

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

The Trustee of the Aker Solutions DC Pension Scheme (the “Scheme”) 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 Scheme Year, as well as details of any review of the SIP during the Scheme Year, subsequent changes made with the reasons for the changes, and the date of the last SIP review. Information is provided on the last review of the SIP in Section 1 and on the implementation of the SIP in Sections 2-9 below.

The Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of trustees (including the most significant votes cast by trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 9 below.

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

This Statement is based on and uses the same headings as the Scheme’s latest SIP which was in place during the Scheme Year, dated 26 September 2024. This Statement should be read in conjunction with the latest SIP which can be found [here](#).

1. Introduction

The SIP was reviewed and updated during the Scheme Year on 26 September 2024 to include the Trustee’s policy on investments in illiquid assets in the default option, as required by the Department of Work and Pensions’ Disclose & Explain requirements.

The Trustee has, in its opinion, followed all of the policies in the Scheme’s SIP during the Scheme Year. The following Sections provide detail and commentary about how and the extent to which it has done so.

2. Investment objectives

The Trustee offers the Aegon BlackRock LifePath Flexi Fund as the ongoing DC default arrangement (“the Default”) for the Scheme. As part of the performance and strategy review of the Default on 24 February 2025 the Trustee considered the Scheme’s membership demographics and the variety of ways that members may draw their benefits in retirement from the Scheme. Based on the outcome of this analysis, the Trustee concluded that the Default has been designed to be in the best interests of the majority of the Scheme members and reflects the demographics of those members.

The Trustee also provides members with access to a range of investment options which it believes are suitable for this purpose and enable appropriate diversification. The Trustee has made available alternative investment strategies and a self-select fund range to members covering all major asset classes as set out in the Appendix of the SIP. The Trustee monitors the take up of these funds which has been reasonable to date.

The Trustee also operates a ‘legacy’ default arrangement as there are some members that remain invested in BlackRock’s ‘old LifePath Fund’ range that was previously used as the Scheme’s default arrangement. When the Trustee changed the Default to be the Aegon BlackRock LifePath Flexi Fund range in 2015, the Trustee agreed to leave members with less than 10 years to retirement in old LifePath Fund range. Whilst closed to new members, members already invested in these funds at the time of closure can still continue to contribute to these strategies. As members did not make a choice to invest in this strategy, the old LifePath arrangement also continues to be considered a ‘default’ by the Trustee, for the purpose of fulfilling legislative requirements.

The Trustee reviews changes in member choices, behaviour and trends each year using “LCP Horizon”, an online governance tool. The Trustee also focuses on decisions new joiners have made over the year. The Trustee reviewed the membership on 24 February 2025. Over the Scheme Year there were no material changes. Quarterly governance reports are issued on an ongoing basis by the Scheme’s administrator, Aegon, and discussed at each Trustee meeting.

3. Investment strategy

The Trustee, with the help of its advisers and in consultation with the sponsoring employer, reviewed the strategy and performance of the default arrangement over the previous Scheme Year on 24 February 2025. The Trustee

concluded that drawdown remains an appropriate retirement target. As part of this review the Trustee made sure the Scheme's Default was adequately and appropriately diversified between different asset classes and that the self-select options provide a suitably diversified range to choose from.

The retirement data available is limited given the relatively young age profile of the membership. The Trustee will regularly review the age profile of the membership to monitor if there is an increase in the number of members approaching their target retirement date.

4. Considerations in setting the investment arrangements

When the Trustee undertook a performance and strategy review of the DC default arrangement on 24 February 2025, it considered the investment risks set out in Section 4.1 of this Statement. It also considered a wide range of asset classes for investment, taking into account the expected returns and risks associated with those asset classes as well as how these risks can be mitigated.

The Trustee last formally reconsidered its investment beliefs as part of the SIP review on 16 March 2023. As a result, the Trustee added six new investment beliefs to the SIP, namely:

- asset allocation is the primary driver of long-term returns;
- costs may have a significant impact on long-term performance and therefore obtaining value for money from the investments is important;
- investment managers who can consistently spot and profitably exploit market opportunities are difficult to find, and therefore passive management is usually better value;
- risk-taking is necessary to achieve return, but not all risks are rewarded. Equity, credit, and illiquidity are the primary rewarded risks. Risks that do not have an expected reward should generally be avoided, hedged, or diversified;
- ESG factors should be considered when making investment decisions, and managers may be able to improve risk-adjusted returns by doing this; and
- climate change is a financially material systemic issue that presents risks and opportunities for the Scheme over the short, medium and long term.

Following the release of the DWP's first formal guidance on stewardship, the Trustee received training from its adviser on the guidance, how to comply, and how to establish what the priorities regarding investment management are. The Trustee set its three stewardship priorities as being Climate Change, Corporate Transparency, and Human Rights, and updated its SIP accordingly. These stewardship priorities were then communicated to the Trustee's investment managers.

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

The Scheme's investment adviser, Lane, Clark & Peacock ("LCP"), monitors the investment managers on an ongoing basis, through regular research meetings. The investment adviser monitors any developments at managers and informs the Trustee promptly about any significant updates or events they become aware of regarding the Scheme'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 Scheme invests in, or any material change in the level of diversification in the fund

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

4.1 Policy towards risk

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

¹The responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

With regard to the risk of inadequate returns, the Trustee makes use of equity and equity-based funds, which are expected to provide positive returns above inflation over the long term. These are used throughout the Default along with bond and alternative asset classes to provide diversification of returns. Equity funds are also made available within the self-select options. These funds are expected to produce adequate real returns over the longer term. The Trustee monitors the standard deviation and returns of the Default, and the returns of the self-select options on a quarterly basis. This was last reviewed on 5 June 2025, and the Trustee remains comfortable with the risk/return trade-off for these funds.

The quarterly reports reviewed during the Scheme year showed that all managers have produced performance broadly in line with expectations over the long-term. Within the Default, currency risk is managed by the LifePath fund range investment manager, BlackRock. The Aegon BlackRock Currency Hedged Overseas Equity Index Fund is offered as a self-select option.

The following risks are covered elsewhere in this Statement: unsuitable investments and excessive charges in Section 5, illiquidity/marketability risk in Section 6, ESG risks in Section 7.

5. Implementation of the investment arrangements

Over the year, the Trustee reviewed the performance of the Diversified Growth Funds (“DGFs”) and has decided to replace the BlackRock ALMA and Dynamic DGF funds with the LGIM Diversified fund. The change is expected to be implemented within the following Scheme year.

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

The Trustee undertook a “value for members” assessment on 5 June 2025 for the Scheme Year which assessed a range of factors, including the fees payable to managers in respect of the DC Section which were found to be reasonable when compared against Schemes with similar sizes of mandates.

6. Realisation of investments

It is the Trustee’s policy is to invest in funds that offer daily dealing to enable members to readily realise and change their investments. All of the Scheme’s funds which the Trustee offered during the Scheme Year are daily or weekly priced.

7. Financially material considerations, non-financial matters

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

Within the Scheme, the Trustee recognises that some members may wish ESG or religious matters to be taken into account in their investments and therefore, as mentioned in the SIP, it has made available the BlackRock World ESG Equity Tracker Fund and the Aker Responsible Investment Active Equity Fund and the HSBC Islamic Global Equity Fund as investment options to members.

8. Voting and engagement

Following the introduction of DWP’s guidance, the Trustee agreed to set stewardship priorities to focus monitoring and engagement with their investment managers on specific ESG factors. At the December 2022 Trustee meeting, the Trustee discussed and agreed stewardship priorities for the Scheme which were: Climate Change, Corporate Transparency, and Human Rights.

The Trustee has delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. The Trustee expects investment managers to undertake voting and engagement in line with their stewardship policies, considering the long-term financial interests of investors. The Trustee takes ownership of the Scheme’s stewardship by monitoring and engaging with managers and escalating as necessary as detailed below.

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

The Trustee reviews case studies of the managers' votes and engagements which relate to the Trustee's stewardship priorities annually as part of Implementation Statement. This helps the Trustee to better understand its managers' different approaches to voting and engagement and form a view on their appropriateness for the Scheme.

The Trustee regularly invites the Scheme's investment managers to present at Trustee meetings, seeing its key investment manager approximately once a year. Over the Scheme Year, the Trustee met with Aegon and BlackRock to discuss the Scheme's investments and the planned changes to the LifePath strategy, including the replacement of the current underlying funds with ESG Insights funds. These changes are scheduled to occur later in 2025.

The Trustee is conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustee aims to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

9. Description of voting behaviour during the Scheme Year

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

In this section we have sought to include voting data in line with the Pensions and Lifetime Savings Association ("PLSA") guidance, PLSA Vote Reporting template and DWP's guidance, on the Scheme's funds that hold equities and are used in the default given the high proportion of assets invested in this fund.

In addition, we have also included self-select funds which have a sustainable or ethical focus, recognising that members choosing to invest in these funds may be interested in this information:

- BlackRock World ESG Equity Tracker Fund
- Aker Solutions Responsible Investment Active Equity Fund (which is the white-labelled Baillie Gifford Positive Change Fund).

9.1 Description of the voting processes

BlackRock's voting policy and processes

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

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

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

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

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

Baillie Gifford's voting policy and processes

All voting decisions are taken by Baillie Gifford's ESG team in collaboration with investment managers. The firm does not typically engage with clients ahead of votes; however, it will do so if a segregated client expresses a specific view. For contentious votes, Baillie Gifford may contact clients in advance to inform them or to request the recall of stock on loan.

Thoughtful voting is integral to Baillie Gifford's stewardship commitments. Voting is viewed as an investment-led activity, essential to the long-term investment process. Therefore, Baillie Gifford prefers to retain responsibility for voting on behalf of clients. This also enhances the firm's influence when engaging with investee companies.

The ESG team manages voting analysis and execution alongside investment managers. Unlike many peers, Baillie Gifford does not outsource any aspect of voting. Proxy adviser research (e.g., from ISS and Glass Lewis) is used for informational purposes only. All meetings are analysed internally, and the firm aims to vote every client holding in every market. Voting is based solely on Baillie Gifford's internal policy, not proxy voting providers' policies. Specialist proxy advisers are consulted in China and India to provide local insights.

Baillie Gifford highlights voting events where:

- Its voting decision materially impacted the meeting outcome;
- Management proposals faced $\geq 20\%$ opposition;
- There were misaligned remuneration policies or contentious equity issuances;
- Shareholder resolutions gained $\geq 20\%$ support;
- Significant audit failings were reported;
- Financial statements or annual reports were opposed;
- Director elections/ratifications were opposed; and
- Material ESG concerns led to opposition of management.

9.2 Summary of voting behaviour

A summary of voting behaviour over the Scheme Year is provided in the table below².

	Fund 1	Fund 2	Fund 3
Manager name	BlackRock	BlackRock	Baillie Gifford
Fund name	Blackrock LifePath Flexi Fund range	BlackRock World ESG Equity Tracker Fund	Positive Change Fund
Total size of fund at end of the Scheme Year	£4,812m	£9,538m	£1,666m
Value of Scheme assets at end of the Scheme Year (£ / % of total assets)	£129.0m/70.0%	£1.4m/0.7%	£0.1m/0.1%
Number of equity holdings at end of the Scheme Year	5,347	429	37
Number of meetings eligible to vote	7,585	404	32
Number of resolutions eligible to vote	76,316	5,218	322
% of resolutions voted	96%	99%	100%
Of the resolutions on which voted, % voted with management	91%	78%	94.7%
Of the resolutions on which voted, % voted against management	8%	21%	4.7%
Of the resolutions on which voted, % abstained from voting	1%	0%	0.6%
Of the meetings in which the manager voted, % with at least one vote against management	33%	70%	28.1%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	0%	0%	N/A

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

9.3 Most significant votes

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

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

- align with the Trustee's stewardship priorities;

² Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote.

- might have a material impact on future company performance;
- the investment manager believes to represent a significant escalation in engagement;
- impact a material fund holding, although this would not be considered the only determinant of significance, rather it is an additional factor;
- have a high media profile or are seen as being controversial;
- the Scheme or the sponsoring company may have a particular interest in.

The Trustee has reported on two to three of these significant votes per fund only as the most significant votes.

BlackRock- LifePath Flexi Fund Range

Significant Vote 1: The Walt Disney Company, 3 April 2024

- **Summary of resolution:** Elect management director nominees.
- **Relevant stewardship priority:** Corporate Transparency
- **Approx size of the holding at the date of the vote:** 0.13% (as at 30 April 2024)
Why this vote is considered to be most significant: The Trustee has identified this vote as being significant given it relates to two of its stewardship priorities. BIS voted in favour of Disney's management-recommended directors at the April 2024 AGM. After extensive engagement with the board, leadership, and dissident investors, BIS concluded that the current board is best placed to oversee the company's ongoing transformation. BIS noted improvements in Disney's financial performance, a clearer strategic direction, and strengthened governance practices, including enhanced board composition and succession planning. These developments were viewed as supportive of long-term shareholder value.
- **Company management recommendation:** For. **Fund manager vote:** Against.
- **Rationale:** BIS supported management's proposed slate of directors at Disney's April 2024 AGM. This followed extensive engagement with the board, leadership, and dissident investors, including discussions on strategy, performance, and governance. BIS concluded that Disney's board and management are best positioned to oversee the company's transformation, having outlined a clear strategy, shown progress in financial performance, and taken steps to strengthen governance. These include appointing a new CFO, improving board composition, and enhancing succession planning. BIS determined that these actions support long-term value creation for shareholders.
- **Was the vote communicated to the company ahead of the vote:** BIS generally supports the recommendations of company boards and management. However, when it is in clients' financial interests to signal concern, BIS may withhold support for director elections, management proposals, or vote against management's recommendation on shareholder proposals. Companies may request engagement following shareholder meetings to provide further clarity. BIS values the opportunity to engage with company leadership, as these discussions enhance its understanding of business models and inform voting decisions. BIS does not direct how companies should run their businesses; that responsibility lies with management, guided by the board.
- **Outcome of the vote and next steps:** Passed. The outcome was in line with the manager's vote.

Significant Vote 2: Berkshire Hathaway Inc., 4 May 2024

- **Summary of resolution:** Disclose BHE's Emissions and Progress Towards Goal in Consolidated Report
- **Relevant stewardship priority:** Climate Change
- **Approx size of the holding at the date of the vote:** 0.01% (as at 31 May 2024)
Why this vote is considered to be most significant: The Trustee has identified this vote as being significant given it relates to one of its stewardship priorities. The vote demonstrates BlackRock's approach to engaging with companies on this Trustee priority.
- **Company management recommendation:** Against. **Fund manager vote:** For.
- **Rationale:** BIS did not support the management's recommendation, as additional information is needed on the company's plan to manage its strategy during the transition to a low-carbon economy. Such information would help investors assess the long-term risks and opportunities associated with this economically material issue.
- **Was the vote communicated to the company ahead of the vote:** BIS generally supports the recommendations of company boards and management. However, when it is in clients' financial interests to signal concern, BIS may withhold support for director elections, management proposals, or vote against management's recommendation on shareholder proposals. Companies may request engagement following

shareholder meetings to provide further clarity. BIS values the opportunity to engage with company leadership, as these discussions enhance its understanding of business models and inform voting decisions. BIS does not direct how companies should run their businesses; that responsibility lies with management, guided by the board.

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

Significant Vote 3: Shell plc, 21 May 2024

- **Summary of resolution:** Advise Shell to Align its Medium-Term Emissions Reduction Targets Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement.
- **Relevant stewardship priority:** Climate Change
- **Approx size of the holding at the date of the vote:** 0.09% (as at 31 May 2024)
- **Why this vote is considered to be most significant:** The Trustee has identified this vote as being significant given it relates to one of its stewardship priorities. BlackRock did not support this shareholder proposal because the proposal is overly prescriptive. It is the role of company leadership to set and implement the company's strategy. Support of this proposal would contradict the Energy Transition Strategy 2024 that has been put forward by the board and management team.
- **Company management recommendation:** Against. **Fund manager vote:** Against.
- **Rationale:** At Shell's May 2024 AGM, a shareholder proposal requested the company align its medium-term Scope 3 GHG emissions reduction targets with the Paris Agreement goal of limiting global warming to well below 2°C and pursuing efforts towards 1.5°C. Similar proposals were filed in previous years, receiving 30.5%, 20.3%, and 20.2% shareholder support from 2021 to 2023. BlackRock, as a minority investor on behalf of clients, relies on company boards and management to set strategies that aim to deliver long-term financial returns. Shell's targets are based on a 1.5°C pathway informed by IPCC scenarios and implemented through its Energy Transition Strategy. Given the uncertainty around how energy suppliers should decarbonise, such targets are understood to be set on a best-efforts basis. While Shell's current disclosures and climate approach align with BlackRock's view of long-term financial interests, the proposal's request for faster Scope 3 emissions cuts - largely outside Shell's control - was seen as potentially financially harmful. Despite softer language than in past proposals, the request was still considered overly constraining and inconsistent with Shell's stated strategy.
- **Was the vote communicated to the company ahead of the vote:** BIS generally supports the recommendations of company boards and management. However, when it is in clients' financial interests to signal concern, BIS may withhold support for director elections, management proposals, or vote against management's recommendation on shareholder proposals. Companies may request engagement following shareholder meetings to provide further clarity. BIS values the opportunity to engage with company leadership, as these discussions enhance its understanding of business models and inform voting decisions. BIS does not direct how companies should run their businesses; that responsibility lies with management, guided by the board.
- **Outcome of the vote and next steps:** The resolution failed. The outcome of the vote was in line with the manager's vote.

BlackRock - ACS World ESG Equity Tracker Fund

Significant Vote 1: Westlake Corporation, 9 May 2024

- **Summary of resolution:** Report on Reducing Plastic Pollution of the Oceans
- **Relevant stewardship priority:** Climate Change
- **Approx size of the holding at the date of the vote:** 0.00% (as at 31 May 2024)
- **Why this vote is considered to be most significant:** The Trustee has identified this vote as being significant given it relates to one of its stewardship priorities.
- **Company management recommendation:** Against **Fund manager vote:** For.
- **Rationale:** A vote FOR this proposal is warranted, as additional disclosure on the company's efforts to manage a possible reduction in the demand for virgin plastics and the associated financial repercussions would allow shareholders to better assess the company's related risk management and strategic planning.

- **Was the vote communicated to the company ahead of the vote:** BIS generally supports the recommendations of company boards and management. However, when it is in clients' financial interests to signal concern, BIS may withhold support for director elections, management proposals, or vote against management's recommendation on shareholder proposals. Companies may request engagement following shareholder meetings to provide further clarity. BIS values the opportunity to engage with company leadership, as these discussions enhance its understanding of business models and inform voting decisions. BIS does not direct how companies should run their businesses; that responsibility lies with management, guided by the board.
- **Outcome of the vote and next steps:** The resolution was not passed. The outcome of the vote was in line with the manager's vote.

Significant Vote 2: Amazon.com, Inc.. 22 May 2024

- **Summary of resolution:** Report on Efforts to Reduce Plastic Use
- **Relevant stewardship priority:** Climate Change
- **Approx size of the holding at the date of the vote:** 2.45% (as at 31 May 2024)
- **Why this vote is considered to be most significant:** The Trustee has identified this vote as being significant given it relates to one of its stewardship priorities.
- **Company management recommendation:** Against. **Fund manager vote:** For.
- **Rationale:** Shareholders would benefit from additional information on how the company is managing risks related to the creation of plastic waste.
- **Was the vote communicated to the company ahead of the vote:** No
- **Outcome of the vote and next steps:** The resolution was not passed. The outcome of the vote was not in line with the manager's vote.

Baillie Gifford – Positive Change Fund

Significant Vote 1: Autodesk Inc., 16 July 2024

- **Summary of resolution:** Resolution to allow large shareholders to call special meetings
- **Relevant stewardship priority:** Corporate Transparency
- **Approx size of the holding at the date of the vote:** 4.11%
- **Why this vote is considered to be most significant:** This resolution is significant because it was submitted by shareholders and received greater than 20% support.
- **Company management recommendation:** Against. **Fund manager vote:** For.
- **Rationale:** Baillie Gifford supported the shareholder resolution requesting that shareholders holding fifteen percent of the company's shares be granted the right to call a special meeting. The firm believes this threshold appropriately balances the enhancement of shareholder rights with the protection of long-term shareholder interests.
- **Was the vote communicated to the company ahead of the vote:** No.
- **Outcome of the vote and next steps:** Pass. The company adopted the 25% threshold because the management resolution received significantly more support than the shareholder resolution. Baillie Gifford will continue to monitor the evolution of the company's governance practices.

Significant Vote 2: Deere & Company, 26 February 2025

- **Summary of resolution:** Appoint/Pay Auditors
- **Relevant stewardship priority:** Corporate Transparency
- **Approx size of the holding at the date of the vote:** 3.53%
- **Why this vote is considered to be most significant:** This resolution is significant because Baillie Gifford opposed the election of auditors.
- **Company management recommendation:** For. **Fund manager vote:** Against.
- **Rationale:** Baillie Gifford opposed the reappointment of the external auditor due to concerns that the auditor's length of tenure could negatively impact their ability to act independently. Deere's audit firm has been

unchanged since 1910, and it is best practice for the auditor to be rotated regularly as this works to ensure independent oversight of the company's audit process and internal financial controls.

- **Was the vote communicated to the company ahead of the vote:** No.
- **Outcome of the vote and next steps:** Pass. The company's auditor has been in post for 115 years and it has disclosed no plans to retender the contract. Baillie Gifford generally believes that regular rotation helps to ensure independent oversight of the company's audit process and internal financial controls. Baillie Gifford has previously communicated this to the company and will again relay this feedback to the company following the annual general meeting.

Significant Vote 3: Tesla Inc., 13 June 2024

- **Summary of resolution:** Shareholder resolution - Social
- **Relevant stewardship priority:** Corporate Transparency
- **Approx size of the holding at the date of the vote** 2.44%
- **Why this vote is considered to be most significant:** This resolution is significant because it was submitted by shareholders and received greater than 20 per cent support.
- **Company management recommendation:** Against. **Fund manager vote:** For.
- **Rationale:** Baillie Gifford supported the shareholder resolution requesting additional disclosure on the company's efforts to address harassment and discrimination in the workplace. Baillie Gifford believes quantitative disclosure would help us understand and monitor the company's efforts. This is consistent with how Baillie Gifford has voted on this resolution previously.
- **Was the vote communicated to the company ahead of the vote:** No.
- **Outcome of the vote and next steps:** Fail. This resolution received 31 per cent support. Baillie Gifford continues to believe additional disclosure would better allow shareholders to assess the company's efforts and progress on this matter. This is consistent with how Baillie Gifford voted at the 2022 annual general meeting when this resolution was last presented.