

## Annual Implementation Statement - covering 1 January 2023 to 31 December 2023 (the “Scheme Year”)

### Roquette UK Limited Retirement Benefits Scheme (the “Scheme”) – DC Section

#### Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles (“SIP”) produced by the Trustees, has been followed during the year to 31 December 2023. This statement has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2019 and the guidance published by the Pensions Regulator. This Implementation Statement covers the Defined Contribution (“DC”) Section of the Scheme.

The statement sets out how, and the extent to which, the policies in the Scheme’s DC Section SIP have been followed during the Scheme Year. The statement also describes the voting behaviour carried out by the Scheme’s investment managers on the Trustees’ behalf during the Scheme Year (including the most significant votes cast by the Trustees or on their behalf) and describes any use of the services of a proxy voter during the Scheme Year.

#### Investment Objectives of the Scheme

The Trustees believe it is important to consider the policies in place in the context of the investment objectives they have set. The objectives of the Scheme included in the SIP are set out below, along with actions taken by the Trustees to meet each objective:

Objective	Action over the Scheme Year to meet objective
To provide members with an investment strategy aligned to their needs that will optimise the return on investments in order to build up a savings pot, which will be used in retirement.	No changes to the investments used in the default have been implemented during the Scheme Year. On 21 November 2023, the Trustees carried out a formal review of their default investment strategy with their investment adviser, with resultant changes due to be implemented in 2024. The current investment strategy remains consistent with the policies in the SIP.
The Trustees are mindful of their responsibility to provide members with an appropriate range of investment funds and a suitable default strategy.	
The Trustees will review the investment approach from time to time, and make changes as and when it is considered to be appropriate.	

Objective	Action over the Scheme Year to meet objective
<p>The Trustees recognise that in a DC arrangement, members assume the investment risks themselves. The Trustees further recognise that members are exposed to different types of risk at different stages of their working lifetimes. The Trustees have determined their investment policy in such a way as to address the identified risks.</p>	<p>The Trustees have considered risk and return analysis in formulating the SIP. To help manage the investment risks, the Trustees have made a single fund available as the default investment option for members, and offered a range of self-select funds across various asset classes. The fund range and default investment strategy are reviewed on at least a triennial basis.</p> <p>The latest review was undertaken on 21 November 2023. Resultant changes are due to be implemented in 2024.</p>

The policies set out in the SIP are intended to help meet the overall investment objectives of the Scheme. Detail on the Trustees' objectives with respect to the default investment strategy and the self-select fund range are outlined in the SIP.

### **Review of the SIP**

During the year to 31 December 2023, there were no changes to the SIP. The Trustees reviewed the SIP as part of the investment strategy review, with resultant changes to be reflected as part of investment strategy changes due to be implemented during 2024. The current SIP was approved on 15 September 2020 following the update to reflect new requirements under The Occupational Pension Scheme (Investment and Disclosure) (Amendment) Regulations 2019.

### **Investment Strategy Review**

During the Scheme Year no changes were made to the investment strategy, however a review of the default investment option and self-select fund range was carried out in November 2023. Resultant changes are due to be implemented in 2024. Further details regarding resultant changes will be set out in next year's Implementation Statement.

### **Assessment of how the policies in the SIP have been followed for the year to 31 December 2023**

The information provided in the following table highlights the work undertaken by the Trustees during the year, and longer term where relevant, and sets out how this work followed the Trustees' policies in the SIP. The Trustees consider that, following the review carried out as part of preparing this statement, we have adhered to all of their policies as set out in the SIP over the course of the Scheme Year. We explain in the statement the Trustees' reasoning for this conclusion. The Trustees did not materially deviate from any of the SIP's policies over the Scheme Year.

	Requirement	Policy	In the year to 31 December 2023
1	Securing compliance with the legal requirements about choosing investments	<p><i>The SIP has been prepared by the Trustees in accordance with Section 35 of the Pensions Act 1995, as amended, and its attendant Regulations.</i></p> <p><i>Any changes made to the SIP will be based on written advice from a suitably qualified individual and will follow consultation with the Principal Employer.</i></p> <p><i>In determining the investment strategy, the Trustees undertook extensive investigations and receive formal written investment advice from their investment consultant.</i></p> <p><i>SIP Section 1 and 4</i></p>	<p>The Trustees last received formal advice from their investment adviser on 21 November 2023 regarding the Scheme's investment strategy. Resultant changes are due to be implemented in 2024. Further details of the resultant changes will be set out in next year's Implementation Statement.</p> <p>With effect 8 June 2023, BlackRock closed the BlackRock Aquila Connect Long Term Fund as this is a legacy fund not being actively sold within the institutional market by BlackRock. As part of this process the DC Section's investments held in this fund were automatically moved to the BlackRock ACS 60:40 Global Equity Tracker Fund unless members chose otherwise. The Trustees received notice of this closure from their investment consultant who confirmed the suitability of the investments. It was also recommended that this fund be reviewed as part of the triennia investment strategy review in November 2023.</p> <p>During the Scheme Year, there were no changes to the default arrangement's investment strategy or self-select fund range.</p>

	Requirement	Policy	In the year to 31 December 2023
2	Kinds of investments to be held	<p><i>The Trustees are permitted to invest across a wide range of asset classes. All of the funds in which the Scheme invests are pooled and unitised. The Trustees offer a range of individual self-select fund options alongside the default investment strategy. The range of investment options cover multiple asset classes and provide appropriate strategic choices for members' different savings objectives, risk profiles and time horizons.</i></p> <p><i>SIP Section 3</i></p>	<p>The Trustees continue to offer a range of self-select fund options, focused on passively managed funds across equities, gilts and cash. The details of the types of investment referenced in the SIP remains consistent with the fund range offered to members. No changes to the type of investments used in the default or self-select fund range have been made over the Scheme Year and the strategy remains consistent with this policy in the SIP.</p> <p>With effect 8 June 2023, BlackRock closed the BlackRock Aquila Connect Long Term Fund as this is a legacy fund not being actively sold within the institutional market by BlackRock. As part of this process the DC Section's investments held in this fund were automatically moved to the BlackRock ACS 60:40 Global Equity Tracker Fund unless members chose otherwise. This fund has the same underlying investment strategy as the Long Term Fund and has been made available to members within the self-select fund range.</p> <p>The fund range and default investment strategy are reviewed on at least a triennial basis. The latest strategy review was undertaken in November 2023.</p>

	Requirement	Policy	In the year to 31 December 2023
3	The balance between different kinds of investments	<p><i>To balance the investment needs of members, the Trustees offer a range of self-select funds alongside the default investment strategy. Members can opt out of the default investment strategy as they have the option to invest in self-select funds. The range of investment options cover multiple asset classes and provide appropriate strategic choices for members' different savings objectives, risk profiles and time horizons.</i></p> <p><i>SIP Section 3</i></p>	<p>The Trustees received a semi-annual monitoring report during the Scheme year that monitors the investment risk and return characteristics of all investment options within the Scheme. The performance of the funds is compared against their stated objectives/benchmarks. The report also includes changes to the Investment Adviser's Manager Research Ratings and notes any other relevant developments at the underlying investment managers. The Trustees are satisfied with the range of funds available, and the investment managers' policies on investing in individual securities within each asset type or fund, provides adequate diversification of investments. The balance between different kinds of investments remains consistent with the SIP.</p> <p>As part of the investment strategy review undertaken in November 2023, the Trustees agreed in principle to implement several changes including to the self-select fund range. Further details of resultant changes implemented will be set out in next year's Implementation Statement.</p>

	Requirement	Policy	In the year to 31 December 2023
4	Risks, including the ways in which risks are to be measured and managed	<p><i>The Trustees are aware, and seek to take account, of a number of risks in relation to the Scheme's investments, including those set out in Section 6 of the SIP.</i></p> <p><i>The Trustees recognise that in a defined contribution arrangement, members assume the investment risks themselves. The Trustees further recognise that members are exposed to different types of risk at different stages of their working lifetimes.</i></p> <p><i>SIP Section 3 and 6</i></p>	<p>The Trustees provide a range of investment options which enables members to reflect in their selection of funds the level of risk they wish to take in light of their own individual circumstances.</p> <p>Market volatility (the risk of asset classes fluctuating substantially over the investment term) is considered by the Trustees as part of their ongoing performance monitoring and as part of any strategic investment decisions taken. This was reflected as part of the investment strategy review exercise that took place in November 2023. As part of this review, the Trustees also considered the likely form of retirement income Scheme members will take, to ensure the default asset allocation at retirement reflects this.</p>
5	Expected return on investments	<p><i>When deciding on the investment options available to members, the Trustees took into account the expected return on such investments and was mindful to offer a range of funds with varying levels of expected returns for members to choose from.</i></p> <p><i>The default strategy is designed to be appropriate for a typical member of the Scheme and the objective is to provide investment growth by investing in a mixture of return-seeking and defensive assets in a diversified portfolio with a moderate risk profile.</i></p> <p><i>SIP Section 3 and 4</i></p>	<p>The Trustees reviewed investment performance during the year every six months including the receipt of an independent report prepared by their investment adviser. The report monitored the risk and return of the default investment strategy and self-select options. The investment performance reports set out how each investment manager has delivered against its specific benchmark and target, as well as being compared to peer group risk and return metrics. The Trustees were comfortable that the DC Section's fund range performed as expected over the Scheme Year, in the context of wider market conditions.</p> <p>Expected long term investment returns were considered as part of the investment strategy review that took place in November 2023, and reflected in the resultant recommendations from the investment adviser.</p>

	Requirement	Policy	In the year to 31 December 2023
6	Realisation of investments	<p><i>Liquidity risk is managed by investing only in readily realisable pooled funds that can be bought and sold on a daily basis.</i></p> <p><i>When it comes to realisation of investments, the Trustees consider the impact of transaction costs before making any changes.</i></p> <p><i>SIP Section 3 and 6</i></p>	<p>All funds in the DC Section are daily-dealt pooled investment arrangements, with assets mainly invested in regulated markets, and therefore should be realisable at short notice, based on demand from either the Trustees or members.</p> <p>Members' investments in the default investment strategy are traded and priced on a daily basis. No known liquidity issues arose in respect of the Scheme's investments over the year to 31 December 2023.</p> <p>As part of the transfer of assets from the BlackRock Aquila Connect Fund to the BlackRock ACS 60:40 Global Equity Tracker Fund effective 8 June 2023 as set out in row 2 above, no transaction costs were incurred as the underlying investment strategy of the two funds is identical. As such BlackRock reassigned the impacted assets to the new fund, without buying and selling any underlying instruments.</p>

	Requirement	Policy	In the year to 31 December 2023
7	Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments	<p><i>The Trustees understand that they must consider all financially relevant factors in making investment decisions on behalf of the Scheme.</i></p> <p><i>The Trustees recognise that Environmental, Social and Governance (ESG) factors, including climate change, can all influence the investment performance of the Scheme's portfolio and it is therefore in members' and the Scheme's best interests that these factors are taken into account within the investment process and that ESG risks are identified and avoided or mitigated as best as possible.</i></p> <p><i>The Trustees believe that investing with a manager who approaches investments in a responsible way and takes account of ESG-related risks will lead to better risk-adjusted performance.</i></p> <p><i>SIP Section 5</i></p>	<p>The investment performance report was reviewed by the Trustees on a half-yearly basis; this includes the ESG fund ratings from the investment consultant. All funds remained highly-rated over the Scheme Year.</p> <p>When selecting a new investment fund or manager, the Trustees consider the ESG rating of the manager. However, with the exception of the BlackRock ACS 60:40 Global Equity Tracker Fund replacing the BlackRock Aquila Connect Long Term Fund in June 2023, there were no new funds implemented during the Scheme Year.</p>
8	The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments	<p><i>The Trustees do not explicitly take into account non-financial matters in the selection, retention and realisation of investments.</i></p> <p><i>SIP Section 5</i></p>	No change to policy.



	Requirement	Policy	In the year to 31 December 2023
9	The exercise of the rights (including voting rights) attaching to the investments	<p><i>The Trustees have concluded that the decision on how to exercise voting rights should be left with the underlying investment managers who will exercise these rights in accordance with their respective published corporate governance policies. These policies take into account the financial interests of shareholders, and should be for the members' benefit.</i></p> <p><i>The Trustees request annual reports on the voting undertaken by the Scheme's underlying investment managers during the period and review the voting to ensure it remains broadly consistent with the Trustees' view of good stewardship standards.</i></p> <p><i>SIP Section 5</i></p>	<p>The Trustees have delegated the exercise of voting rights to the underlying investment managers, on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value.</p> <p>The Trustees have equity exposure through the following funds:</p> <ul style="list-style-type: none"> <li>- <b>Columbia Threadneedle</b> Multi-Asset Fund (default option)</li> <li>- <b>BlackRock</b> ACS 60:40 Global Equity Tracker Fund (self-select option)</li> </ul> <p>Voting activity of the underlying investment managers is shown in the Investment Manager Voting Summary of this statement. The voting activity disclosed reflects stewardship areas the Trustees view as significant for the Scheme, as described in the Investment Manager Voting Summary. Over the period covered by this Statement, the Trustees has not directly challenged managers on voting activity.</p>
10	Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, Trustees would monitor and engage with relevant persons about relevant matters)	<p><i>The Trustees believe that choosing the right managers who fully engage with issuers of equity or debt instruments in their portfolios will lead to better financial results for members.</i></p> <p><i>SIP Section 5</i></p>	<p>As the Scheme invests in pooled funds via an investment platform, the Trustees' scope to vote on the Scheme's shares directly is currently limited. Therefore, the Trustees expect their investment managers to engage with the investee companies on their behalf.</p> <p>The Trustees did not carry out any engagement activities of their own during the course of the Scheme Year but has reviewed engagement activities carried out by the investment managers on the Scheme's behalf.</p>

	Requirement	Policy	In the year to 31 December 2023
11	How the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the Trustees' policies	<p><i>Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected.</i></p> <p><i>None of the underlying managers in which the Scheme's assets are invested have performance based fees which could encourage the manager to make short term investment decisions to hit their profit targets.</i></p> <p><i>SIP Section 2</i></p>	<p>The Trustees have agreed in principle to investment strategy changes as part of the investment strategy review completed in November 2023, with resultant changes due to be implemented during 2024. These changes take account of the Trustees' and their investment adviser's view of the likelihood of the appointed managers meeting their expected long term investment return target.</p>
12	How the arrangement incentivises the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.	<p><i>The Trustees are long term investors and do not look to change the investment arrangements on a frequent basis.</i></p> <p><i>A manager's appointment may be terminated if it is no longer considered to be optimal nor have a place in the default investment strategy or general fund range.</i></p> <p><i>SIP Section 2</i></p>	<p>As part of ongoing performance monitoring during the Scheme Year, the Trustees were satisfied the DC Section's investment managers performed sufficiently well in the context of their investment objectives and market conditions. As part of the previously-described investment strategy review over the year, while no managers were removed from the strategy, the Trustees agreed in principle to add new funds and managers to the default strategy and self-select fund range.</p> <p>No manager appointments were terminated over the Scheme Year.</p>

	Requirement	Policy	In the year to 31 December 2023
13	How the method (and time horizon) of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the Trustees' policies [concerning the matters described in rows 2-8 of this Statement].	<p><i>The Trustees are long term investors and do not look to change the investment arrangements on a frequent basis.</i></p> <p><i>Investment managers are remunerated by ad valorem charges based on the value of the assets that they manage on behalf of the Scheme.</i></p> <p><i>SIP sections 2 &amp; 7</i></p>	<p>The Trustees considered the long term investment performance of the investment managers on a semi-annual basis, as well as their investment adviser's views of the investment manager, and were comfortable that the longer term performance and forward-looking capabilities remained suitable.</p> <p>The Trustees remained satisfied that the investment fund managers' short term performance did not impact long-term goals. In particular, none of the funds have performance fees in place, which could encourage managers to make short term investment decisions to hit their short term profit targets at the expense of longer term performance. The Value for Members assessment for the Scheme year ending 31 December 2023 shows that fees are "poor" compared to peers. The Trustees have addressed this as part of the previously-described investment strategy review, with resultant changes due to be implemented during 2024.</p>
14	How the Trustees monitor portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range.	<p><i>The Trustees do not currently monitor portfolio turnover costs for the funds in which the Scheme is invested. Portfolio turnover costs means the costs incurred as a result of the buying, selling, lending, or borrowing of investments.</i></p> <p><i>Given that the Scheme invests in a range of pooled funds, many of which invest across a wide range of asset classes, the Trustees do not have an overall portfolio turnover target for the Scheme, but are aware of the requirement to define and monitor targeted portfolio turnover costs and range as part of the annual value for money assessment.</i></p> <p><i>SIP section 7</i></p>	<p>Over the Scheme Year, the Trustees considered the levels of transaction costs as part of the preparation of the annual Chair's Statement.</p> <p>During the year end to 31 December 2023, the Trustees found that the transaction costs reported were reasonable, but noted the challenges in assessing these costs due to the lack of an industry-wide benchmarks for transaction costs. The Trustees will continue to monitor transaction costs on an annual basis and developments on assessing these costs for value.</p> <p>Given that the Scheme invests in a range of pooled funds, many of which invest across a wide range of asset classes, the Trustees do not have an overall portfolio turnover target for the Scheme. Performance is assessed net of all costs and such charges.</p>

	Requirement	Policy	In the year to 31 December 2023
15	The duration of the arrangement with the asset manager.	<p><i>The Trustees are long term investors and do not look to change the investment arrangements on a frequent basis.</i></p> <p><i>A manager's appointment may be terminated if it is no longer considered to be optimal nor have a place in the default investment strategy or general fund range.</i></p> <p><i>SIP section 2</i></p>	<p>All of the invested funds are open-ended with no set end date for the arrangement.</p> <p>During the Scheme Year, the investment performance of all funds was reviewed by the Trustees on a semi-annual basis; this included how each investment fund manager was delivering against their specific targets.</p> <p>There were no changes to manager appointments over the year covered by this statement.</p>

### Investment Manager Voting Summary

Voting activity information from each of the two funds exposed to equities available for the scheme, namely the Columbia Threadneedle Multi-Asset Fund and the BlackRock ACS 60:40 Global Equity Tracker Fund.

<b>Fund</b>	<b>How many resolutions were you eligible to vote on?</b>	<b>What % of resolutions did you vote on for which you were eligible?</b>	<b>Of the resolutions on which you voted, what % did you vote with management?</b>	<b>Of the resolutions on which you voted, what % did you vote against management?</b>	<b>Of the resolutions on which you voted, what % did you abstain from voting?</b>
Columbia Threadneedle Multi-Asset Fund	7,316	98.8%	86.7%	11.6%	1.7%
BlackRock ACS 60:40 Global Equity Tracker Fund	33,484	98.6%	95.0%	5.0%	0.4%

The Trustees are required to identify key stewardship themes and priorities and to use these as a basis for considering which votes cast on the Trustees' behalf are significant. Significant voting activity is reported annually to the Trustees. Where the Trustees are specifically invited to vote on a matter relating to a policy or contract held with any of the Scheme's investment

managers, the Trustees will exercise their right in accordance with what they believe to be in the best interests of the majority of the Scheme's membership.

The Trustees have classified most "significant votes" as any vote which concerns Climate Change e.g. a vote on a company's carbon disclosures or low-carbon transition, where the Size of the holding is above 1% of the fund. Where applicable, examples of such significant votes are summarised in the table below. If the manager has not provided votes with holdings above 1%, we have included the largest holding available. The voting information covers the two funds mentioned above.

Where "We" and "Our" is referred to the significant vote narrative, the "We" and "Our" refers to the Fund Manager and not the Trustees.

Fund	ESG Priority	Company holding (%)	Company	Summary of resolution	Rationale for the voting decision	Outcome	Trustee comment
Columbia Threadneedle Multi-Asset Fund	Climate Change	0.8%	Amazon.com, Inc.	Report on impact of climate change strategy consistent with “just transition” guidelines.	<b>FOR:</b> Shareholders would benefit from more disclosure on whether and how the company considers human capital management and community relations issues related to the transition to a low-carbon economy as part of its climate strategy. We are supportive of requests to enhance disclosure and transparency concerning climate risk so long as the resolution does not directly circumvent management discretion or seek to entirely redefine the company's existing business strategy. To meet the ambition of the Paris Agreement and avoid massive risk to shareholder value, corporations should demonstrate the nexus between their climate aspirations and business strategy via disclosure of credible Paris - or 1.5 degree - aligned emissions reduction targets. Current disclosure does not sufficiently provide investors such information.	Fail	The Trustees have not challenged this voting activity

Fund	ESG Priority	Company holding (%)	Company	Summary of resolution	Rationale for the voting decision	Outcome	Trustee comment
Columbia Threadneedle Multi-Asset Fund	Climate Change	0.3%	Shell Plc	Request for Shell to align its existing 2030 reduction target covering the greenhouse gas (GHG) emissions of the use of its energy products (Scope 3) with the goal of the Paris Climate Agreement.	<b>ABSTAIN:</b> Whilst we appreciate the progress made by the company and engagement to date, we feel abstaining is the best option to recognise this progress whilst retaining our position that we would prefer to see greater movement towards full Paris alignment in the coming years.	Fail	The Trustees have not challenged this voting activity
Columbia Threadneedle Multi-Asset Fund	Climate Change	0.3%	Shell Plc	Approve the Shell energy transition progress.	<b>ABSTAIN:</b> Whilst we appreciate the progress made by the company and engagement to date, we feel abstaining is the best option to recognise this progress whilst retaining our position that we would prefer to see greater movement towards full Paris alignment in the coming years.	Fail	The Trustees have not challenged this voting activity

Fund	ESG Priority	Company	Company	Summary of resolution	Rationale for the voting decision	Outcome	Trustee comment
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		holding (%)					
BlackRock ACS 60:40 Global Equity Tracker Fund	Climate Change	4.4%	Shell Plc	Request for Shell to align its existing 2030 reduction target covering the Greenhouse Gas (GHG) Emissions of the use of its energy products (Scope 3) with the goal of the Paris Climate Agreement.	<p><b>AGAINST:</b> From the shareholder proposal's supporting statement, it appears that the proponent is requesting that the company set an absolute reduction target for their scope 3 GHG emissions. In our view, this is overly prescriptive and unduly constraining on management's decision making. Adhering to the proponent's ask would require Shell to reduce product sales or alter their business composition, which could impact the company's financial strength and unduly constrain management. For those reasons, BlackRock Investment Stewardship ("BIS") determined that the shareholder proposal was not aligned with the financial interest of shareholders. As a minority investor on behalf of our clients, BlackRock relies on the boards and management teams of companies to implement the strategies they deem most appropriate with the objective of delivering durable long-term financial returns.</p> <p>Therefore, BIS did not consider it in the financial interests of our clients to support this shareholder proposal. As discussed above, in our assessment of their Energy Transition Strategy, the company is addressing the risks and opportunities in their business model stemming from a low carbon transition and has demonstrated that they are delivering against their stated plan.</p>	Fail	The Trustees have not challenged this voting activity

Fund	ESG Priority	Company holding (%)	Company	Summary of resolution	Rationale for the voting decision	Outcome	Trustee comment
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BlackRock ACS 60:40 Global Equity Tracker Fund	Climate Change	1.5%	Glencore Plc	Resolution in respect of the next climate action transition plan.	<b>AGAINST:</b> The proposal is not in shareholders' best interests. In the manager's assessment, the company's disclosures are not sufficiently clear or complete, or management's approach to corporate governance practices and material business risks seems misaligned with the financial interests of long-term shareholders.	Fail	The Trustee is engaging with BlackRock to further understand its rationale for voting against this resolution
BlackRock ACS 60:40 Global Equity Tracker Fund	Climate Change	4.4%	Shell Plc	Approve the Shell energy transition progress	<b>FOR:</b> BIS supported this management proposal in recognition of the delivery to date against the company's Energy Transition Strategy. Shell's current disclosure states that the company aims to reduce their scope 1 and 2 greenhouse gas (GHG) emissions by 50% by 2030 compared to 2016 levels on a net basis. By 2022, operational emissions had been reduced by 30%. <sup>5</sup> In addition, in the past year, Shell has continued to deliver against their target to increase total capex spending on low- and zero-carbon energy. Overall, Shell has and continues to provide a clear assessment of their plans to manage climate-related risks and opportunities and has demonstrated continued delivery against their Energy Transition Strategy. In our view, Shell's reporting and approach are aligned with our clients' long-term financial interests; therefore, we supported the management resolution.	Pass	The Trustees have not challenged this voting activity

## Proxy Voting Summary

### Columbia Threadneedle

We deploy our specialist corporate governance team on the most complex and sensitive cases, while voting on more routine, straightforward votes are cast using the proxy voting platform of Institutional Shareholder Services, Inc. (ISS) who also provide recordkeeping and vote disclosure services.

We have also retained Glass, Lewis & Co., IVIS (in the UK) and ISS to provide proxy research services, similar to sell-side or broker research, to ensure quality and objectivity in connection with voting client securities. Other internal and external research is used to support vote decisions as appropriate.

## **BlackRock**

BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams – Americas ("AMRS"), Asia-Pacific ("APAC"), and Europe, Middle East and Africa ("EMEA") - located in seven offices around the world. The analysts with each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines.

While we subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into our vote analysis process, and we do not blindly follow their recommendations on how to vote. We primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial. Other sources of information we use include the company's own reporting (such as the proxy statement and the website), our engagement and voting history with the company, and the views of our active investors, public information and ESG research.

In summary, proxy research firms help us deploy our resources to greatest effect in meeting client expectations:

- BlackRock sees its investment stewardship program, including proxy voting, as part of its fiduciary duty to and enhance the value of clients' assets, using our voice as a shareholder on their behalf to ensure that companies are well led and well managed.
- We use proxy research firms in our voting process, primarily to synthesise information and analysis into a concise, easily reviewable format so that our analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial.
- We do not follow any single proxy research firm's voting recommendations and in most markets, we subscribe to two research providers and use several other inputs, including a company's own disclosures, in our voting and engagement analysis.

- We also work with proxy research firms, which apply our proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform our voting decision.
- The proxy voting operating environment is complex and we work with proxy research firms to execute vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting