Yorkshire Building Society Pension Scheme

Annual Implementation Statement – Scheme year ending 31 December 2025

Voting activity

1. Introduction

This document is supplementary to the Annual Implementation Statement (“the statement”) prepared by the Trustee of the Yorkshire Building Society Pension Scheme (“the Scheme”) covering the Scheme year (“the year”) to 31 December 2025. It provides additional detail on the key voting and engagement activities for the managers during the year.

Legal & General Investment Management (L&G) – Diversified Fund, MSCI World Adaptive Capped Fund, World ex UK GBP Hedged Equity Index Fund and UK Equity Index Fund

Voting Activities:

Diversified Fund (DC)

- There were 100,740 eligible votes for the fund over the 12 months to 31 December 2025
- The manager exercised 99.9% of its votes over the year
- 23.0% of votes were against management and 1.2% were abstained
- 14.7% of votes were contrary to the proxy advisor's recommendation

MSCI Adaptive Capped ESG Index Fund (DC)

- There were 34,197 eligible votes for the fund over the 12 months to 31 December 2025
- The manager exercised 99.9% of its votes over the year
- 20.9% of votes were against management and 1.7% were abstained
- 14.5% of votes were contrary to the proxy advisor's recommendation

UK Equity Index Fund (DC)

- There were 10,084 eligible votes for the fund over the 12 months to 31 December 2025
- The manager exercised 100.0% of its votes over the year
- 6.4% of votes were against management and <1% were abstained
- 5.4% of votes were contrary to the proxy advisor's recommendation

World ex UK GBP Hedged Equity Index Fund (DC)

- There were 33,043 eligible votes for the fund over the 12 months to 31 December 2025
- The manager exercised 99.9% of its votes over the year
- 21.3% of votes were against management and <1% were abstained
- 16.2% of votes were contrary to the proxy advisor's recommendation

What is L&G’s policy on consulting with clients before voting?

L&G’s voting and engagement activities are driven by ESG professionals and its assessment of the requirements in these areas seeks to achieve the best outcome for all its clients. L&G’s voting policies are reviewed annually and take into account feedback from its clients.

Every year, L&G holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express its views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as L&G continues to develop its voting and engagement policies and define strategic priorities in the years ahead. L&G also takes into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

Please describe whether L&G has made use of any proxy voter services

L&G’s Investment Stewardship team uses ISS’s ‘Proxy Exchange’ electronic voting platform to electronically vote clients’ shares. All voting decisions are made by L&G and it does not outsource any part of the strategic decisions. L&G’s use of ISS recommendations is purely to augment its own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports received from ISS for UK companies when making specific voting decisions

To ensure its proxy provider votes in accordance with L&G’s position on ESG, it has put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what L&G considers to be minimum best practice standards which it believes all companies globally should observe, irrespective of local regulation or practice.

L&G retains the ability in all markets to override any vote decisions, which are based on its custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows them to apply a qualitative overlay to its voting judgement. L&G has strict monitoring controls to ensure its votes are fully and effectively executed in accordance with its voting policies by its service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform L&G of rejected votes which require further action.

Please provide an overview of L&G’s process undertaken for deciding how to vote

All decisions are made by L&G’s Investment Stewardship team and in accordance with its Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures L&G’s stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

Please include here any additional comments which are relevant to L&G’s voting activities or processes

L&G sees it as vital that the proxy voting service is regularly monitored and L&G do this through quarterly due diligence meetings with ISS. Representatives from a range of departments attend these meetings, including the client relationship manager, research manager and custom voting manager. The meetings have a standing agenda, which includes setting out its expectations, an analysis of any issues experienced when voting during the previous quarter, the quality of the ISS research delivered, general service level, personnel changes, the management of any potential conflicts of interest and a review of the effectiveness of the monitoring process and voting statistics. The meetings will also review any action points arising from the previous quarterly meeting.

L&G has its own internal Risk Management System (RMS) to provide effective oversight of key processes. This includes L&G's voting activities and related client reporting. If an item is not confirmed as completed on RMS, the issue is escalated to line managers and senior directors within the organisation. On a weekly basis, senior members of the Investment Stewardship team confirm on L&G’s internal RMS that votes have been cast correctly on the voting platform and record any issues experienced. This is then reviewed by the Director of Investment Stewardship who confirms the votes have been cast correctly on a monthly basis. Annually, as part of its formal RMS processes the Director of Investment Stewardship confirms that a formal review of L&G's proxy provider has been conducted and that it has the capacity and competency to analyse proxy issues and make impartial recommendations.

L&G Diversified Fund

Most significant vote – Vote: Shell Plc.

Resolution: Request Company Disclose Whether and How Its: Demand Forecast For LNG; LNG Production And Sales Targets; And New Capital Expenditure In Natural Gas Assets; Are Consistent With Climate Commitments, Including Target To Reach Net Zero Emissions By 2025 (Climate Change)

Approximate size of the fund's holding as at the date of the vote: 0.27%

Guidance – Proxy: Not provided**, Management recommendation:** Not provided

Action: Against the resolution

Shareholder resolution: While L&G recognises the intent behind the Resolution, L&G has decided to vote against it following careful consideration. This decision follows a series of constructive engagements with Shell's leadership, during which the company committed to improving disclosures on stranded asset risks and financial resilience related to its LNG operations. L&G acknowledges meaningful progress in Shell's reporting, which now provides a clearer basis for assessing climate-related risks. In light of these developments, L&G believes the resolution's key objectives are being addressed through ongoing company actions.

Was the voting intent communicated with management ahead of the vote?: L&G 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.

Outcome: Failed

Most significant vote – Vote: Mitsubishi UFJ Financial Group, Inc.

Resolution: Amend Articles to Add Provision on Disclosure of Financial Risk Audit by Audit Committee (Climate Change)

Approximate size of the fund's holding as at the date of the vote: 0.21%

Guidance – Proxy: Not provided**, Management recommendation:** Not provided

Action: For the resolution

Shareholder Resolution: A vote in favour of this proposal is applied. While L&G notes the Company's existing disclosures regarding its oversight of climate change risk management, L&G considers that there is room for further information on the oversight of risk controls within the Company's audit report. L&G believes that increased disclosures around the Audit Committee's assessment of the adequacy of these processes would help the Company and its Board in placing the appropriate focus on such risk assessments and the related resources and expertise required.

Was the voting intent communicated with management ahead of the vote?: L&G 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.

Outcome: Not provided

Most significant vote – Vote: National Australia Bank Limited

Resolution: Approve Disclosure of Financed Deforestation (Climate Change)

Approximate size of the fund's holding as at the date of the vote: 0.21%

Guidance – Proxy: Not provided**, Management recommendation:** Not provided

Action: For the resolution

Shareholder Resolution: A vote in favour is applied as L&G expects companies to be taking sufficient action on the key issue of climate and nature. Enhanced disclosure on financed deforestation exposure would improve transparency on material environmental and credit risks given the banks meaningful exposure to the agri-business lending. While L&G notes NABs reporting in line with elements of TNFD and its disclosures of sectoral exposures, its current approach largely frames risk around illegal deforestation only. Additional, decision-useful disclosure aligned with credible frameworks such as the Accountability Framework Initiative (AFI) that recognises both legal and illegal deforestation risks, and quantifies exposure where practicable, would be beneficial to shareholders.

Was the voting intent communicated with management ahead of the vote?: L&G 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.

Outcome: Not provided

L&G MSCI Adaptive Capped ESG Index Fund

Most significant vote – Vote: ANZ Group Holdings Limited

Resolution: Approve Strategy to Eliminate Financed Deforestation (Climate Change)

Approximate size of the fund's holding as at the date of the vote: 0.35%

Guidance – Proxy: Not provided**, Management recommendation:** Not provided

Action: For the resolution

Shareholder Resolution: A vote in favour is applied as L&G expects companies to be taking sufficient action on the key issue of climate and nature. Disclosure of a strategy to eliminate financed deforestation would provide investors with visibility on governance, targets, client expectations, controls, and escalation pathways for this financially material risk. L&G acknowledges that none of the big four Australian banks has a formal no-deforestation commitment, and that ANZ plans to strengthen due diligence processes and review exposure to potential deforestation risk, informed by engagement with the Accountability Framework Initiative (AFI) or its delivery partners in 2026, and has set expectations for land and forest sector clients aligned to high standards via certification for soy and palm oil. However, concerns remain regarding the lack of disclosure of specific and quantified processes for identifying and addressing deforestation, including consequences for adverse findings. A clear, board-overseen strategy and disclosure is considered beneficial for shareholders.

Was the voting intent communicated with management ahead of the vote?: L&G 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.

Outcome: Not provided

Most significant vote – Vote: International Business Machines Corporation

Resolution: Elect Director Andrew N. Liveris (DEI)

Approximate size of the fund's holding as at the date of the vote: 0.22%

Guidance – Proxy: Not provided**, Management recommendation:** Not provided

Action: Against the resolution

A vote against is applied as L&G expects a company to have at least one-third of women on the board.

Was the voting intent communicated with management ahead of the vote?: L&G 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.

Outcome: Not provided

Most significant vote – Vote: The Toronto-Dominion Bank

Resolution: Annual Energy Supply Ratio Disclosure (Climate Change)

Approximate size of the fund's holding as at the date of the vote: 0.20%

Guidance – Proxy: Not provided**, Management recommendation:** Not provided

Action: For the resolution

Shareholder Resolution: A vote in favour of this proposal is applied. L&G expects the company to be undertaking appropriate analysis and reporting on climate change matters, as we consider this issue to be a material risk to companies.

Was the voting intent communicated with management ahead of the vote?: L&G 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.

Outcome: Failed

L&G UK Equity Index Fund

Most significant vote – Vote: London Stock Exchange Group plc

Resolution: Re-elect Don Robert as Director (DEI)

Approximate size of the fund's holding as at the date of the vote: 2.36%

Guidance – Proxy: Not provided**, Management recommendation:** Not provided

Action: Against the resolution

A vote against is applied because of a lack of progress on gender diversity on the board. L&G expects companies to have at least 40% female representation on the board.

Was the voting intent communicated with management ahead of the vote?: L&G 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.

Outcome: Passed

Most significant vote – Vote: Rio Tinto Plc

Resolution: Approve Climate Action Plan (Climate Change)

Approximate size of the fund's holding as at the date of the vote: 1.99%

Guidance – Proxy: Not provided**, Management recommendation:** Not provided

Action: For the resolution

The mining and diversified metals sector produces minerals that are essential to the energy transition. L&G believes that long-term, responsible investors, such as L&G Asset Management, can support these companies as they decarbonise. Last year, L&G published its updated framework for assessing mining company climate transition plans. Rio Tinto is making significant strides in carrying out its core role in the transition in a sustainable manner and has demonstrated this through constructive engagement, leading to substantial alignment of its Climate Action Plan with L&G's framework. L&G especially welcomed Rio Tinto's enhanced disclosures on its plans to decarbonise its value chains, as well as the clear and quantified actions set out to meet its emission reduction targets. L&G Asset Management will therefore be supporting Rio Tinto's Climate Action Plan.

Was the voting intent communicated with management ahead of the vote?: L&G 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.

Outcome: Not provided

Most significant vote – Vote: Coca-Cola Europacific Partners plc

Resolution: Elect Sol Daurella as Director (DEI)

Approximate size of the fund's holding as at the date of the vote: 0.56%

Guidance – Proxy: Not provided**, Management recommendation:** Not provided

Action: Against the resolution

A vote against is applied because of a lack of progress on gender diversity on the board. L&G expects companies to have at least 40% female representation on the board.

Was the voting intent communicated with management ahead of the vote?: L&G 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.

Outcome: Passed

L&G World ex UK GBP Hedged Equity Index Fund

Most significant vote – Vote: Meta Platforms, Inc.

Resolution: Elect Director Peggy Alford (DEI)

Approximate size of the fund's holding as at the date of the vote: 1.59%

Guidance – Proxy: Not provided**, Management recommendation:** Not provided

Action: Against the resolution

A vote against is applied as L&G expects a company to have at least one-third women on the board.

Was the voting intent communicated with management ahead of the vote?: L&G 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.

Outcome: Not provided

Most significant vote – Vote: Broadcom Inc.

Resolution: Elect Director Henry Samueli (Climate Change)

Approximate size of the fund's holding as at the date of the vote: 1.02%

Guidance – Proxy: Not provided**, Management recommendation:** Not provided

Action: Against the resolution

A vote against is applied as the company is deemed not to have made sufficient progress against L&G's climate expectations and red lines, as set out in L&G's sector guides through L&G's dial-mover engagement programme.

Was the voting intent communicated with management ahead of the vote?: L&G 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.

Outcome: Passed

Most significant vote – Vote: Mastercard Incorporated

Resolution: Oversee and Report on a Racial Equity Audit (DEI)

Approximate size of the fund's holding as at the date of the vote: 0.60%

Guidance – Proxy: Not provided**, Management recommendation:** Not provided

Action: For the resolution

Shareholder Resolution: A vote in favour is applied as L&G supports such information and risk management approach to Diversity.

Was the voting intent communicated with management ahead of the vote?: L&G 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.

Outcome: Failed

HSBC Global Asset Management – Islamic Global Equity Index Fund

Voting Activities (DC)

- There were 1,627 eligible votes for the fund over the 12 months to 31 December 2025
- The manager exercised 97.0% of its votes over the year
- 16.0% of votes were against management and 0.0% were abstained
- 1.0% of votes were contrary to the proxy advisor's recommendation

What is HSBC's policy on consulting with clients before voting?

All client accounts for which we vote have our guidelines applied to them. A small number of clients have retained voting rights for themselves, usually to ensure consistency across managers. While we prefer to apply our guidelines due to better alignment with our investment and engagement approach, we have responded positively to questions about whether we could apply clients' own policies to segregated mandates, subject to agreement on practical arrangements. However, no clients have chosen to pursue this option yet.

For clients holding investments in pooled funds, there would be practical challenges – each vote would have to be split (which is not permitted in all markets) – to apply a different policy to a portion of a fund and could raise issues of equal treatment but we have agreed to examine these challenges and issues should a client with appropriate scale within a fund ask us to do so.

Please describe whether HSBC has made use of any proxy voter services

HSBC work with our proxy service provider (Institutional Shareholder Services), which provides research, a voting platform and disclosure services. Our Global Voting Guidelines, together with our own research, inform more granular voting policy instructions, which form the basis for custom voting recommendations for each shareholder meeting.

Please provide an overview of HSBC's process undertaken for deciding how to vote

The execution of our voting instructions is largely automated through our proxy service provider's voting platform (Institutional Shareholder Services), in line with our custom voting recommendations. However, our in-house voting operation teams may also execute votes directly on this voting platform, particularly for proposals that we think should be voted differently than the HSBC custom voting recommendation, or for voting items that have been referred to us for further consideration as part of our custom voting process.

Should an investment or stewardship team identify a proposal that should be voted differently from our custom voting recommendation, this will be discussed by the Voting Advisory Group, a designated group of specialists including relevant investment teams. The Voting Advisory Group will make a collective decision on a vote. If the Voting Advisory Group does not reach an agreement, the vote may be escalated to the ESG Investment Committee or, in some cases, the local Chief Investment Officer.

In 2025, we introduced a new framework to assess environmental and social shareholder proposals. Under this framework, we evaluate shareholder resolutions based on several factors, including alignment with our stewardship priorities; relevance of the request; how effectively we believe the resolution will bring about the change or outcome it proposes, including consideration of potential unintended negative impacts; whether the company is well placed to address the issue; the steps the company is already taking to address this issue; and the objectives of the funds that are invested in the company.

Is HSBC currently affected by any of the five conflicts listed by the PLSA (see notes) or any other conflicts across any of its holdings?

We maintain a register of potential conflicts of interest and associated mitigation activities.

For further details on conflicts of interest, please refer to HSBC AM's Conflicts of Interest Policy Summary (https://www.assetmanagement.hsbc.com/conflicts-of-interest).

Please include here any additional comments which are relevant to HSBC's voting activities or processes
Please refer to the link below for details on our Global Voting Guidelines: https://www.global.assetmanagement.hsbc.com/-/media/files/attachments/common/resource-documents/global-voting-guidelines-en.pdf
Most significant vote – Vote: Alphabet Inc. **Resolution:** Report on Meeting 2030 Climate Goals (Climate Change) **Approximate size of the fund's holding as at the date of the vote:** 8.05% **Guidance – Proxy:** Not provided**, Management recommendation:** Against **Action:** For the resolution Shareholder resolution: HSBC voted for the resolution as it believes the proposal would lead to the better management of climate-related risks and be in the interest of shareholders. **Was the voting intent communicated with management ahead of the vote?:** HSBC communicates its thinking on the shareholder proposals ahead of the AGM. **Outcome:** Failed **Most significant vote – Vote:** Meta Platforms, Inc. **Resolution:** Disclose a Climate Transition Plan Resulting in New Renewable Energy Capacity (Climate Change) **Approximate size of the fund's holding as at the date of the vote:** 3.95% **Guidance – Proxy:** Not provided**, Management recommendation:** Against **Action:** For the resolution Shareholder resolution: HSBC believes that the proposal would lead to the better management of climate-related risks and be in the interest of shareholders. **Was the voting intent communicated with management ahead of the vote?:** HSBC communicates its thinking on the shareholder proposals ahead of the AGM. **Outcome:** Failed **Most significant vote – Vote:** Walmart Inc. **Resolution:** Report on Reduction of Plastic Packaging and Recyclability Claims (Climate Change) **Approximate size of the fund's holding as at the date of the vote:** 1.34% **Guidance – Proxy:** Not provided**, Management recommendation:** Against **Action:** For the resolution Shareholder resolution: HSBC believes that the proposal would be in the interest of shareholders. **Was the voting intent communicated with management ahead of the vote?:** HSBC communicates its thinking on the shareholder proposals ahead of the AGM. **Outcome:** Failed

BlackRock - Emerging Markets Index Fund

Voting Activities (DC)

- There were 22,518 eligible votes for the fund over the 12 months to 31 December 2025
- The manager exercised 99% of its votes over the year
- 14% of votes were against management and 3% were abstained
- 0% of votes were contrary to the proxy advisor's recommendation

What is BlackRock's policy on consulting with clients before voting?

BlackRock Investment Stewardship's benchmark policies are the foundation for the team's stewardship activities. The policies – which are comprised of published BlackRock Investment Stewardship Global Principles, regional voting guidelines, and engagement priorities – take a financial materiality-based approach and are focused solely on advancing clients' financial interests. The policies provide clients, companies, and other external stakeholders, visibility and clarity into the core elements of corporate governance that guide BlackRock Investment Stewardship's program globally and within each regional market every year.

BlackRock Investment Stewardship's benchmark policies are reviewed annually by BlackRock Investment Stewardship and the BlackRock Investment Stewardship oversight and advisory committees, which are comprised of BlackRock senior executives with relevant experience. The policies are updated as necessary to reflect changes in market standards, evolving governance practices, and insights gained from engagements with companies and clients.

BlackRock Investment Stewardship's benchmark policies, and the vote decisions made consistent with those policies, reflect the team's reasonable and independent judgment of what is in the long-term financial interests of clients. BlackRock Investment Stewardship does not act collectively with other shareholders or organizations in voting shares nor follows any proxy research firm's voting recommendations.

Please describe whether BlackRock has made use of any proxy voter services

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 Institutional Shareholder Services (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.

Although proxy research firms provide important data and analysis, BlackRock Investment Stewardship does not follow any proxy research firm's voting recommendations.

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.

Please provide an overview of BlackRock's process undertaken for deciding how to vote

As shareholders of public companies, BlackRock's clients have the right to vote on matters proposed by a company's management or its shareholders. Most of our clients authorize BlackRock to exercise this right

on their behalf. For those clients, and as a fiduciary, BlackRock is legally required to make proxy voting determinations in a manner that is consistent with their investment objectives. BlackRock Investment Stewardship does this by casting votes in favour of proposals that, in the team's assessment, will enhance long-term shareholder value. BlackRock Investment Stewardship's benchmark policies, and the vote decisions made consistent with those policies, reflect the team's reasonable and independent judgment of what is in the long-term financial interests of clients. BlackRock Investment Stewardship's vote decisions are informed by the team's in-depth analysis of company disclosures, third-party research, comparisons against a company's industry peers, and engagement with boards and management teams. BlackRock Investment Stewardship does not act collectively with other shareholders or organizations in voting shares nor follows any proxy research firm's voting recommendations. In addition, BlackRock Investment Stewardship does not disclose its vote intentions in advance of shareholder meetings as the team do not see it as its role to influence other investors' proxy voting decisions. BlackRock Investment Stewardship's role is to convey to a company its view on how its board and management are fulfilling their responsibilities to our clients as minority shareholders. The vast majority of the team's voting decisions are straightforward applications of the BlackRock Investment Stewardship benchmark policies and are determined by the relevant voting analyst, in consultation with team members or the regional BlackRock Investment Stewardship head, as necessary. That said, BlackRock Investment Stewardship's benchmark policies are not prescriptive and take into consideration the context in which companies are operating their businesses. BlackRock Investment Stewardship analysts may, in the exercise of their professional judgment, conclude that the benchmark policies do not cover the specific matter upon which a proxy vote is required or that an exception to the guidelines would be in the long-term financial interests of BlackRock's clients. Generally, BlackRock Investment Stewardship supports the vote recommendations of the board of directors and management. When BlackRock Investment Stewardship determines it is in BlackRock's clients' financial interests to convey concern to companies through voting, the team may do so in two forms: it might not support the election of directors or other management proposals, or it might not support management's voting recommendation on a shareholder proposal. In certain markets, proxy voting involves logistical issues which can affect BlackRock's ability to vote, as well as the desirability of voting. In these cases, BlackRock votes on a "best efforts" basis. In addition, BlackRock Investment Stewardship may determine that it is generally in the long-term financial interests of BlackRock's clients not to vote proxies (or not to vote the full allocation) if the costs (including but not limited to opportunity costs associated with share-blocking constraints) associated with exercising a vote are expected to outweigh the benefit the affected clients would derive by voting on the proposal.
Is BlackRock currently affected by any of the five conflicts listed by the PLSA (see notes) or any other conflicts across any of its holdings? Conflicts of interest are managed in accordance with BlackRock Investment Stewardship's policies and procedures, which is available here: https://www.blackrock.com/corporate/literature/publication/blk-statement-conflicts-of-interest.pdf
Please include here any additional comments which are relevant to BlackRock's voting activities or processes No comments

Most significant vote – Vote: Shaanxi Coal Industry Co., Ltd

Resolution: Elect Dan Yong as Director

Approximate size of the fund's holding as at the date of the vote: Not provided.

Guidance – Proxy: Not provided**, Management recommendation:** For.

Action: Against the resolution.

The Company does not meet our aspirations of having adequate climate risk disclosures against all 4 pillars of TCFD.

Was the voting intent communicated with management ahead of the vote?: BlackRock endeavours to communicate to companies when it intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. It publishes voting guidelines to help clients and companies understand its thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which it assesses a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. It applies its guidelines pragmatically, taking into account a company's unique circumstances where relevant. Its voting decisions reflect its analysis of company disclosures, third-party research and, where relevant, insights from recent and past company engagement and its active investment colleagues.

Outcome: Not Provided

Most significant vote – Vote: PT Bank Central Asia Tbk

Resolution: Approve Changes in the Boards of the Company
Approximate size of the fund's holding as at the date of the vote: Not provided.

Guidance – Proxy: Not provided**, Management recommendation:** For

Action: Against the resolution.

Greater climate-related disclosure, including relevant metrics and targets, would enable investors to better assess climate-related investment risks and opportunities.

Was the voting intent communicated with management ahead of the vote?: BlackRock endeavours to communicate to companies when it intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. It publishes voting guidelines to help clients and companies understand its thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which it assesses a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. It applies its guidelines pragmatically, taking into account a company's unique circumstances where relevant. Its voting decisions reflect its analysis of company disclosures, third-party research and, where relevant, insights from recent and past company engagement and its active investment colleagues.

Outcome: Not Provided

Most significant vote – Vote 3: Air China Limited

Resolution: Elect Patrick Healy as Director

Approximate size of the fund's holding as at the date of the vote: Not provided.

Guidance – Proxy: Not provided, **Management recommendation:** For

Action: Against the resolution

Greater board-level oversight of climate-related risks would result in more comprehensive risk management and potentially improved financial outcomes for shareholders. Greater climate-related disclosure, including disclosure aligned with all four pillars of TCFD, would enable investors to better assess climate-related risks and opportunities. Greater climate-related disclosure, including relevant metrics and targets, would enable investors to better assess climate-related investment risks and opportunities.

Was the voting intent communicated with management ahead of the vote?: BlackRock endeavours to communicate to companies when it intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. It publishes voting guidelines to help clients and companies understand its thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which it assesses a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. It applies its guidelines pragmatically, taking into account a company's unique circumstances where relevant. Its voting decisions reflect its analysis of company disclosures, third-party research and, where relevant, insights from recent and past company engagement and its active investment colleagues.

Outcome: Not Provided

Notes:

1. The following five conflicts were provided to investment managers and have been sourced from the Vote reporting template for pension scheme implementation statement issued by the Pensions and Lifetime Savings Association ("PLSA"):
    a) The asset management firm overall has an apparent client-relationship conflict e.g. the manager provides significant products or services to a company in which it also has an equity or bond holding;
    b) Senior staff at the asset management firm hold roles (e.g. as a member of the Board) at a company in which the asset management firm has equity or bond holdings
    c) The asset management firm's stewardship staff have a personal relationship with relevant individuals (e.g. on the Board or the company secretariat) at a company in which the firm has an equity or bond holding
    d) There is a situation where the interests of different clients diverge. An example of this could be a takeover, where one set of clients is exposed to the target and another set is exposed to the acquirer
    e) There are differences between the stewardship policies of managers and their clients