

# Implementation Statement (“IS”)

## DB (UK) Pension Scheme

### Scheme Year End – 31 December 2024

The purpose of the Implementation Statement is for us, the Trustee of the DB (UK) Pension Scheme (the “Scheme”), to explain what we have done during the Scheme year ending 31 December 2024 to achieve our objectives and implement our policies as set out in the Statement of Investment Principles (“SIP”). It includes:

1. A summary of any review that has taken place and changes made to the SIP over the Scheme year;
2. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Scheme’s investments have been followed during the year; and
3. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services, and the ‘most significant’ votes cast over the reporting year.

#### Our 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.**

Specifically, the SIP sets out policies in relation to Risk, Asset Allocation Strategy and Monitoring Investments, ESG Considerations, Arrangements with Investment Managers and Monitoring Investment Managers’ Costs. We have set out our approach to meeting each of these policies, across the Defined Benefit (“DB”) and Defined Contribution (“DC”) Sections, along with specific examples from the Scheme year which demonstrate how each policy has been met.

With specific regard to the voting and engagement activity of our investment managers over the Scheme year, most of the Scheme’s material investment managers were able to disclose adequate evidence of voting and/or engagement activity. In our view, the activities completed by our managers align with our stewardship priorities, and our voting policy has been implemented effectively in practice.

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We note improvements compared to last year’s statement. Namely, M&G provided description of its use of proxy voting advisers and Legal and General Investment Management (“LGIM”) provided firm-level engagement statistics. Not all our investment managers were able to provide all the engagement information requested. We will engage with our investment managers to encourage improvements in their reporting as set out in the Engagement Action Plan.

## Changes to the SIP during the year

We reviewed the SIP during the year and updated it in September 2024.

The changes that took place included:

- Reflected changes to the DB Section's strategic allocation, objectives and risks, following a fourth bulk annuity purchase in Q3 2024 which allowed all past-service liabilities to now be insured with any future accruals by the remaining active members being uninsured by the existing annuity policies.
- The Environmental, Social and Governance ("ESG") considerations were also updated to reflect the Trustee having delegated responsibility for stewardship activities of the annuity policies to the annuity policy providers. Wording was also included to indicate the Trustee considered the ESG and stewardship policies of the annuity policy providers as part of the insurer selection process.

The Scheme's latest SIP can be found here:

[https://pensioninformation.aon.com/deutschebank/fileviewer.aspx?FileID=14538&FileName=Statement%20of%20Investment%20Principles%20\(Staff\)%20-%20Septe](https://pensioninformation.aon.com/deutschebank/fileviewer.aspx?FileID=14538&FileName=Statement%20of%20Investment%20Principles%20(Staff)%20-%20Septe)

## How the policies in the SIP have been followed

The SIP outlines a number of the Trustee's key objectives and policies. The full wording of these SIP policies can be found in the SIP (which can be accessed via the link above). In the table below we set out what has been done during the Scheme year to meet the policies in the SIP.

### Defined Benefit ("DB") Section

<b>Objective</b> <i>Set an investment strategy with regards to meeting the Scheme's liabilities as they fall due, plus an agreed level of outperformance relative to the required returns to meet the liabilities.</i>	<p>The Trustee purchased a Bulk Purchase Annuity Agreement (the "Annuity") with Legal and General Assurance Society ("LGAS") in September 2024 for the Scheme's remaining uninsured past-service liabilities.</p> <p>Following the purchase of the Annuity, there are some surplus assets which the Trustee invests across a range of asset classes to meet expected ongoing and future expenses, and any future accrued benefits.</p>
<b>Risk</b> <i>The Trustee has identified a number of key risks within the investment strategy, which it monitors through a number of different means.</i>	<p>To manage mismatching risk, the Trustee previously implemented a Liability Driven Investment ("LDI") strategy, where the assets aimed to move in line with the liabilities. This risk is now largely mitigated following the recent bulk annuity purchase as all past service liabilities are fully hedged across interest rate, inflation and longevity risk.</p> <p>The Trustee and its advisers manage the cashflow requirements, to ensure that there is sufficient liquidity to meet ongoing cashflow requirements. The appointed administrator for the Scheme, Aon, monitors and manages daily cashflow requirements.</p> <p>Investment manager risk remain within the surplus assets. This is managed by quarterly manager performance monitoring. The Trustee supplements this by meeting with its managers at least once a year. The Trustee also reviewed the surplus investment strategy to ensure it is suitably diversified.</p> <p>The Trustee has taken steps to ensure that the assets are sufficiently diversified. This includes rebalancing ranges and also limits on the portion of assets to be held with one investment manager. Asset allocation is provided at least on a quarterly basis and when weights diverge from the targets, the Trustee and its adviser assesses if any adjustments are needed.</p> <p>The largest risk underlying the Annuity Policies are that of LGAS and Aviva defaulting. The Trustee considered the credit strength of the insurers as part of its due diligence process and on an ongoing basis.</p>
<b>Asset Allocation Strategy and Monitoring Investments</b>	<p>The Trustee reviewed its strategic allocation through 2024, implementing the following:</p> <ul style="list-style-type: none"><li>• Fully redeemed the UK Corporate Bonds mandate held with BlackRock.</li><li>• Used the proceeds from the sale mentioned above, alongside a partial redemption from corporate bonds with RLAM as well as gilts and cash within the LGIM LDI portfolio to purchase an Annuity Policy with LGAS and secure the Scheme's remaining past-service liabilities.</li></ul> <p>Following the purchase of the final Annuity Policy, the Scheme's risk associated with its members (excluding future accrual and other reserves, the residual liabilities) are fully hedged across interest rate, inflation and longevity risk, with some remaining surplus assets. The Trustee has reviewed the surplus investment strategy to ensure it invests these assets appropriately based on the residual liabilities of the Scheme, its cashflow requirements and the Trustee's objectives in relation to the surplus assets. The Trustee continues to seek the advice of its advisers and approval from the Company before considering any changes to the investment strategy.</p> <p>Ongoing performance and asset allocation is monitored through quarterly investment reporting provided by the investment adviser.</p>
<b>Environmental, Social and Governance considerations</b> <i>The Trustee believes that environmental, social and</i>	<p>The Trustee regularly reviews the ESG related issues which may impact on the Scheme's investments. As part of the insurer selection undertaken in 2024, the Trustee considered ESG, including climate change, as part of the due diligence process.</p>

<p><i>governance ("ESG"), including climate change, are important factors when making investment decisions. At the stock level, the Trustee has delegated these considerations to the investment managers, having first agreed an appropriate benchmark and investment restrictions.</i></p>	<p>The Trustee encourages the investment managers to engage on ESG issues, including climate change. The Trustee expects managers to adopt the Financial Reporting Council's UK Stewardship code and adhere to the UN Principles for Responsible Investment or similar codes relevant to the particular asset class.</p> <p>The Trustee produced the IS over the year, where ESG engagement activity across managers was reviewed.</p> <p>Over the year, the Trustee had responsible investment training sessions with its investment adviser. These sessions provided the Trustee with updates on the evolving climate risks in preparation for the Scheme's annual climate disclosures report aligned with the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations. During this process, the Trustee considered the climate-related risks and opportunities to which the Scheme is exposed to.</p> <p>The Trustee has also taken into account ESG considerations in selection of new managers for the surplus investment strategy.</p>
<p><b>Arrangements with Investment Managers</b></p>	<p>The Trustee monitors its investment managers on an ongoing basis. This is through the following:</p> <ul style="list-style-type: none"> <li>• Its custodian provides independent performance measurement services. The custodian provides performance monitoring on a quarterly basis and covers a range of different time periods.</li> <li>• An annual review of the arrangements with the investment managers which considers business updates and team changes.</li> <li>• The Trustee also meets with the Scheme's managers at least once a year.</li> <li>• The Trustee receives quarterly reports from its investment managers, which provides commentary on the performance and detail of any changes to the portfolios. The investment managers also provide any additional reporting, such as stewardship reports on an annual basis.</li> </ul>
<p><b>Monitoring Investment Managers Costs</b></p>	<p>The Trustee and its investment adviser collate annual cost transparency reports that cover all investment managers in line with the appropriate Cost Transparent Initiative ("CTI") template for each asset class. The CTI templates help the Trustee better understand transaction costs and other hidden costs, such as administration and auditing fees. ClearGlass collected and provided a cost transparency report and the Trustee's investment adviser highlighted specific areas of interest.</p>

## Defined Contribution ("DC") Section

The DC Section is formed of the Additional Voluntary Contributions ("AVCs") Section and the Bankers Trust Section.

- The AVC Section relates to additional voluntary contributions (other than AVCs transferred into the Scheme from the Bankers Trust UK Pension Plan). It includes contributions paid to the Scheme as a result of a salary sacrifice made by a member under the employer's flexible benefit arrangement.
- The Bankers Trust Section relates to the Defined Contribution Section of the Bankers Trust UK Pension Plan and legacy AVCs transferred into the Scheme.

<p><b>Objective</b></p> <p><i>To make available a range of pooled funds in which members of the Scheme are able to invest;</i></p> <p><i>To make available a sufficient range of asset classes which the</i></p>	<p>The default arrangement for the Deutsche Bank AVC Section during the Scheme year was the Standard Life Money Market Pension Fund.</p> <p>The default arrangement for the Deutsche Bank Bankers Trust Section during the Scheme year was the Standard Life Deposit and Treasury Pension Fund.</p>
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<p><i>Trustee believes will enable members to invest in a manner which reflects their attitude to risk and proximity to retirement; and</i></p> <p><i>The Trustee's objective regarding the default arrangement is to provide capital preservation whilst achieving cash deposit returns before the application of charges.</i></p>	<p>More information about the default arrangement, and a more comprehensive description of the Trustee objectives is disclosed in the full SIP and Chair's Statement. Additional detail is also disclosed further below.</p> <p>Both the AVC and Bankers Trust Sections comprise a range of funds in which members' funds are invested and cover various asset classes including equities, fixed income, property and cash. Further information about these funds is disclosed in the annual Chair's Statement and Statement of Investment Principles, which can be accessed via the following link:</p> <p><a href="https://pensioninformation.aon.com/deutschebank/welcome1.aspx">https://pensioninformation.aon.com/deutschebank/welcome1.aspx</a></p> <p>As part of the annual strategy day in 2024 and following advice provided by its adviser, the Trustee agreed to explore fund range simplification for members, whilst continuing to meet its core objective. The Trustee is working with stakeholders on implementation.</p>
<p><b>Risk</b></p> <p><i>The Trustee has identified a number of key risks within the investment strategy, which it monitors through a number of different means.</i></p>	<p>The Trustee has considered a number of risks that members in the DC Section are potentially exposed to within the SIP. The Trustee's belief is that responsibility falls to members to ensure that risk appropriate to their own specific circumstances is properly managed, and the Trustee's key duty is to provide sufficient choice within the available fund range to allow members to meet this responsibility.</p> <p>During the Scheme year the Trustee received reporting from its adviser which covered the performance of the funds in the AVC and Bankers Trust Sections. This reporting concluded that the available funds were performing as expected given prevailing market conditions. Further information about these reviews is discussed in the next row.</p>
<p><b>Asset Allocation Strategy and Monitoring Investments</b></p>	<p>As mentioned in the prior row, during the Scheme year the Trustee received reporting from its adviser which covered the performance of the funds in the AVC and Bankers Trust Sections. This reporting concluded that the available funds were performing as expected given prevailing market conditions. The latest report was received in December 2024.</p> <p>Over the course of the Scheme year, there were changes made to several funds offered to members:</p> <p>The Prudential M&amp;G Recovery (ex M&amp;G) Pension Fund held within the Bankers Trust Section of the Scheme was closed in February 2024. The decision to close this fund was made by the fund manager (Prudential M&amp;G) due to reduced confidence that returns generated from the fund will be consistent in the future. Prudential M&amp;G moved all impacted member monies to the Prudential UK Equity (ex M&amp;G) Pensions Fund.</p> <p>Upon undertaking a review of their Property Fund offerings, M&amp;G decided to close the M&amp;G Property Portfolio Fund, which made up the underlying fund of the Prudential M&amp;G Property Portfolio (ex M&amp;G) Pension Fund. As a result, in October 2024, Prudential transferred monies out of the underlying M&amp;G Property Portfolio Fund and into the L&amp;G Property Fund. The top-level fund members invest in has been renamed the Prudential L&amp;G Property (ex M&amp;G) Pension Fund.</p> <p>The Utmost Fund of Investment Trusts Fund held within both the Bankers Trust Section and AVC Section closed, and assets were merged with the Utmost International Growth Fund in June 2024. The decision to close this fund was made by the fund manager, Utmost, following poor performance of the Utmost Fund of Investment Trusts, and based on its belief that the merger will improve outcomes for members.</p> <p>Upon undertaking a comprehensive review of their Trustee Investment Plan funds, Standard Life decided to close the Mixed Bond Pension Fund held in the Bankers Trust Section in May 2024. Invested members were re-invested into the Standard Life UK Mixed Bond Fund.</p> <p>These fund changes have been reflected within the appropriate switch forms, and communicated with those members affected.</p>

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## **Environmental, Social and Governance considerations**

*The Trustee believes that environmental, social and governance ("ESG"), including climate change, are important factors when making investment decisions. At the stock level, the Trustee has delegated these considerations to the investment managers, having first agreed an appropriate benchmark and investment restrictions.*

The Trustee monitors the voting and engagement record of its managers and providers, via its investment adviser (results of which are set out later in this document).

The Trustee has made the Standard Life Ethical Pension Fund available to members in the AVC Section and the LGIM Future World Global Equity Index Fund in the Bankers Trust Section, to allow members to invest in funds with these specific considerations.

As mentioned earlier, and as part of its regulatory requirements, the Trustee produced and published an annual climate disclosures report in line with the recommendations of the TCFD. During the Scheme year, the Trustee carried out several activities, with the support of its investment adviser, to formally align with the recommendations of the TCFD and more fully understand the potential impact that climate-related risks and opportunities could have on the both the DB and DC Sections of the Scheme.

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## **Arrangements with Investment Managers**

The Trustee monitors the managers of funds on an ongoing basis.

The Trustee received an annual report from its investment adviser which highlighted the performance of funds in which members are invested versus their respective Association of British Insurers ("ABI") sectors.

During the Scheme year the Trustee was broadly comfortable with the performance of each of its investment managers and does not feel that any of these investment managers need to be reviewed in greater detail.

The Trustee also reviewed the engagement activity carried out by its fund managers over the course of the Scheme year via the IS. The Trustee believes the activities completed by its investment managers align with the stewardship priorities as set out in the SIP under heading 'Stewardship – Voting and Engagement'.

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## **Monitoring Investment Managers Costs**

The Trustee reviewed the Total Expense Ratios ("TERs") for all of the funds across both the AVC and Bankers Trust Sections as part of the annual investment reviews.

Detail around the TERs and the transaction costs for each fund over the 12 months to 31 December 2024 were also included in the annual Chair's Statement.

The Chair's Statement also included illustrations that assess the impact that the cost and charges have on the potential returns achieved by representative members invested in the default arrangements as well as two other comparator funds.

The Trustee recognises that fees charged on a small proportion of investments offered within the DC section are high, relative to the value provided by the investments. Where this is the case, the Trustee has in the past taken action to close these funds to new investments.

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## Our investment manager's voting activity

### What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental, Social and Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

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 Scheme's investments is an important factor in deciding whether a manager remains the right choice for the Scheme.

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

### Voting statistics

The table below shows the voting statistics for the Scheme's material funds (funds that account for 10% or more of the assets) with voting rights for the Scheme year to 31 December 2024.

	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
<b>DC Investment Manager</b>				
Legal and General Investment Management ("LGIM") - World (ex UK) Equity Index Fund	33,453	99.7%	21.6%	0.3%
LGIM - UK Equity Index Fund	10,188	100.0%	6.0%	0.0%

Source: Investment manager

### Use of proxy voting advisers

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.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table overleaf describes how the Scheme's material managers use proxy voting advisers.

### Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues

Source: UN PRI

### Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

**Description of use of proxy voting advisers**  
*(in the investment managers' own words)*

LGIM	LGIM's Investment Stewardship team uses Institutional Shareholder Services' ("ISS") '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. 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.
Aberdeen Standard Investments ("Aberdeen") (Underlying fund manager for Aberdeen Standard Investments, Standard Life Investments)	We utilise the services of ISS for all our voting requirements. We have a bespoke policy in place with them.
JP Morgan Asset Management ("JPMAM") (Underlying fund manager for majority Utmost funds)	JPMAM uses a third party corporate governance data provider, ISS, to receive meetings notifications, provide company research and process its votes. Although we use the ISS ProxyExchange platform and see their voting recommendations, this forms only the starting point for our proprietary thinking, and all our voting decisions are made on a case by case basis by in-house specialists in conjunction with the Analyst and/or Fund Manager in reference to the JPMAM Corporate Governance Policy and Voting Guidelines.
M&G Investments ("M&G") (Underlying fund manager for the Prudential funds)	We use research provided by ISS and the Investment Association; and we use the ProxyExchange platform from ISS for managing our proxy voting activity. We use the ISS custom service to flag resolutions that may not meet our policy guidelines. Voting decisions are taken by the Sustainability and Stewardship team at M&G often in consultation with fund managers. Some routine resolutions are voted by ISS on our behalf when clear criteria have not been met.

Source: Investment managers

## Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Scheme's investment manager to provide a selection of what it considers to be the most significant votes in relation to the Scheme's material funds with voting rights. A sample of these significant votes can be found in the appendix.



## Our 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 Scheme's material investment managers. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e. is not necessarily specific to the funds invested in by the Scheme.

Funds	Number of engagements		Themes engaged on at a fund/firm level
	Fund level	Firm level	
BlackRock - UK Bonds <sup>1</sup>	<i>Not provided</i>	3,384	<b>Environment</b> - Climate Risk Management <b>Social</b> - Human Capital Management; Diversity and Inclusion <b>Governance</b> - Corporate Strategy; Board Composition and Effectiveness; Remuneration
Royal London Asset Management ("RLAM") - UK Credit Fund	95	710	<b>Environment</b> - Climate Transition Risk; Biodiversity <b>Social</b> - Mental Health; Just Transition; Health - Community <b>Governance</b> - Remuneration; Corporate Governance
Aberdeen (Underlying fund manager for Aberdeen Standard Investments, Standard Life Investments)	-	1,868	<b>Environment</b> - Climate; Other Environment Related <b>Social</b> - Labour Management; Human Rights & Stakeholders <b>Governance</b> - Corporate Behaviour; Corporate Governance
JPMAM (Underlying fund manager for majority Utmost funds)	-	1,581	<b>Environment</b> - Climate Change; Natural Resource Use/Impact <b>Social</b> - Conduct, Culture and Ethics; Human and Labour Rights; Human Capital Management <b>Governance</b> - Remuneration; Board Effectiveness - Diversity; Leadership - Chair/CEO
LGIM - World (ex UK) Equity Index Fund	1,644	4,399	<b>Environment</b> - Climate Impact Pledge; Climate Change; Climate Mitigation <b>Social</b> - Human Rights; Gender Diversity <b>Governance</b> - Capital Management; Remuneration; Board Composition <b>Other</b> - Corporate Strategy
LGIM - UK Equity Index Fund	421	4,399	<b>Environment</b> - Climate Impact Pledge; Climate Change; Energy <b>Social</b> - Ethic Diversity; Human Rights <b>Governance</b> - Remuneration; Capital Management <b>Other</b> - Corporate Strategy; Company Disclosure & Transparency
M&G (Underlying fund manager for the Prudential funds)	-	406	<b>Environment</b> - Climate Change; Natural Resource Use/Impact <b>Social</b> - Human and Labour Rights; Human Capital Management; Just Transition <b>Governance</b> - Board Effectiveness - Diversity; Remuneration; Corporate Behaviour (Tax and Advocacy)

Source: Investment managers.

<sup>1</sup>BlackRock did not provide fund level themes; themes provided are at a firm-level.

The following managers themes provided are at a firm-level due to the significant number of funds in the DC arrangements and none of these as a singular fund being at a material level: Aberdeen; JPMAM; and M&G.

## Data limitations

At the time of writing, the following managers did not provide all the information we requested:

- BlackRock did not provide information on its reporting of fund-level engagement data for the UK Bonds segregated mandate. The manager outlined since it is a fixed-income mandate, and as such does not hold equities, it is not eligible to produce engagement reports, despite the Trustee having received this information last year. This is not a material concern for the Trustee, as the Scheme fully disinvested from the mandate in Q3 2024 and as such the Trustee will not be engaging with the manager.
- LGIM provided a complete list of engagements for the invested funds, however, did not include as much detail as recommended in the best practice industry standard Investment Consultants Sustainability Working Group (“ICSWG”) reporting guide. We expect LGIM to provide further engagement information in line with the ICSWG reporting guide.

This report does not include commentary on the Scheme’s gilts, swaps, synthetic credit and cash holdings because of the limited materiality of stewardship to these asset classes.

## Our Engagement Action Plan

Based on the voting and engagement activity undertaken by our managers, we have decided to take the following steps over the next 12 months:

### **DB Investment Managers**

We will invite our investment manager, which manages the material investment fund in the context of investment stewardship, to a meeting to get a better understanding of its engagement practices, and how these help us fulfil our Responsible Investment policies.

### **DC Investment Managers**

While LGIM did provide a comprehensive list on fund level engagements, which we find encouraging, it did not provide detailed engagement examples specific to the fund in which we are invested, as per the ICSWG industry standard. We will write to LGIM to better understand its engagement practices and discuss the areas which are behind those of its peers.

## Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Scheme's investment manager. We consider a significant vote to be one which the manager considers significant. Investment 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>LGIM - World (ex UK) Equity Index Fund</b>	<b>Company name</b>	Microsoft Corporation
	<b>Date of vote</b>	10 December 2024
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of</b>	4.3
	<b>Summary of the resolution</b>	Resolution 9: Report on Artificial intelligence ("AI") Data Sourcing Accountability
	<b>How you voted?</b>	Votes supporting resolution
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an Annual General Meeting ("AGM") as our engagement is not limited to shareholder meeting topics.
	<b>Rationale for the voting decision</b>	Shareholder Resolution - Governance: A vote FOR this resolution is warranted as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language
	<b>Outcome of the vote</b>	Fail
	<b>Implications of the outcome eg 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>	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.
<b>LGIM - UK Equity Index Fund</b>	<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>	7.7
	<b>Summary of the resolution</b>	Resolution 22: Approve the Shell Energy Transition Strategy
	<b>How you voted?</b>	Votes against resolution
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
	<b>Rationale for the voting decision</b>	Climate change: A vote against is applied. We acknowledge the substantive progress the company has made in respect of climate related disclosure over recent years, and we view positively the commitments made to reduce emissions from operated assets and oil products, the strong position taken on tackling methane emissions, as well as the

pledge of not pursuing frontier exploration activities beyond 2025. Nevertheless, in light of the revisions made to the Net Carbon Intensity ("NCI") targets, coupled with the ambition to grow its gas and Liquefied Natural Gas ("LNG") business this decade, we expect the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050. In essence, we seek more clarity regarding the expected lifespan of the assets Shell is looking to further develop, the level of flexibility in revising production levels against a range of scenarios and tangible actions taken across the value chain to deliver customer decarbonisation. Additionally, we would benefit from further transparency regarding lobbying activities in regions where hydrocarbon production is expected to play a significant role, guidance on capex allocated to low carbon beyond 2025 and the application of responsible divestment principles involved in asset sales, given portfolio changes form a material lever in Shell's decarbonization strategy.

<b>Outcome of the vote</b>	Pass
<b>Implications of the outcome eg 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 - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. We expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.

Source: Investment manager