new fund, the Climate-Aware Passive Equity Fund that invests in global equities that have reduced carbon emissions. These changes were implemented during the Plan Year end, with some of the changes being phased over a two-year period to October 2023.

8. Investment governance, responsibilities, decision-making and fees (Appendix B of SIP)

As mentioned in Section 5, the Trustee assesses the performance of the Plan's investments and each of the appointed investment managers on an ongoing basis, as part of the quarterly monitoring reports it receives.

The Trustee has put in place formal objectives for LCP and reviews LCP's performance against these objectives on a regular basis.

The performance of other professional advisers is considered on an ongoing basis by the Trustee.

The Trustee has established several sub committees to monitor certain aspects of the Plan. The Trustee has agreed clear terms of references for these sub-committees.

9. Policy towards risk (Appendix A of SIP)

Investment risks are monitored on an ongoing basis with the help of LCP.

A key objective of the Trustee for the DB section is that, over the long-term, the Plan should have adequate resources to meet its liabilities as they fall due. The Trustee therefore invests the assets of the Plan to produce a sufficient long-term return in excess of the liabilities.

The Trustee's policy for some risks, given their nature, is to understand them and to address them if it becomes necessary, based upon the advice of the Plan’s investment adviser or information provided to the Trustee by the Plan’s investment manager. These include credit risk, equity risk, currency risk and counterparty risk.

The Plan’s interest and inflation hedging levels are monitored on an ongoing basis in the quarterly monitoring report. In June 2022, the Trustee increased the Plan’s hedging levels to target 80% and 100% respectively on a Technical Provisions basis.

With regard to collateral adequacy risk, the Trustee holds investments in the LGIM Liquidity Fund, alongside the Columbia Threadneedle Equity Linked Bond portfolio (also including cash), to be used should the LDI manager require extra cash to be posted for any collateral calls asked by Columbia Threadneedle.

There is also a risk that the performance of the Plan’s assets and liabilities diverge in certain financial and economic conditions in the short term. This risk has been considered in setting the investment strategy.

The Trustee considered the risk of inadequate long-term returns as part of the investment strategy review of the DB Section in June 2021. Also considered as part of this review was the risk of the performance of the DB section’s assets and liabilities diverging, as well as the Plan’s exposure to credit risk.

With regard to the risk of inadequate returns for DC members, the Trustee makes use of equity and equity-based funds, which are expected to provide positive returns in excess of inflation over the long term. These are used in the growth phase of the two default options (the Drawdown Lifestyle for main DC Section members and the Cash Lifestyle for AVC Section members) and are also made available within the self-select options. These funds are expected to produce adequate real returns over the longer term.

The risk of the Plan’s buy-in insurer failing to pay benefits has been mitigated by the selection of a reputable insurer, ongoing monitoring of the provider by LCP, and the negotiation of a collateral arrangement with the insurer.

The Trustee considers overseas currency exposure in the context of the overall investment strategy and believes that the currency exposure that exists diversifies the strategy and is appropriate.

Together, the investment and non-investment risks set out in Appendix A of the SIP give rise generally to funding risk for the DB Section. The Trustee reviews the Plan's funding position as part of its annual actuarial report and in more detail triennially in the Actuarial Valuation, which reflects changes in the membership, financial conditions, and other experience. The Trustee also monitors the approximate progression of the funding position on a quarterly basis, at Trustee meetings. The Trustee Directors have the ability to monitor this daily, if required, using LCP Visualise.

The following risks are covered earlier in this Implementation Statement: diversification risk in Sections 3 and 5, investment manager risk and excessive charges in Section 5, illiquidity/marketability risk in Section 6 and ESG risks in Section 7.

10. Investment manager arrangements (IPID)

There are no specific policies in the Plan's SIP / the Plan's Investment Policy Implementation Document (IPID).

11. Description of voting behaviour during the year

The Trustee has delegated to its investment managers the exercise of voting rights. Therefore, the Trustee does not direct how individual votes are exercised and the Trustee itself has not used proxy voting services over the year.

In this Section we have sought to include voting data on all the Plan's investments that held equities during the Plan Year. These are:

- **BlackRock** Diversified Growth Fund.
- **Columbia Threadneedle** (formerly BMO) Responsible Global Ethical Equity Fund.
- **LGIM** World Equity Index (invested 22 October 2021), Global Equity Market Weight (40:60) Index (disinvest 22 October 2021), Hybrid Property (70:30), UK Equity Index Fund (invested 22 October 2021) and Low Carbon Transition Global Equity Index Fund (invested 22 October 2021)
- **MFS** Global Concentrated Equity Fund.
- **Newton** Global Equity Fund*.
- **Schroders** Sustainable Multi Asset Fund (formally the Dynamic Multi Asset Fund).
- **Baillie Gifford** Global Alpha Growth Fund.

The Plan's equity-linked bond mandate obtains equity exposure by investing in equity derivative contracts and, this form of investment does not confer voting rights to the Plan.

*Note that Newton confirmed that no voting took place during the period the Plan was invested (1 July 2021 – 29 July 2021) so information relating to voting for this manager has been excluded.

For the DC Section, we have included the funds with an equity holding used in the main DC Section default strategy given the high proportion of DC Section assets invested in these funds. In addition, we have also included the Threadneedle (formerly BMO) Responsible Global Ethical Equity Fund, the underlying fund for the Ethical Equity Fund, and the LGIM Low Carbon Transition Global Equity Index Fund, the underlying fund for the Climate Aware Passive Equity Fund, both funds incorporate responsible investment factors, recognising that members choosing to invest in these funds may be interested in this information.

In addition to the above, the Trustee contacted the Plan's other investment managers, either in the DB Section or the DC default strategy, that do not hold listed equities, to ask if any of the assets held by the Plan had voting opportunities over the period. Commentary provided from these managers is set out in Section 10.4.

10.1 Description of the voting processes

The Trustee notes the following statements made by each manager describing its voting process.

BlackRock

"*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.

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 synthesize corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritize 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.

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."

Columbia Threadneedle Investments

"Columbia Threadneedle Investments (formerly BMO Global Asset Management EMEA) expectations of corporate governance standards at investee companies are embodied in our Global Corporate Governance Guidelines. These guidelines are translated into detailed proxy voting policies, including 25 market/regional variations that take into consideration local legal and regulatory environments as well as local codes of best practice.

We partner with ISS for routine votes, who implement BMO Global Asset Management's in-house and bespoke regional policies (using our detailed voting rules).

Voting policies take account of different market practices and are applied in a pragmatic fashion that reflects an integrated understanding of local and international good practice.

We deploy our specialist governance team on the most complex and sensitive cases, while voting on the more simple, routine votes is executed by ISS's custom policy team under our voting policy.

ISS supplies us with custom research based on our own in-house corporate governance guidelines (which are updated annually based on country-specific best practice standards) and with an electronic voting platform for proxy execution. We also subscribe to research on FTSE All-Share companies provided by the Investment Association's Institutional Voting Information Service (IVIS)."

LGIM

"All decisions are made by LGIM's Investment Stewardship team and in accordance with our relevant 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 our 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.

LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our 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 that we receive from ISS for UK companies when making specific voting decisions

To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice.

We retain the ability in all markets to override any vote decisions, which are based on our 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 us to apply a qualitative overlay to our voting judgement. We have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action.

For more information, please refer to our policy document on the topic: https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/how-lgim-uses-proxy-voting-services.pdf"

MFS

"MFS maintains its own publicly available proxy voting policies and procedures (the MFS Proxy Policies), which guide all of our proxy voting decisions and provide a framework for voting decisions at approximately 2,000 meetings in over 50 markets each year. The exercise of voting rights is overseen by the MFS Proxy Voting Committee, which consists of eight senior members of MFS' Investment, Legal and Global Investment Support departments.

The day-to-day management of our proxy voting and engagement activity is performed by our stewardship team. While many voting issues fall within the scope of our policies, many votes require a case-by-case analysis by the stewardship team. As an active manager, we are able to combine the collective expertise of our stewardship team with the unique perspectives and experience of our global team of investment professionals. This process enables us to formulate viewpoints with multiple inputs, which we believe leads to well-informed voting decisions. As a result, when considering certain types of votes for which the MFS Proxy Voting Policies and Procedures do not provide explicit guidance, the proxy voting team and the investment team typically collaborate in assessing the voting matter.

Our proxy voting team will engage in a dialogue or written communication with a company or other stakeholders when we believe that the discussion will enhance our understanding of certain matters on the company's proxy statement that are of concern to shareholders or regarding certain thematic topics of focus for our proxy voting committee. Some of the issues we discuss with company management teams, board members and/or other company representatives include executive compensation, director accountability, as well as various environmental, social and governance issues. When engaging with companies, the proxy voting team aims to: (i) explain the rationale behind our proxy votes; (ii) exchange views on relevant ESG issues; and (iii) potentially effect positive change with respect to such issues.

All proxy voting decisions are made in what we believe to be the best long-term economic interests of our clients."

Schroders

"We aim to take a consistent approach to voting globally, subject to regulatory restrictions that is in line with our published ESG policy.

The overriding principle governing our voting is to act in the best interests of our clients. Where proposals are not consistent with the interests of shareholders and our clients, we are not afraid to vote against resolutions. We may abstain where mitigating circumstances apply, for example where a company has taken steps to address shareholder issues.

We evaluate voting resolutions arising at our investee companies and, where we have the authority to do so, vote on them in line with our fiduciary responsibilities in what we deem to be the interests of our clients. Our Corporate

Governance specialists assess each proposal, applying our voting policy and guidelines (as outlined in our Environmental, Social and Governance Policy) to each agenda item. In applying the policy, we consider a range of factors, including the circumstances of each company, long-term performance, governance, strategy and the local corporate governance code. Our specialists will draw on external research, such as the Investment Association's Institutional Voting Information Services and ISS, and public reporting. Our own research is also integral to our process; this will be conducted by both our financial and Sustainable Investment analysts. For contentious issues, our Corporate Governance specialists consult with the relevant analysts and portfolio managers to seek their view and better understand the corporate context.

We also engage with companies throughout the year via regular face-to-face meetings, written correspondence, emails, phone calls and discussions with company advisors and stakeholders.

We believe that all votes against management should be classified as a significant vote. However, we believe resolutions related to certain topics carry particular significance. We therefore rank the significance of our votes against management, firstly by management say on climate votes, secondly environmental and social shareholder resolutions, thirdly any shareholder resolutions and finally by the size of our holding."

Ballie Gifford

"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."

10.2 Summary of voting behaviour over the year

A summary of voting behaviour over the period is provided in the table below. This table does not include assets without voting rights or all of the self-select only funds in the DC section, and so the total £ amounts will not equal that of the overall Plan.

	Fund 1	Fund 2	Fund 3	Fund 4	Fund 5
Manager name	BlackRock	Columbia Threadneedle	LGIM	LGIM	LGIM
Fund name	Diversified Growth Fund	Responsible Global Equity Fund	World Equity Index Fund	Global Equity Market Weights (40:60) Index Fund	Low Carbon Transition Global Equity Index Fund
Total size of fund at end of reporting period	£598.5m	£1,457m	£5,267.4m	£15.7m	£1,998.8m
Value of Total's assets at end of reporting period (£ / % of total assets)*	£95.3m (DB) £25.9 m (DC)	£1.3m (DC)	- (DB) £138.2m (DC)	£234.9m (DC)**	£45.7m (DC)
Number of equity holdings at end of reporting period	6886	49	3,872	3,084	2,875
Number of meetings eligible to vote	922	50	6,641	3,789	4,602
Number of resolutions eligible to vote	12,113	705	66,610	46,859	48,193
% of resolutions voted	92.0%	98.0%	99.9%	99.8%	99.8%
Of the resolutions on which voted, % voted with management	94.0%	84.0%	78.9%	81.6%	78.7%
Of the resolutions on which voted, % voted against management	5.0%	15.8%	19.9%	17.8%	20.3%
Of the resolutions on which voted, % abstained from voting	1.0%	0.3%	1.3%	0.6%	1.1%
Of the meetings in which the manager voted, % with at least one vote against management	29.0%	66.0%	62.1%	69.1%	65.9%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	0.0%	14.1%	10.6%	12.6%	11.6%

	Fund 6	Fund 7	Fund 8	Fund 9	Fund 10
Manager name	LGIM	LGIM	MFS	Schroders	Baillie Gifford
Fund name	UK Equity Index Fund	Hybrid Property (70:30) Fund***	Global Concentrated Equity Fund	Sustainable Future Multi Asset Fund	Global Alpha Growth Fund
Total size of fund at end of reporting period	£16,111.5 m	£1,448m	£381.3m	£382.7m	£3,332.1m
Value of Total's assets at end of reporting period (£ / % of total assets)	£41.1m (DC)	£11.6m (DC)	£107.0m (DB)	- (DB) £25.9m (DC)	£90.4m (DB)
Number of equity holdings at end of reporting period	571	378	27	777	94
Number of meetings eligible to vote	776	434	25	1,590	102
Number of resolutions eligible to vote	10,901	4,390	473	18,051	1231
% of resolutions voted	99.9%	99.5%	100.0%	95.9%	96.4%
Of the resolutions on which voted, % voted with management	93.9%	79.7%	89.4%	89.0%	97.3%
Of the resolutions on which voted, % voted against management	6.1%	20.2%	10.6%	9.8%	2.4%
Of the resolutions on which voted, % abstained from voting	0.0%	0.1%	0.0%	0.4%	0.3%
Of the meetings in which the manager voted, % with at least one vote against management	39.6%	66.4%	40.0%	47.4%	16.7%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	4.8%	14.7%	N/A	6.4%	N/A

* The DC asset total includes DB AVC assets.

** DC asset total as at 22 October 2021 when the assets were disinvested from the LGIM Global Equity Market Weights (40:60) Index Fund.

10.3 Most significant votes over the year

Commentary on the most significant votes over the period from the Plan’s asset managers who hold listed equities is set out below. For each of the managers, we have included the details of three “significant” votes, as defined by each investment manager.

The following information on significant votes has been provided by each manager.

BlackRock

During the period 1 July 2021 to 30 June 2022, BlackRock Investment Stewardship (referred to as “BIS” below) periodically published detailed explanations of specific key votes in “vote bulletins”. These bulletins are intended to explain the vote decision, including the analysis underpinning it and relevant engagement history when applicable, on certain high-profile proposals at company shareholder meetings. BlackRock makes this information public shortly after the shareholder meeting, so clients and others can be aware of their vote determination when it is most relevant to them. BlackRock considers these vote bulletins to contain explanations of the most significant votes for the purpose of the Shareholder Rights Directive II. BlackRock provided details of thirteen “significant votes” in response to our request. The first three votes they have indicated as significant are detailed here:

Costco, January 2022

Summary of resolution – Report on GHG emissions reduction targets

How they voted - Against

Outcome – Approved

Rationale – The shareholder proposal requested that at least 180 days prior to the next annual meeting, “Costco adopt short, medium, and long-term science-based greenhouse gas emissions reduction targets, inclusive of emissions from its full value chain, in order to achieve net-zero emissions by 2050 or sooner and to effectuate appropriate emissions reductions prior to 2030.”

BlackRock did not support this shareholder proposal because the request included reduction targets across the “full value chain” by July 2022. Disclosing emissions across the “full value chain” – which would include Scope 3 emissions – within such a short timeframe is beyond our current expectations for this type of disclosure at this company, given Costco’s business model and emissions profile.

Although Costco initially lagged their peers, the company responded to shareholder feedback and announced, prior to the shareholder meeting, new quantitative targets for GHG emissions reductions for both Scope 1 and 2 and committed to explore targets for further reductions. In addition, the company is already taking steps to address Scope 3 emissions. Within their updated Climate Action Plan, Costco has estimated and disclosed Scope 3 emissions from the Greenhouse Gas Protocol-defined category, “Waste Generated from Operations.” The company will estimate Scope 3 emissions from the GHG Protocol “Purchased Goods and Services”, which represents the majority of their Scope 3 emissions, and disclose a Scope 3 Action plan by the end of December 2022.

McDonald’s Corporation, May 2022

Summary of the resolution – Report on efforts to reduce plastic use

How they voted – Against

Outcome – This proposal was not adopted

Rationale – Engaging on plastics pollution is an increasingly important topic for BlackRock. BlackRock appreciate when companies who produce or rely heavily on plastics in their products or operations disclose information on how waste is managed. This disclosure might include how they are accelerating efforts related to recycling and reuse of plastic products to minimise waste; it might also include targets established to limit runoff and waste and to support efforts to clean up existing plastics pollution.

While BlackRock believes that plastics pollution is a material risk for the company, in its view, McDonald’s existing disclosure provides sufficient information, outlining the company’s clear policies and targets that are in place to reduce the use of plastics across their operations.

BlackRock also note that McDonald's is contributing to the development of frameworks and standards to address plastic waste in the context of their sector, which it believes should help accelerate progress across the market.

Woodside Petroleum Ltd., May 2022

Summary of the resolution – Approve the climate report

How they voted – For

Outcome – Approved

Rationale – BlackRock supported the approval of the company's "Climate Report 2021" outlining the climate risk and transition strategy. The report incorporates shareholder feedback, including BlackRock's, and provides long-term investors insight into the company's actions to date and plans to become net zero by 2050 or sooner, thereby allowing investors to analyse how management intends to deliver long-term financial performance through the energy transition. BlackRock encourages the company to continue engaging with shareholders, and other key stakeholders, to inform about management's progress against their stated targets, and to assess adapting the plan as needed.

Columbia Threadneedle (formerly BMO) ("CT")

CT selects significant votes based on one or more criteria, including:

- Materiality of issues and the impact on shareholder value;
- Votes against the recommendation of the Board;
- Value/size of the shareholding relative to the total portfolio;
- The materiality of the vote to engagement outcomes
- Size of holdings in the company;

CT defer to their specialist governance team on the most complex and sensitive votes, and partner with ISS to deliver voting on the more simple, routine votes through the careful and consistent application of detailed in-house voting policies. CT provide clients with detailed vote reports that include comments on resolutions where they voted against management. Full reports and explanations for their votes are publicly available on their website.

CT provided details on their most significant votes, three of which are detailed here:

Principal Financial Group, Inc., May 2022

Summary of resolution – Ratify Ernst & Young LLP as Auditors

How they voted – Against

Outcome – Approved

Rationale – The company has engaged the same audit firm for more than 20 years. There is value for investors in gaining new perspectives on finances and controls. Companies that have had the same auditor for a long period of time should consider a plan or tender process for bringing in a new auditing firm, ideally every 10 years.

A. O. Smith Corporation, April 2022

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

How they voted – Against

Outcome – Approved

Rationale – A larger percentage of the equity awards should be tied to performance conditions. At least 50% is a minimum good practice. In addition, severance payments should not exceed two times annual pay. Larger severance packages should be subject to a separate shareholder approval. Moreover, on early termination, all share-based awards should be time pro-rated and tested for performance, including in the event of a change of control.

Aptiv Plc, April 2022

Summary of resolution – Elect Director Ana G. Pinczuk

How they voted – Against

Outcome – Approved

Rationale – Executive directors are expected to hold no more than one external directorship to ensure they have sufficient time and energy to discharge their roles properly, particularly during unexpected company situations requiring substantial amounts of time.

LGIM

In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association consultation (PLSA). 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 LGIM's annual Stakeholder roundtable event, or where they note a significant increase in requests from clients on a particular vote.
- Sanction vote as a result of a direct or collaborative engagement.
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

They provide information on significant votes in the format of detailed case studies in LGIM's quarterly ESG impact and annual active ownership publications. LGIM provided details of "significant votes" in response to our request, which are detailed here:

LGIM World Equity Index and LGIM Global Equity Market Weights (40:60) Index

Icade SA, April 2022

Summary of resolution - Resolution 16 – Approve Company's Climate Transition Plan

How they voted – For

Outcome - Approved

Rationale – Climate change: A vote FOR this proposal is warranted, as the company presents a 1.5°C trajectory Net Zero ambition with short-, medium- and long-term targets and a detailed roadmap to achieving its goals for this decade. The level of transparency and the governance structure for addressing and dealing with the climate topics appear robust. The company notably commits to an advisory vote on this matter on a yearly basis. LGIM will keep the company's progress in obtaining SBTi approval for its targets under review.

Apple Inc, March 2022

Summary of resolution - Resolution 9 - Report on Civil Rights Audit

How they voted – For

Outcome – Approved

Rationale - Diversity: A vote in favour is applied as LGIM supports proposals related to diversity and inclusion policies as LGIM consider these issues to be a material risk to companies.

Royal Dutch Shell Plc, May 2022

Summary of resolution - Resolution 20 - Approve the Shell Energy Transition Progress Update

How they voted – Against

Outcome – Approved

Rationale - Climate change: A vote against is applied, though not without reservations. LGIM acknowledge the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030, as well as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, LGIM remain concerned of the disclosed plans for oil and gas production and would benefit from further disclosure of targets associated with the upstream and downstream businesses.

LGIM Hybrid Property (70:30) Fund

Icade SA, April 2022

Summary of resolution – Resolution 16 - Approve Company's Climate Transition Plan

How they voted – For

Outcome – Approved

Rationale - Climate change: A vote For this proposal is warranted, as the company presents a 1.5°C trajectory Net Zero ambition with short-, medium- and long-term targets and a detailed roadmap to achieving its goals for this decade. The level of transparency and the governance structure for addressing and dealing with the climate topics appear robust. The company notably commits to an advisory vote on this matter on a yearly basis. LGIM will keep the company's progress in obtaining SBTi approval for its targets under review.

Kimco Realty, April 2022

Summary of resolution – Resolution 1f – Elect Director Mary Hogan Preusse

How they voted – Against

Outcome – Approved

Rationale – Diversity: A vote against is applied as the company has an all-male Executive Committee.

Extra Space Storage Inc, May 2022

Summary of resolution – Resolution 1.1 – Elect Director Kenneth M. Woolley

How they voted – Against

Outcome – Approved

Rationale – Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management. Independence: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.

LGIM Low Carbon Transition Global Equity Index Fund

The Progressive Corporation, May 2022

Summary of resolution – Resolution 1f – Elect Director Lawton W. Fitt

How they voted – Against

Outcome – Approved

Rationale - Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management. Board mandates: In addition, a vote against is applied as LGIM expects a CEO or Non-Executive Directors not to hold too many external roles to ensure they can undertake their duties effectively.

McDonald's Corporation, May 2022

Summary of resolution – Resolution 6 – Report on Public Health Costs of Antibiotic Use and Impact on Diversified Shareholders.

How they voted – For

Outcome – The proposal was not adopted

Rationale - Health - Antibiotic use - As last year, LGIM voted in favour of the proposal as it believes the proposed report will contribute to informing shareholders and other stakeholders of the negative externalities created by the sustained use of antibiotics in the company's supply chain and its impact on global health, with a particular focus on the systemic implications. Antimicrobial resistance ("AMR") continues to be a key focus of the LGIM Investment Stewardship team's engagement strategy. LGIM believes that, without coordinated action today, AMR could prompt the next global health crisis, with a potentially dramatic impact on the planet, people and global GDP. This is unfortunately further substantiated through the recent study published in the Lancet at the beginning of 2022 by the Global Research on AntiMicrobial resistance ("GRAM") project: Global burden of bacterial antimicrobial resistance in 2019: a systematic analysis. While we note the company's past efforts to reduce the use of antibiotics in its supply chain for chicken, beef and pork, LGIM believes AMR is a financially material issue for the company and other stakeholders, and that concerted action is needed sooner rather than later. By supporting this proposal, it wants to signal to the company's board of directors the importance of this topic and the need for action.

BP Plc, May 2022

Summary of resolution - Resolution 3 - Approve Net Zero - From Ambition to Action Report.

How they voted – For

Outcome – Approved

Rationale - Climate change: A vote FOR is applied, though not without reservations. While LGIM notes the inherent challenges in the decarbonization efforts of the Oil & Gas sector, LGIM expects companies to set a credible transition strategy, consistent with the Paris goals of limiting the global average temperature increase to 1.5 C. It is LGIM's view that the company has taken significant steps to progress towards a net zero pathway, as demonstrated by its most recent strategic update where key outstanding elements were strengthened. Nevertheless, LGIM remains committed to continuing our constructive engagements with the company on its net zero strategy and implementation, with particular focus on its downstream ambition and approach to exploration.

LGIM UK Equity Index Fund

Glencore Plc, April 2022

Summary of resolution - Resolution 13 - Approve Climate Progress Report

How they voted – Against

Outcome – Approved

Rationale – Climate change: 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 we note the progress the company has made in strengthening its medium-term emissions reduction targets to 50% by 2035, LGIM remain concerned over the company's activities around thermal coal and lobbying, which they deem inconsistent with the required ambition to stay within the 1.5°C trajectory.

Standard Chartered Plc, May 2022

Summary of resolution - Resolution 31 - Approve Net Zero Pathway

How they voted – Against

Outcome – Approved

Rationale – Climate change: While LGIM notes the company's strengthened sector policies and the disclosure of some interim targets for its financed emissions, they are discouraged that these targets only cover the activity of lending related to three sectors, and are therefore concerned about the ability to achieve 1.5C temperature alignment on the proposed pathway. A vote Against is therefore 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. 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 the 1.5°C goal.

Wizz Air Holdings Plc, July 2021

Summary of resolution – Re-elect William Franke as Director

How they voted – Against

Outcome – Approved

Rationale - LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf. For 10 years, it has been using its position to engage with companies on this issue. As part of LGIM efforts to influence its investee companies on having greater gender balance, LGIM applies voting sanctions to those FTSE 350 companies that do not have a minimum of 30% women on the board. LGIM also applies voting sanctions to the FTSE 100 companies that do not have 30% women on their executive committee. For smaller companies LGIM expects at least one woman at board level.

MFS

MFS sets out to cast proxy votes in the best long-term, economic interest of clients. MFS does not, at this time, define a vote significant to particular strategies. They therefore post a complete record of firm-wide proxy voting reports. For the purpose of compiling this report, "significant votes" may have the following characteristics, among others: vote is linked to certain engagement priorities; vote considered engagement with the issuer; and votes relating to certain thematic or industry trends. MFS provided details of ten “significant votes” in response to our request.

The three votes with the largest holdings that they have indicated as significant are detailed here:

The Goldman Sachs Group, Inc. , April 2022

Summary of resolution - Reduce Ownership Threshold for Shareholders to Call Special Meeting

How they voted – Against

Outcome – The proposal was not approved

Rationale - MFS generally support proposals requesting the right for shareholders who hold at least 10% of an issuer's outstanding stock to call a special meeting.

Honeywell International Inc., April 2022

Summary of resolution - Reduce Ownership Threshold for Shareholders to Call Special Meeting

How they voted – Against management

Outcome – The proposal was not approved

Rationale - MFS generally support proposals requesting the right for shareholders who hold at least 10% of an issuer's outstanding stock to call a special meeting.

Comcast Corporation, June 2022

Summary of resolution - Elect Director Edward D. Breen

How they voted – Against

Outcome – The proposal was approved

Rationale - MFS voted against due to excessive service on public boards. As specified in MFS' voting policies, for a director who is not a CEO of a public company, MFS will vote against a nominee who serves on more than four public company boards in total. For a director who is also a CEO of a public company, MFS will vote against a nominee who serves on more than two public company boards in total.

Schroders

Schroders considers "most significant" votes as those against company management. Where there have been ongoing and significant areas of concerns with a company’s performance Schroders may choose to vote against individuals on the board, particularly when they feel a lacking long-term vision.

On a monthly basis, they produce a voting report which details how votes were cast, including votes against management and abstentions, and this report is publicly available on their website. The details for three votes on which Schroders voted against management are detailed here:

Credit Suisse Group AG, April 2022

Summary of resolution – Amend Articles Re: Climate Change Strategy and Disclosures

How they voted – For

Outcome – The proposal was not approved

Rationale - The company is asked to amend its articles of association relevant to its climate change strategy and disclosures. This involves including a new article to improve the company's reporting on climate risks to ensure all financing is aligned with the 1.5 temperature goal. And, in addition, submit additional disclosures on the company's plans to reduce its exposure to fossil fuels across project finance, underwriting, lending capital markets and investments. Additional disclosure and reporting on climate related risks on financing and reduced fossil fuel exposure would be beneficial for Schroders. Therefore, Schroders support this resolution.

Royal Bank of Canada, April 2022

Summary of resolution – SP3: Avoid Bank Participation in Pollution-Intensive Asset Privatizations

How they voted – Against

Outcome – The proposal was not approved

Rationale - The company is asked not to participate in or enable pollution-intensive asset privatization transactions. We believe the company should consider adverse environmental impacts in connection with the sale of fossil fuel assets from public companies to private enterprises. However, we do not have sufficient information to assess whether there would be any unintended consequences relating to this request and have therefore decided not to support this resolution at this time.

Pfizer Inc., April 2022

Summary of resolution – Report on Feasibility of Technology Transfer to Boost Covid-19 Vaccine Production

How they voted – For

Outcome – The proposal was not approved

Rationale – We support this proposal as the company has faced recent criticism for its role in global COVID-19 vaccine inequity and additional information would allow shareholders to understand how the company is managing related risks.

Ballie Gifford

Baillie Gifford view the following situations as criteria in determining which votes are "most significant" over the Plan Year:

- 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 Baillie Gifford have opposed mergers and acquisitions
- Where Baillie Gifford have opposed the financial statements/annual report; and
- Where Baillie Gifford have the election of directors and executives

Baillie Gifford provided details of ten "significant votes" in response to our request. The three votes with the largest holdings that they have indicated as significant are detailed here:

Tesla, Inc. , October 2021

Summary of resolution – Shareholder Resolution - Social

How they voted – Against

Outcome – The resolution was not approved

Rationale – Baillie Gifford opposed a shareholder resolution requesting a report on the company's approach to human rights. Baillie Gifford think Tesla's current policies and practices are reasonable and improving, making this proposal unnecessary.

BHP Group Plc, October 2021

Summary of resolution – Shareholder Resolution - Climate

How they voted – For

Outcome – The resolution was approved

Rationale – Baillie Gifford supported a resolution requesting the company to strengthen its review of industry associations to ensure that it identifies areas of inconsistency with the Paris Agreement. This was in line with management's recommendation.

The Trade Desk, Inc. , May 2022

Summary of resolution – Remuneration

How they voted – Against

Outcome –The resolution was approved

Rationale – Baillie Gifford opposed the executive compensation due to concerns over the quantum and performance conditions attached to the large off-cycle grant made during the year.

10.4 Votes in relation to assets other than listed physical equity

The following comments were provided by the Plan's asset managers who don't hold listed equities, but invest in assets where voting opportunities may arise on occasion:

The Trustee notes the following statements made by **Columbia Threadneedle Investment**, who manage the Plan's equity-linked bond mandate which holds equity derivative contracts and, as such, does not confer voting rights to the Plan**:**

"*The Total UK Pension Plan is invested in a LDI Private-Sub Fund ("the Fund") with Columbia Threadneedle Investments which holds the following investments:*

- *Gilts*
- *Equity Futures*
- *Cash*
- *Columbia Threadneedle (CT) Sterling Liquidity Fund*

However, we see responsible investing and broader investment stewardship as part of our duty as an investor acting in the best interests of our clients and key to managing risk and supporting long term returns. Consequently we engage where we can with investee companies and financial counterparties and this includes LDI counterparties and counterparties and investee companies in our liquidity fund range in which the Private sub-fund is invested."

The Trustee notes the following statements made by **LaSalle**, who manage a segregated UK property mandate for the Plan (direct property mandate), which did not have any votes during the period, describing its general voting process:

"LaSalle actively engages with the Companies by exercising voting rights and other rights attached to shares. Their voting activities are conducted in accordance with LaSalle's proxy voting policy. LaSalle monitor the Companies' approach towards matters such as business strategy, financial and non-financial performance and risk, capital structure, and relevant social, environmental and governance "ESG" metrics. The extent and manner of such

monitoring activities will be determined having regard to the investment strategy, the size of the exposure, feasibility of effective monitoring and other relevant issues."

The Trustee notes the following statements made by **LGIM** in respect of their funds invested in bonds, which do not convey voting rights:

"ESG issues are fundamentally important to investors regardless of the type of exposure. We engage on behalf all of our clients' assets: the Investment Stewardship team explicitly takes into account both our debt and equity exposures and we participate in a number of industry bodies to formulate and provide guidance on best practice in fixed income markets. Our size as a long-term investor in these markets carries weight with issuers."