

# The Reckitt Benckiser Pension Fund

Annual Implementation Statement –  
Fund year ending 5 April 2025

# Table of Contents

**Section 1: Introduction ..... 3**  
**Section 2: Review of, and changes to the SIP ..... 3**  
**Section 3: Adherence to the SIP / Voting and Engagment..... ..3**

## 1. Introduction

This document is the Annual Implementation Statement (“the statement”) prepared by the Trustees of the Reckitt Benckiser Pension Fund (“the Fund”) covering the Fund year (“the year”) to 5 April 2025.

The purpose of this statement is to:

- Detail any reviews of the SIP that the Trustees have undertaken, and any changes made to the SIP over the year as a result of the review.
- Set out the extent to which, in the opinion of the Trustees, the Fund’s Statement of Investment Principles (“SIP”) required under section 35 of the Pensions Act 1995 has been followed during the scheme year; including policies on engagement and voting.
- Describe the voting behaviour by, or on behalf of the Trustees (including the most significant votes cast by the Trustees or on their behalf) during the year and state any use of services of a proxy voter during that year.

The Fund makes use of a wide range of investments; therefore, the principles and policies in the SIP are intended to be applied in aggregate and proportionately, focussing on areas of maximum impact. The Trustees confirm that the investments which the Fund holds were chosen in line with the requirements of s36 of the Pensions Act 1995.

A copy of this implementation statement has been made available on the following website:

<https://www2.myworkpension.co.uk/SchemeNoticesRECK>

**Conclusion: Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.**

In our view, most of the Fund’s material investment managers were able to disclose good evidence of voting and/or engagement activity, that the activities completed by our managers align with our stewardship priorities, and that our voting policy has been implemented effectively in practice.

## 2. Review of and changes to the SIP

The SIP was reviewed and updated once in the year. The versions in place were dated:

1. September 2023
2. September 2024 – updated to reflect the Trustees’ policy on illiquid investments

For the purpose of assessing how the Fund’s SIP has been followed, the remainder of this statement specifically focusses on the SIP agreed in September 2024. All elements that were included in the previously agreed SIP (dated September 2023) remained in the September 2024 SIP.

## 3. Adherence to the SIP

The Trustees outline in their SIP a number of key objectives and policies. These are noted below together with an explanation of how these objectives have been met and policies adhered to over the course of the year:

### SIP Section 1-3: Introduction

Items 1-2: These paragraphs provide relevant introductory and background comments rather than setting out any policies.

## *DB Section*

### SIP Section 4-7: DB Section Responsibilities, Beliefs and Objectives

These sections set out the division of responsibilities in relation to the DB Section of the Fund, as well as documenting the Trustees' investment beliefs and their objectives for the Section. The Trustees' objectives are ultimately focussed on ensuring that the Fund has sufficient assets to pay benefits to its beneficiaries as and when they fall due whilst managing risks and costs. The Trustees have received advice on an investment strategy aimed at maximising the chances of achieving its objectives. The investment strategy was formally reviewed as at September 2022, following the 2022 triennial Actuarial valuation.

### SIP Section 8: DB Section Investment Policy Considerations

This section sets out the high-level investment policy for the DB Section. During the year the Trustees have continued to adhere to these policies by ensuring that the Section is invested in a suitable mixture of liquid asset classes and have given consideration to the historical rates of return for these asset classes when setting their strategic asset allocation.

### SIP Section 9: DB Section Strategic Asset Allocation Policy

This section sets out the Section's strategic asset allocation policy. The Trustees have reviewed the Section's asset allocation on a quarterly basis and undertaken rebalancing activity during the year when it was deemed to be appropriate to do so, factoring in the Fund's objectives and market conditions at the time.

### SIP Section 10-13, 15: DB Section Investment Managers

These sections set out the investment managers that the Trustees use for the DB Section and the objectives against which their performance is measured. It also sets out the investment restrictions that have been placed on the investment managers as well as how they are paid for their services.

The Trustees made one change to their underlying fund holdings during the year by switching their holdings with M&G to a newly launched fund for the same asset class with improved liquidity on the redemption side and access to a wider client base. This Fund has Article 8 Sustainable Finance Disclosure Regulation designation. This covers a Fund which promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices, amongst other requirements.

### SIP Section 14: AVCs

This section sets out the facility that the Trustees offer to DB members for the investment of Additional Voluntary Contributions.

### SIP Section 16: Risk Management

This section sets out the risks that the Fund is exposed to and how these risks are monitored and managed. During the year the Trustees continued to monitor manager risks using the methods set out above. They also continued to follow their liquidity management policy to ensure appropriate levels of collateral headroom remained within the Fund.

## *DC Section*

### SIP Section 17-28: DC Section

#### *Policies in relation to investment strategy*

The majority of the DC section assets were transitioned out of the Fund in July 2024 into an external DC Master Trust arrangement. The statements in this document relating to the DC section are relevant to assets prior to the transition and to any residual assets retained within the Fund due to any ongoing transactions.

Over the year, the Trustees have provided members with a range of investment choices. Members can choose between two approaches:

- Lifestyle – For members who do not wish to make an active investment decision, three lifestyles are available targeting different benefits at retirement, namely drawdown (flexible retirement), annuity purchase and cash.
- Self-select approach – For members who want to make a more active investment decision there are 15 self-select funds available which members can choose from depending on their risk appetite.

The Trustees review the range of funds offered and the suitability of the lifestyle option every three years. The latest investment strategy review was undertaken in 2024, where it was agreed that the Fund would transition to the Aon Master Trust, which was completed in 2024. The Fund remained open for a small number of members who were unable to transfer to the Aon Master Trust at the same time as the main cohort of members due to ongoing transactions such as pension sharing orders or death benefit settlements.

#### *Policies in relation to ongoing monitoring*

Following the transition of the majority of assets to the Aon Master Trust, the Trustees take a proportionate approach to ongoing monitoring of the Fund. The Trustees received and reviewed an annual monitoring report from their investment advisor, which provide information regarding the short and long-term performance of all the funds offered to members, including the default investment option.

#### *Policies in relation to investment risks*

The SIP describes five broad areas of investment risk that are relevant to the DC section.

#### *Policies in relation to expected return on assets*

The SIP sets out the Trustees' expectations in terms of the returns members can expect from the asset classes offered via the DC Section.

#### *Policies in relation to illiquid investments*

The Trustees did not directly invest in illiquid assets over the Fund year. However, the Trustees understand that the underlying investment manager of the multi asset fund, the Aegon BlackRock DC Dynamic Allocation Fund, may on occasion allocate assets to underlying illiquid investments. The view of the Trustees is that the underlying investment managers are best placed to use their discretion as to the appropriateness of holding illiquid investments. The SIP was updated in September 2024 to include the Trustees policy on illiquid assets in the default arrangement.

## *DB and DC Sections*

### SIP Section 29: DB and DC Sections Corporate Governance, Socially Responsible Investment and Voting

The Trustees previously undertook a climate beliefs exercise with the assistance of their investment consultants to help consolidate their views and understanding of sustainability themes and issues in investment. This exercise included a comprehensive survey covering a variety of topics including: the Trustees' priorities, the potential impacts of climate issues on the Fund's investments, the role investors can play in integrating Environmental, Social and Governance (ESG) including climate considerations in the Fund's portfolio and how they can influence a company's sustainability policies. The results of the survey were discussed in a workshop meeting to 'settle' the Trustees views as a group which were used to form specific ESG and climate related investment beliefs (to add to the Trustees existing investment beliefs).

The Trustees use the updated beliefs as a guide for decision making on investment strategy. The Trustees believe that their beliefs and policies with regard to ESG including climate are consistent with the best interests of members as they have taken a balanced approach to integrating these factors into the management of the Fund. In-line with their fiduciary duty the Trustees prioritise the financial interests of members whilst recognising that ESG factors can affect the risk and return of the Fund and appropriate management of ESG factors is expected to result in better financial outcomes for the Fund in the medium to long-term and therefore should be taken into account in the Trustees' investment decision making.

Over the Fund year to 5 April 2025, the Trustees collected the voting and engagement records of each of the Fund's investment managers. This data is reported in detail later in this IS.

To date, no managers have found to be falling short of the standards expected by the Trustees in this area.

During the Fund year the Trustees also undertook climate scenario analysis for the DB Section. This analysis used updated climate scenarios to better understand the risks and opportunities for the Section. This analysis can be found in the Fund's annual climate change report.

### SIP Section 30: DB and DC Sections Arrangements with Asset Managers

#### **DB Section & DC Section**

Prior to the appointment of any new investment manager, the Trustees will seek professional advice from their investment advisors, in order to ensure that the investments are appropriate for the Fund's objectives. The investment advisors will share the Trustees' investment beliefs as set out in the SIP with any prospective manager. Such managers are asked to review and confirm that their approach is aligned with the policies in the SIP.

The Trustees regularly monitor the Fund's investments to consider the extent to which the decisions of the investment managers are aligned with the Trustees' policies, including non-financial matters.

The Trustees have appropriate governing documentation in place. The Trustees have set investment objectives and have a regular monitoring process in place for their investment managers to ensure the managers are incentivised to make decisions that align with the policies in the SIP.

The Trustees delegate the day-to-day stewardship activities to their investment managers and receive reporting from their investment managers in this regard.

#### **DC Section**

DC assets are typically invested in pooled funds, where there is less opportunity to amend documentation. As a result, the Trustees will endeavour to feedback their views to asset managers and look to work together as and when events arise to determine an appropriate course of action.

## SIP Section 31: DB and DC Sections Cost Monitoring

### **DB Section**

The Investment Managers are paid ad valorem fees for their services based on the value of assets under management, with fees included in the relevant Investment Management Agreements (IMAs).

With regard to transaction costs, the Trustees monitor these through ex-post costs and charges reports, provided by the Investment Managers, required by regulations under the Markets in Financial Instruments Directive (MiFID).

The Trustees monitor the fees paid by the Fund in relation to its investments and is aware of the importance of the total costs of the Fund's investments when analysing the overall value of its assets. With the support of their investment consultant, the Trustees take these matters into account when considering the appointment or continued appointment of the investment managers.

The Trustees acknowledge that portfolio turnover costs are necessary to generate investment returns, but carefully monitor these costs and compare them against their expectations for the type of investment.

Upon review of the charges data currently available, the Trustees believe that all costs relating to their investments are appropriate.

The Trustees also have regard to the actual portfolio turnover, having reviewed a report summarising the portfolio turnover of their investments (on a best endeavours basis, where relevant) and how it compares with the expected turnover range for each mandate following guidance from its Investment Managers and Investment Consultant.

### **DC Section**

Cost and charges data has been collated by the Trustees for the Fund year and will be published in the Annual Chair's Statement. The Trustees review the cost and charges data on an annual basis.

The charges data includes the annual management charge, which is the annual fee charged by the manager for investing in the fund; additional expenses such as trading fees or legal fees are also summarised to reflect the total cost of investing in a fund. In addition to this, transaction costs (including those associated with portfolio turnover) that are incurred within the day-to-day management of the assets by the manager are also collated and published in the statement.

## SIP Section 32: DB and DC Sections Evaluation of Performance and Remuneration

### **DB Section:**

The Trustees receive quarterly investment reporting from the Fund's investment managers and periodical independent performance monitoring from Northern Trust in order to track and evaluate the performance of the Fund's investment managers against their respective benchmarks.

Based on this monitoring, and the investment managers' compliance with the requirements of the Pensions Act 1995, the Trustees review the continued appointment of the investment managers from time to time.

### **DC Section**

As with the DB Section, the Trustees receive quarterly investment reporting from the Fund's platform provider, Aegon. For the DC Section, the Trustees also received an annual investment monitoring reports from their investment advisors containing relevant investment information. No concerns were raised over the Fund year.

## SIP Section 33: DB and DC Sections Reporting to Members

This section sets out how the Trustees communicate with members.

### 4. Voting and Engagement Activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. We believe that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Fund's investments is an important factor in deciding whether a manager remains the right choice for the Fund.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Fund's equity-owning investment managers to responsibly exercise their voting rights.

### Voting Statistics

The table below shows the voting statistics for each of the Fund's material funds with voting rights for the year to reporting year end i.e. quarter end or most recently prior to scheme year end. Managers collate voting information on a quarterly basis. The voting information provided is for the year to 31 March 2025 which broadly matches the Fund year.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
<b>DC Section</b>				
BlackRock - Dynamic Allocation Fund	23,306	98.5%	5.5%	3.5%
BlackRock - MSCI Currency Hedged World Index	21,305	98.0%	3.5%	0.4%
BlackRock - World ESG Screened and Optimised Equity Tracker	6,679	92.0%	2.2%	0.2%
BlackRock - Global Minimum Volatility Index	5,149	99.5%	2.5%	0.3%
BlackRock – Global Developed Fundamental Weighted Index	16,546	97.9%	2.1%	0.3%
TT - Emerging Markets Equity Fund	859	97.0%	6.6%	7.4%

DB Section				
LGIM RAFI Fundamental Reduced Carbon Pathway Equity Index Fund and Currency Hedged Fund	38,030	99.7%	19.0%	1.3%

Source: Investment Managers. Please note that the 'abstain' votes noted above are a specific category of vote that has been cast, and are distinct from a non-vote.

## Proxy Voting

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

The table below describes how the Fund's managers use proxy voting advisers.

Managers	Description of use of proxy voting advisers <i>(in the managers' own words)</i>
BlackRock	<p>Proxy research firms provide research and recommendations on proxy votes as well as voting infrastructure. BlackRock Investment Stewardship leverages Institutional Shareholder Services (ISS) as an external proxy services vendor. ISS' electronic voting platform allows BlackRock Investment Stewardship to monitor voting activity, execute proxy vote instructions, record keep, and generate client and regulatory voting reports. BlackRock Investment Stewardship also uses Glass Lewis' services to support research and analysis. In addition to the global research provided by ISS and Glass Lewis, BlackRock Investment Stewardship subscribes to market-specific research providers including Institutional Voting Information Service in the UK, Ownership Matters in Australia, Stakeholder Empowerment Services in India, and ZD Proxy in China.</p> <p>Although proxy research firms provide important data and analysis, BlackRock Investment Stewardship does not follow any proxy research firm's voting recommendations.</p> <p>BlackRock Investment Stewardship has operational specialists on the team who are fully focused on ensuring votes cast on behalf of clients are successfully instructed, using its vendor's electronic voting platform. The controls BlackRock Investment Stewardship has in place ensure that the team identifies upcoming meetings, cast votes ahead of the voting deadline for each meeting, reconcile holdings with ballots received, and identify any uninstructed ballots.</p>
TT International	We use Institutional Shareholder Services (ISS) for our proxy voting requirements. ISS provides the research, which is then reviewed by TT. If TT does not agree with any of ISS's recommendations, we will amend the vote in their voting platform (ProxyExchange)
LGIM	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 LGIM do not outsource any part of the strategic decisions. To ensure LGIM's proxy provider votes in accordance with their position on ESG, LGIM have put in place a custom voting policy with specific voting instructions.

## Significant Votes

To illustrate the voting activity being carried out on our behalf, we asked the Fund's investment managers to provide a selection of what they consider to be the most significant votes in relation to the Fund's funds. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below.

<b>BlackRock - Dynamic Allocation Fund</b>	<b>Company name</b>	CSPC Pharmaceutical Group Limited
	<b>Date of vote</b>	28 May 2024
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	<i>Not provided</i>
	<b>Summary of the resolution</b>	Approve Grant of Options Under the Share Option Scheme
	<b>How you voted</b>	Against
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	<i>Not provided</i>
	<b>Rationale for the voting decision</b>	Incentive arrangements do not support the long-term economic interests of shareholders.
	<b>Outcome of the vote</b>	Pass
	<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	<p>Generally, BlackRock Investment Stewardship supports the vote recommendations of the board of directors and management. When we determine it is in our clients' financial interests to convey concern to companies through voting, we may do so in two forms: we might not support the election of directors or other management proposals, or we might not support management's voting recommendation on a shareholder proposal. In some cases, companies may request an engagement after a shareholder meeting to provide additional clarity.</p> <p>We value the opportunity to listen to company leadership, which enhances our understanding of their business models, ensuring that our proxy voting decisions are based on a comprehensive view on company practices and priorities. In these conversations, we do not direct companies on how they should manage their business. That responsibility lies with management, with input from the board.</p>
<b>On which criteria have you assessed this vote to be "most significant"?</b>	Incentives aligned with financial value creation	
<b>BlackRock - MSCI Currency Hedged World Index</b>	<b>Company name</b>	Tesla, Inc.
	<b>Date of vote</b>	13 June 2024
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	<i>Not provided</i>
	<b>Summary of the resolution</b>	Report on Harassment and Discrimination Prevention Efforts
	<b>How you voted</b>	For

**BlackRock - World ESG Screened and Optimised Equity Tracker**

<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	<i>Not provided</i>
<b>Rationale for the voting decision</b>	Greater disclosure on this issue, which we deem material to the long-term economic interests of shareholders, would help investors better assess risks at the company.
<b>Outcome of the vote</b>	Fail
<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	Tesla subsequently made some enhancements to its disclosures, such as reporting on types of complaints received and employee training initiatives. Even so, these disclosures do not provide investors with a clear sense of how many of these complaints are specifically related to harassment and discrimination, or whether any remediation efforts have been sufficient to minimize the risk of additional adverse verdicts.
<b>On which criteria have you assessed this vote to be "most significant"?</b>	Human capital management
<b>Company name</b>	Shell Plc
<b>Date of vote</b>	21 May 2024
<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	<i>Not provided</i>
<b>Summary of the resolution</b>	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
<b>How you voted</b>	Against
<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	<i>Not provided</i>
<b>Rationale for the voting decision</b>	The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company
<b>Outcome of the vote</b>	Fail
<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	Shell has developed climate-related emissions reduction targets that are being implemented through its Energy Transition Strategy. Its targets are set using a 1.5°C pathway that it developed based on 1.5°C scenarios developed for the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6). We understand that Paris Agreement-aligned targets are set on a best-efforts basis given that there is currently a lack of global consensus about how energy suppliers should decarbonize to meet the Paris Agreement's 1.5°C target.
<b>On which criteria have you assessed this vote to be "most significant"?</b>	Climate-related risks and opportunities

<b>Company name</b>	Exxon Mobil Corporation
<b>Date of vote</b>	29 May 2024
<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	<i>Not provided</i>
<b>Summary of the resolution</b>	Report on Reduced Plastics Demand Impact on Financial Assumptions
<b>How you voted</b>	Against
<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	<i>Not provided</i>
<b>Rationale for the voting decision</b>	The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures
<b>Outcome of the vote</b>	Fail
<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	<p>Generally, BlackRock Investment Stewardship supports the vote recommendations of the board of directors and management. When we determine it is in our clients' financial interests to convey concern to companies through voting, we may do so in two forms: we might not support the election of directors or other management proposals, or we might not support management's voting recommendation on a shareholder proposal. In some cases, companies may request an engagement after a shareholder meeting to provide additional clarity.</p> <p>We value the opportunity to listen to company leadership, which enhances our understanding of their business models, ensuring that our proxy voting decisions are based on a comprehensive view on company practices and priorities. In these conversations, we do not direct companies on how they should manage their business. That responsibility lies with management, with input from the board.</p>
<b>On which criteria have you assessed this vote to be "most significant"?</b>	BlackRock Investment Stewardship publishes "vote bulletins" and "case studies" on key votes at shareholder meetings to provide insight into certain vote decisions the team expects will be of particular interest to clients. The vote bulletins are published on the "Vote Bulletin library" section of the BlackRock Investment Stewardship website. The case studies can be found in BlackRock Investment Stewardship's flagship publications, also available on the website. These bulletins and case studies are intended to explain vote decisions relating to proposals addressing a range of corporate governance issues, including sustainability-related matters that may be material to a company's business model, that are on the agenda for a shareholder general meeting. Other factors BlackRock Investment Stewardship may consider in deciding to publish a vote bulletin and/or a case study include the profile of the issue in question and the level of client interest we expect in the vote decision. The vote bulletins and case studies include relevant company-specific background, sector or local market context, and engagement history when

**BlackRock – Global  
Developed  
Fundamental  
Weighted Index**

	applicable. Vote bulletins and case studies may also include observations on emerging corporate governance issues and market-level stewardship developments.
<b>Company name</b>	Constellation Brands, Inc.
<b>Date of vote</b>	17 July 2024
<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	<i>Not provided</i>
<b>Summary of the resolution</b>	Report on Support for a Circular Economy for Packaging
<b>How you voted</b>	Against
<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	<i>Not provided</i>
<b>Rationale for the voting decision</b>	The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures.
<b>Outcome of the vote</b>	Fail
<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	<p>Generally, BlackRock Investment Stewardship supports the vote recommendations of the board of directors and management. When we determine it is in our clients' financial interests to convey concern to companies through voting, we may do so in two forms: we might not support the election of directors or other management proposals, or we might not support management's voting recommendation on a shareholder proposal. In some cases, companies may request an engagement after a shareholder meeting to provide additional clarity.</p> <p>We value the opportunity to listen to company leadership, which enhances our understanding of their business models, ensuring that our proxy voting decisions are based on a comprehensive view on company practices and priorities. In these conversations, we do not direct companies on how they should manage their business. That responsibility lies with management, with input from the board.</p>
<b>On which criteria have you assessed this vote to be "most significant"?</b>	BlackRock Investment Stewardship publishes "vote bulletins" and "case studies" on key votes at shareholder meetings to provide insight into certain vote decisions the team expects will be of particular interest to clients. The vote bulletins are published on the "Vote Bulletin library" section of the BlackRock Investment Stewardship website. The case studies can be found in BlackRock Investment Stewardship's flagship publications, also available on the website. These bulletins and case studies are intended to explain vote decisions relating to proposals addressing a range of corporate governance issues, including sustainability-related matters that may be material to a company's business model, that are on the agenda for a shareholder general meeting. Other factors BlackRock Investment Stewardship may consider in deciding to publish a vote bulletin and/or a

		case study include the profile of the issue in question and the level of client interest we expect in the vote decision. The vote bulletins and case studies include relevant company-specific background, sector or local market context, and engagement history when applicable. Vote bulletins and case studies may also include observations on emerging corporate governance issues and market-level stewardship developments.
TT - Emerging Markets Equity Fund	<b>Company name</b>	Prosus NV
	<b>Date of vote</b>	21 August 2024
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	1.5
	<b>Summary of the resolution</b>	Approve Remuneration Report
	<b>How you voted</b>	Against Management
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	No
	<b>Rationale for the voting decision</b>	Both ISS and Glass Lewis recommended voting against the report, highlighting the exorbitant total pay package, particularly the vested value of the LTI awards some of which are not subject to performance conditions, and the insufficient response to shareholder dissent. Additionally, we found the exit arrangement with former CEO Bob van Dijk concerning. His pay package continued for six months post-mandate in an advisory capacity, including both short and long-term incentives. Our analysis revealed ambiguity regarding van Dijk's role during this period; his continued eligibility for receiving STI and LTI suggests his pay package persisted without corresponding tasks and responsibilities, which we felt was problematic. We also noted that, in addition to receiving a full salary for an advisory role, he experienced no loss for the lapse of his LTI awards, instead receiving an additional severance payment of USD 747,000. Given that his compensation is already over eleven times the median of peers, we found this particularly troubling and voted against the report.
	<b>Outcome of the vote</b>	Pass
	<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	Not applicable
	<b>On which criteria have you assessed this vote to be "most significant"?</b>	Financially material topic
LGIM RAFI Fundamental Reduced Carbon Pathway Equity Index Fund	<b>Company name</b>	Alphabet Inc.
	<b>Date of vote</b>	7 June 2024

<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	1.5
<b>Summary of the resolution</b>	Elect Director John L. Hennessy
<b>How you voted</b>	Against Management
<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	No
<b>Rationale for the voting decision</b>	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. Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board. Independence: A vote against is applied as LGIM expects the Chair of the Committee to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background.. Shareholder rights: A vote against is applied because LGIM supports the equitable structure of one-share-one-vote. We expect companies to move to a one-share-one-vote structure or provide shareholders a regular vote on the continuation of an unequal capital structure.
<b>Outcome of the vote</b>	Pass
<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
<b>On which criteria have you assessed this vote to be "most significant"?</b>	Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf. Thematic - One Share One Vote: LGIM considers this vote to be significant as LGIM supports the principle of one share one vote.

Source: Investment Managers

## Engagement Activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Fund's material managers. The managers have provided information for the most recent calendar year available.

Funds	Number of engagements		Themes engaged on at a fund level
	Fund level	Firm level	
BlackRock - Dynamic Allocation Fund	3,239	3,384	Environment - Climate Risk Management, Biodiversity, Water and Waste Social- Health and Safety, Human Capital Management, Social Risks and Opportunities Governance - Board Composition and Effectiveness, Corporate Strategy, Remuneration

BlackRock - MSCI Currency Hedged World Index	1,497		Environment - Climate Risk Management, Other company impacts on the environment, Water and Waste Social- Health and Safety, Human Capital Management, Social Risks and Opportunities Governance - Board Composition and Effectiveness, Corporate Strategy, Remuneration
BlackRock - World ESG Screened and Optimised Equity Tracker	527		Environment - Climate Risk Management, Biodiversity, Deforestation/Land Use Social- Health and Safety, Other Social/Human Capital Issues, Talent and Culture Governance - Business Oversight/Risk Management, Corporate Strategy, Sustainability Reporting
BlackRock - Global Minimum Volatility Index	383		Environment - Climate Risk Management, Biodiversity, Other company impacts on the environment Social- Health and Safety, Other Social/Human Capital Issues, Talent and Culture Governance - Business Oversight/Risk Management, Corporate Strategy, Sustainability Reporting, Board Effectiveness and Director Qualifications
BlackRock - Global Developed Fundamental Weighted Index	1,262		Environment - Climate Risk Management, Other company impacts on the environment, Water and Waste Social - Health and Safety, Diversity and Inclusion, Human Capital Management Governance - Board Composition and Effectiveness, Business Oversight/Risk Management, Corporate Strategy, Remuneration
BlackRock - Corporate Bond All-Stocks Index	197		Environment - Climate Risk Management, Biodiversity, Other company impacts on the environment Social - Diversity and Inclusion, Human Capital Management, Social Risks and Opportunities Governance - Board Composition and Effectiveness, Business Oversight/Risk Management, Corporate Strategy
TT - Emerging Markets Equity Fund	17	93	Environment - Climate change, Natural resource use/impact, Pollution, Waste Social - Conduct, culture and ethics, Human and labour rights, Human capital management Governance - Board effectiveness – Diversity, Independence or Oversight, Remuneration
LGIM RAFI Fundamental Reduced Carbon Pathway Equity Index Fund	1,791	Not provided	Environment – Climate Change  Social - Human and labour rights (e.g. supply chain rights, community relations), Human capital management (e.g. inclusion & diversity, employee terms, safety), Inequality, Public health  Governance - Board effectiveness - Diversity, Board effectiveness - Other, Remuneration, Strategy/purpose  Strategy, Financial and Reporting – Reporting (e.g. audit, accounting, sustainability reporting),

Source: Investment Managers.

#### Data limitations

At the time of writing, BlackRock provided fund-level engagement information but not in the industry standard ICSWG template.

This report does not include commentary on certain asset classes such as liability driven investments, gilts or cash because of the limited materiality of stewardship to these asset classes. Further, this report does not include the additional voluntary contributions (“AVCs”) due to the relatively small proportion of the Fund’s assets that are held as AVCs.