

## **AB InBev UK Limited Pension Plan (the “Plan”) – DC Section and Former SAB Section**

# **AB InBev Pension Plan (the “Plan”) – DC Section and Former SAB Section Annual Statement of Investment Principles Implementation Statement – 31 December 2022**

## **Introduction**

This Statement, written for the benefit of the members of the AB InBev Pension Plan (the “Plan”), sets out how, and the extent to which, the Statement of Investment Principles (“SIP”) produced by the Trustee has been followed over the 12 months to 31 December 2022.

The SIP is a document drafted by the Trustee in order to help govern the Plan’s investment strategy. It details a range of investment-related policies for the DC Sections, a summary of which is included in the sections below, alongside the relevant actions taken by the Trustee in connection with each of these policies.

In September 2021, the Trustee welcomed members into the Plan from the pension arrangement of SAB, a company AB InBev acquired in 2016. As part of the Former SAB members joining the Plan, the Trustee chose, at that time, not to change where those members are invested or who administrated those benefits. As a result there are now two distinct sections of the Plan, the Former SAB section (DC only) and the AB InBev Section (DB and DC). This Statement will cover both the Former SAB section and the AB InBev DC Section.

This Statement is based on, and should be read in conjunction with, the relevant version of the SIPs that were in place for the Plan Year. Prior to March 2022, separate SIPs were in place for the two sections, during the year, the Trustee put in place a SIP covering both sections.

Pages 1 and 2 sets of this Statement out the investment objectives of the Plan and details any review of the SIP during the year. Pages 3 to 11 of this Statement sets out how, and the extent to which, the policies in the DC Sections of the SIPs have been followed. Pages 12 to 19 include information on the engagement and key voting activities of the underlying investment managers within each Section of the Plan.

A copy of the AB InBev SIP dated March 2022 is available at <https://abinbevukpensionplans.com/fidelity>.

## **Statement of Investment Principles**

### **Investment Objectives of the Plan**

The Trustee believes it is important to consider the policies in place in the context of the objectives they have set. The investment objectives for the DC Section as set out in the March 2022 SIP are as follows:

- To offer members a pre-defined lifestyle switching strategy as the default option and ensuring that the investment strategy allows members to plan for retirement;
- To make some funds available which provide an opportunity for good long term rates of return;

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- To make other pre-defined lifestyle switching strategies available which seek to offer protection for members’ accumulated assets against sudden (and sustained) reductions in capital values or in the amount of pension that can be purchased;
- To consider the cost and complexity of the Plan’s investment range in terms of administration and communication; and;
- To offer members the choice to tailor the investments to their own personal and financial circumstances.

### **Review of the SIPs**

In March 2022, following the consolidation of the Former SAB section and the AB InBev Section, the Trustee put in place a SIP covering both Sections.

### **Assessment of how the policies in the SIPs have been followed for the year to 31 December 2022**

The information provided in this section highlights the work undertaken by the Trustee during the year, and longer term where relevant, and sets out how this work followed the Trustee’s policies in the SIP relating to the DC Sections of the Plan.

**In summary, it is the Trustee’s view that the policies in the SIP have been followed during the Plan Year.**

## AB InBev UK Limited Pension Plan (the “Plan”) – DC Section and Former SAB Section



### Strategic Asset Allocation

#### Kinds of investments to be held and the balance between different kinds of investments

##### Policy

**Both Sections:** The Trustee has made available a default option. The default option places the emphasis on aiming to deliver a good level of real return over members’ working lifetimes (whilst mitigating risk through diversification) and also encompasses a switch into asset classes designed to reduce the volatility of members’ account values, in the years approaching their selected target retirement age. The Trustee believes that members should make their own investment decisions based on their individual circumstances.

The Trustee regards their duty as making available a range of suitable pooled investment vehicles sufficient to enable members, where they choose to, to tailor the investment strategy to their own needs. Members can combine the investment funds in any proportion in order to determine the balance between different kinds of investments.

##### How has this policy been met over the Plan Year?

**Both Sections:** The investments (fund type, management style and asset allocations) used in the default investment options and wider fund range are consistent with what has been set out in the SIP and members can choose what investment funds or options to invest in. No changes to the investment options were made during the Plan Year. The investment arrangements for the AB InBev DC Section were last reviewed in 2020. The investment arrangements for the Former SAB Section were last reviewed by the Trustee of the SAB UK Staff Pension Scheme in May 2020 prior to the consolidation with the Plan.

The Trustee formally reviews the default investment option within each section at least every 3 years or immediately following any significant change in the investment policy or the Plan’s member profile. The strategy review for the both sections is due to take place in 2023.

#### Expected return on investments

**Both Sections:** In designing the default option, the Trustee has explicitly considered the trade-off between risk and expected returns.

Members can combine the investment funds in any proportion in order to determine the balance between different kinds of investments. This will also determine the expected return on a member’s assets and should be related to the member’s own risk appetite and tolerances. Each of the available funds is considered to be diversified across a reasonable number of underlying holdings / issuers.

##### How has this policy been met over the Plan Year (for both sections)?

**Both Sections:** Monitoring reports from the Plan’s providers (Aegon for the Former SAB Section and Fidelity for the AB InBev DC Section) are reviewed by the Trustee on a quarterly basis. These reports include the performance of the funds that make up the default investment option within each section and the self-select range. The monitoring reports include how each fund has performed against its specific benchmark and target(s). Should the Trustee have any concerns around performance further detail would be requested from the investment manager.

## AB InBev UK Limited Pension Plan (the “Plan”) – DC Section and Former SAB Section

### Risks, including the ways in which risks are to be measured and managed

#### Policy

**Both Sections:** In deciding on the options to be made available to members, the Trustee has considered risk from a number of perspectives. The Trustee considered both quantitative and qualitative measures as well as how best to manage the various risks facing members. In addition to members being given an assessment of the risk attached to each fund through communication material provided by the investment provider, the Trustee also encourages members to take independent financial advice.

The risks below are not exhaustive, but cover the main risks considered by the Trustee to be financially material. A table is provided on Section 4 of the SIPs outlining the risks, how they are managed and how they are measured.

- Inflation Risk
- Currency Risk
- Credit Risk
- Equity Property
- Inadequate Diversification
- Environmental, Social and Corporate Governance Risk
- Investment Manager Risk
- Liquidity Risk
- Pension Conversion Risk
- Underperformance of Expectations Risk

The Trustee is aware that members have differing time horizons within the Plan and as such, offers 3 lifestyle strategies that helps to manage a number of risks for members as they approach retirement.

#### How has this policy been met over the Plan Year?

**Both Sections:** The Trustee continues to provide a range of investments which enable members to reflect in their selection of funds the level or risk they wish to take in light of their own individual circumstances. In member facing communications, the Trustee highlights a number of risks that a member may face as a result of investing in any particular funds.

As detailed in the risk table in the SIP, the Trustee considers both quantitative and qualitative measures for risks when deciding investment policies, strategic asset allocation, the choice of fund managers / funds / asset classes. The Trustee reviews these risks (e.g. investment manager risk, inflation and currency risk) on a quarterly basis during the year as part of their regularly investment performance monitoring. The investment arrangements for the AB InBev DC Section were last reviewed in August 2020. The investment arrangements for the Former SAB Section were last reviewed by the Trustee of the SAB UK Staff Pension Scheme in May 2020, prior to the consolidation with the Plan.

## AB InBev UK Limited Pension Plan (the “Plan”) – DC Section and Former SAB Section



### Investment Mandates

#### Securing compliance with the legal requirements about choosing investments

##### Policy

**Both Sections:** As required under the Act, in preparing the Statement the Trustee has consulted a suitably qualified adviser in obtaining written advice from Mercer. The Trustee, in preparing this Statement, has also consulted Budweiser Brewing Group / AB InBev UK Ltd. The advice received and arrangements implemented are in the Trustee’s opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended).

##### How has this policy been met over the Plan Year?

**Both Sections:** Over the Plan year to 31 December 2022, the Trustee made no changes to the Plan’s investments that would require them to seek formal, written advice. However, the Trustee does take advice when required and ahead of any investment changes.

#### Realisation of Investments

##### Policy

**Both Sections:** The selection, retention and realisation of assets within the pooled funds are delegated to the respective underlying fund managers in line with the mandates of the funds. Likewise, the underlying fund managers have full discretion (within the constraints of their mandates) on the extent to which social, environmental or ethical considerations are taken into account in the selection, retention and realisation of investments.

All funds are daily-dealt pooled investment arrangements, with assets mainly invested in regulated markets, and therefore should be realisable at short notice, based on member demand, however, the Trustee accepts that property in particular can be subject to periods of illiquidity during extreme market conditions.

##### How has this policy been met over the Plan Year?

**Both Sections:** The funds used are accessed via an Investment Platform and are held through a long-term insurance policy issued by Fidelity for the AB InBev DC Section, and Aegon for the Former SAB Section. The Trustee has legal and beneficial ownership of this policy. The funds accessed invest in daily traded pooled investment funds which hold liquid assets; this is consistent with the policy in the SIP. Consistent with the SIP, the investment funds are commingled investment vehicles which are managed by various investment managers. The selection, retention and realisation of assets within the pooled funds are managed by the respective investment managers in line with the mandates of the funds. There were no liquidity issues over the year.

## AB InBev UK Limited Pension Plan (the “Plan”) – DC Section and Former SAB Section



### Monitoring the Investment Managers

#### Incentivising asset managers to align their investment strategies and decisions with the Trustee’s policies

##### Policy

The 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.

As the Trustee invests in pooled investment funds, it accepts that it cannot specify the risk profile and return targets for these funds. However, appropriate funds are selected to align with the overall investment strategy.

##### How has this policy been met over the Plan Year?

**Both Sections:** As set out in the SIP, the Trustee appoints investment managers to align with their investment strategy and policies. Consideration of the alignment of the funds used by the Plan with the Trustee’s investment strategy typically forms part of formal investment reviews. Both the Former SAB Section and AB InBev DC Section will be undergoing a formal investment strategy review during 2023.

In addition, in the year to 31 December 2022, the Trustee reviewed the performance of the Plan on a quarterly basis to ensure funds remained suitable and aligned with expectations. As part of the Trustee’s annual value for members’ assessment, the Trustee considers their investment advisors fund ratings.

#### Evaluation of asset managers' performance and remuneration for asset management services

##### Policy

**Both Sections:** The Trustee receives investment manager performance reports on a quarterly basis, which present performance information over 3 months, 1 year and 5 years. The manager also provides reports, which cover performance, governance and transaction information. The Trustee reviews the absolute performance and relative performance against a suitable index used as the benchmark. The Trustee’s focus is primarily on long-term performance but short-term performance is also reviewed.

If a manager is not meeting performance objectives, or their investment objectives for the mandate have changed, the Trustee will review the fund appointment to ensure it remains appropriate and consistent with the Trustee’s wider investment objectives and may ask the manager to review their fees instead of terminating the mandate.

Value for money is also a key consideration and, as part of the annual Value for Members (“VFM”) assessment, the Trustee reviews investment manager fees and turnover costs.

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Where appointments are for actively-managed mandates, the managers are incentivised through performance targets. An appointment will be reviewed following periods of sustained underperformance. The Trustee will regularly review the appropriateness of using actively managed funds (on an asset class basis).

### **How has this policy been met over the Plan Year?**

**Both Sections:** The Trustee reviewed the investment performance at the quarterly meetings. Whilst the Trustee’s focus has been on long-term performance, they also take shorter-term performance into account. The Trustee notes 2022 has been a difficult period for members and will closely monitor performance in the short term.

If an underlying manager is not meeting performance objectives, or their investment objectives for the fund have changed, the Trustee may review the suitability of the manager, and change managers where required, taking formal advice as required. However, no changes have been made during the Plan year.

As part of their annual Value for Money (“VfM”) assessment for the year to 31 December 2022, the Trustee reviewed the investment manager fees. The Trustee is considering the conclusions of this assessment and will take action as required.

## **Incentivising 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**

### **Policy**

**Both Sections:** The Trustee’s policy is that day-to-day decisions relating to the selection, retention and realisation of the Plan’s investments are left to the discretion of the investment managers. This includes consideration of all financially material factors, including ESG-related issues where relevant. The Trustee explores these issues with its advisers to understand how the investment managers exercise these duties in practice.

### **How has this policy been met over the Plan Year?**

**Both Sections:** The Trustee received investment manager performance reports on a quarterly basis, which presented performance information over 3 months, 1 year, 3 years and 5 years. The Trustee reviewed the absolute and relative performance against a suitable index used as the benchmark, and against the underlying manager’s stated target performance (over the relevant time period) - all on a net of fees basis.

The Trustee considers their Investment Consultant’s assessment of how each investment manager embeds ESG into its investment process. ESG matters are considered as part of the retention of existing managers as part of investment reviews, or as part of the appointment of new investment managers.

Investment managers are aware that their continued appointment relies on their success in delivering the mandate for which the Trustee has appointed them.

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### Monitoring portfolio turnover costs

#### Policy

**Both Sections:** The Trustee reviews the DC Section’s portfolio turnover costs as part of the annual value for money assessment.

#### How has this policy been met over the Plan Year?

**Both Sections:** Over the year, the Trustee considered the DC Section’s portfolio turnover costs as part of the annual Value for Members assessment. While the transaction costs provided appear to be reflective of costs expected of the various assets classes and markets that the Plan invests in, there is not as yet any “industry standard” or universe to compare these to. As the Scheme invests in pooled funds, the Trustee is unable to define target portfolio turnover ranges, but will engage with underlying investment manager if portfolio turnover is higher than expected

### The duration of the arrangements with asset managers

#### Policy

**Both Sections:** All the funds are open-ended with no set end date for the arrangement. The fund range and default strategy are reviewed on at least a triennial basis. A manager’s appointment may be terminated if it is no longer considered to be optimal nor have a place in the default strategy or general fund range.

#### How has this policy been met over the Plan Year?

Over the year, the Trustee received investment performance reports on a quarterly basis for all of the funds within the fund range. The Trustee notes 2022 has been a difficult period for investors. However, no immediate changes have been made and the Trustee will closely monitor performance in the short term.



## AB InBev UK Limited Pension Plan (the “Plan”) – DC Section and Former SAB Section



### ESG Stewardship and Climate Change

#### Financial and non-financial considerations and how those considerations are taken into account in the selection, retention and realisation of investments

##### Policy

**Both Sections:** The Trustee’s policy is that day-to-day decisions relating to the selection, retention and realisation of the Plan’s investments are left to the discretion of the investment managers. This includes consideration of all financially material factors, including ESG-related issues where relevant. The Trustee explores these issues with its advisers to understand how the investment managers exercise these duties in practice.

The Trustee recognises the UK Stewardship Code as best practice and encourages its investment managers to comply with the UK Stewardship Code or explain where they do not adhere to this policy.

The Trustee does not actively canvass members to ascertain their investment views; however, if a member expressed an investment preference the Trustee would consider the implications

Section 4 of the SIP also sets out the main risks considered by the Trustee to be financially material.

##### How has this policy been met over the Plan Year?

As set out in the SIP, day-to-day decisions relating to the selection, retention and realisation of the Plan’s investments are left to the discretion of the investment managers, including ESG-related issues where relevant. The Trustee notes that all investment managers used by the AB InBev DC Section and Former SAB Section are signatories of the UK Stewardship Code.

The Trustee considers their Investment Consultant’s assessment of how each investment manager embeds ESG into its investment process. ESG matters are considered as part of the retention of existing managers as part of investment reviews, or as part of the appointment of new investment managers.

Over the year, the Trustee put in place a framework that would be used to assess the Plan’s investments against the Task Force on Climate Related Financial Disclosures (“TCFD”). The Trustee first TCFD report, as at 31 December 2022, will be published online by the end of July 2023.

No investment preferences have been expressed by any members during the Plan year.

Actions and work related to the main risks considered by the Trustee to be financially material have been covered earlier in this Statement.

## AB InBev UK Limited Pension Plan (the “Plan”) – DC Section and Former SAB Section



### Voting and Engagement Disclosures

**The exercise of the rights (including voting rights) attaching to the investments and undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the Trustee would monitor and engage with relevant persons about relevant matters).**

#### Policy

When considering the appointment of new managers, and reviewing existing managers, the Trustee, together with its investment consultant, looks to take account of the approach taken by managers with respect to sustainable investing including voting policies and engagement where relevant.

The Trustee’s policy is to delegate responsibility for the exercising of ownership rights (including voting rights) attached to investments to the investment managers. However we may, where possible, instruct our passive manager to vote as the Trustee may wish on any particular issue.

The Trustee is satisfied that the policy above corresponds with their responsibilities to the beneficiaries. The Trustee recognises the UK Stewardship Code as best practice and encourages its investment managers to comply with the UK Stewardship Code or explain where they do not adhere to this policy.

#### How has this policy been met over the Plan Year?

The Trustee does not own securities directly and therefore, in effect, delegates voting to the investment managers, through investment in pooled funds. As such, this activity is expected to be undertaken on behalf of the Trustee. The Trustee does not use the direct services of a proxy voter; however, the investment managers may enlist the service of a proxy voter when required. There has been no significant change in this policy during the year, which continues to reflect the Trustee’s current practice.

The Trustee notes that all investment managers used by the AB InBev DC Section and Former SAB Section are signatories of the UK Stewardship Code.

## AB InBev UK Limited Pension Plan (the “Plan”) – DC Section and Former SAB Section

### Engagement Policy Statement

#### Stewardship Priorities

The Plan invests solely in pooled funds. As such, voting rights are delegated to the investment managers and the Trustee expects their investment managers to engage with the investee companies on their behalf. However, the Trustee has also considered what the Plan’s stewardship priorities should be as a result of the new requirements introduced this year for the SIP Implementation Statement in relation to ‘significant votes’.

Following the DWP’s consultation response and outcome regarding Implementation Statements on 17 June 2022 updated guidance was produced which is effective for all scheme year ends on or after 1 October 2022. The updated Guidance requires trustees to include a description of what they believe to be a significant vote within the Implementation Statement. The voting information should also include details explaining why each vote has been categorised as most significant, what the vote was, and why the manager voted in the way it did.

The Trustee agreed the below areas of focus for the Plan. For reference, the suggestion is to give more focus to fewer topics with appropriate strength, than to too many topics, which may lead to low impact in the end.

- **Climate Change** (e.g. a vote on a company’s carbon disclosures)
- **Human rights** (e.g. modern slavery, pay & safety in workforce and supply chains)
- **Corporate governance** (e.g. diversity, equity and inclusion)

These areas have been selected as the Trustee believes them to be the financially material in terms of both risk and opportunity and/or carry most reputational risk and, as a result, areas of focus that are in members’ best interests. Although, the Trustee has not made the investment managers’ aware their stewardship priorities, it notes that these priorities are broadly aligned with the areas the Plan’s investment managers are currently focusing on in terms of voting and engagement.

Later in this Statement, the Trustee has set out the ‘most significant votes’ in relation to Plan’s investments. The Trustee has reviewed the information provided by the managers on voting and highlighted the votes that focus on the stewardship priority areas above. The Trustee has weighted this analysis towards the funds holding the largest value of member savings and the companies that represent the largest underlying holdings within those funds.

#### The funds where voting activity has been analysed

Over the prior 12 months, the Trustee has not actively challenged the managers on its voting activity. The Trustee does not use the direct services of a proxy voter.

The majority of voting activity will arise in public equity funds. However, voting opportunities may arise in other asset classes such as certain bonds, property, private equity and multi-asset funds. However, the Trustee has only received information relating to public equity funds this year. The list below show the funds used by the Former SAB Section and AB InBev DC Section that have a public equity component.

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### Former SAB section (funds used in the default strategy with an equity component)

- Designated Global Growth Multi Asset
  - o BlackRock Market Advantage
  - o LGIM Diversified
  - o BlackRock 30/70 Equity

### AB InBev section (funds used in the default strategy with an equity component)

- AB InBev Long Term Growth Fund
  - o AB InBev Diversified
  - o BlackRock UK Equity
  - o BlackRock 30/70 Global Equity Currency Hedged
  - o BlackRock World Ex-UK Equity

Voting and engagement activity was requested from all providers but has not been received at the completion date of this statement for all funds described above. At the time of writing, the Trustee hasn't received the voting activity for the BlackRock Market Advantage Fund, but continues to seek this information.

### Engagement Activity by the Plan's Equity Investment Managers

The following are details of engagement activity undertaken by the Plan's equity investment managers, used within the default strategies.

Fund	Number of engagements undertaken at a firm level in the year	Split between E, S and G of engagements	% of engagements pertaining to climate issues	% of engagements pertaining to Board Diversity
<b>LGIM Retirement Income Multi-Asset (RIMA)</b>	703 company engagements	E = 13%; S = 6%; G = 13%	Climate Change: 20%	Company Disclosure & Transparency: 16%
<b>BlackRock DC 30/70 Hedged Global Equity</b>	2,223 company engagements	E = 56%; S = 41%; G = 90%	Climate Risk Management: 49% / Environmental Impact Management: 12%	Board Composition & Effectiveness: 46%

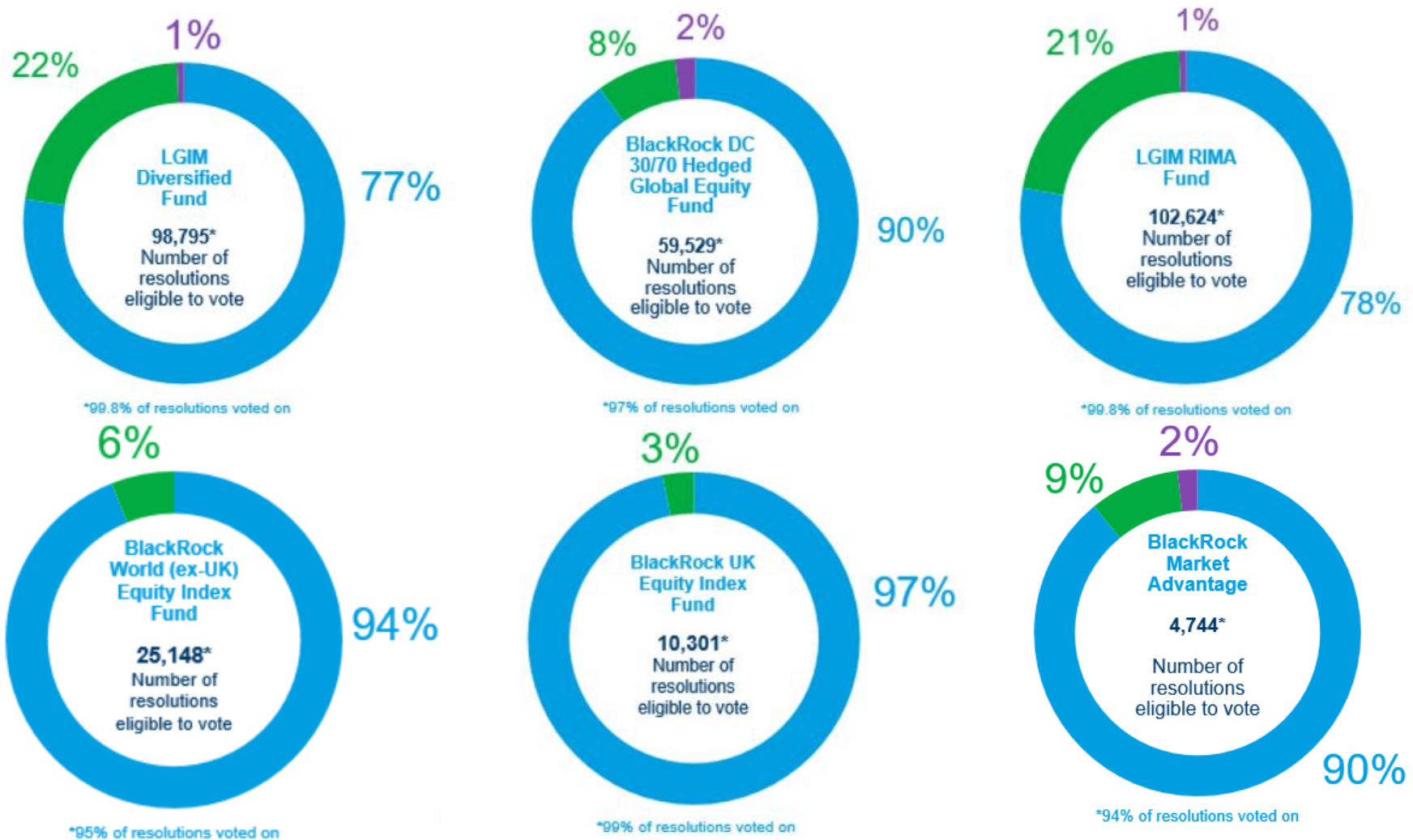
## AB InBev UK Limited Pension Plan (the “Plan”) – DC Section and Former SAB Section

Fund	Number of engagements undertaken at a firm level in the year	Split between E, S and G of engagements	% of engagements pertaining to climate issues	% of engagements pertaining to Board Diversity
<b>LGIM Diversified Fund</b>	674 company engagements	E = 14%; S = 9%; G = 13%	Climate Change: 21%	Company Disclosure & Transparency: 17%
<b>BlackRock UK Equity Index Fund</b>	2,921 company engagements	E = 55%; S = 39%; G = 90%	Climate Risk Management: 48% / Environmental Impact Management: 12%	Board Composition & Effectiveness: 47%
<b>BlackRock World (ex-UK) Equity Index</b>	1,474 company engagements	E = 56%; S = 44%; G = 90%	Climate Risk Management: 48% / Environmental Impact Management: 11%	Board Composition & Effectiveness: 45%
<b>BlackRock Market Advantage Fund</b>	363 company engagements	E = 54%; S = 55%; G = 93%	Climate Risk Management: 51% / Environmental Impact Management: 0%	Board Composition & Effectiveness: 42%

## AB InBev UK Limited Pension Plan (the 'Plan') – DC Section

### Voting Activity during the Plan year

Set out below is a summary of voting activity for this reporting period relating to the default strategies in the DC Sections of the Plan. **Votes “for / against management”** assess how active managers are in voting for and against management. **Purple** represents abstention.



Source: Fidelity and investment managers, Fidelity and investment managers as at 31 December 2022, figure may not sum due to rounding.

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### Significant votes

The information in this section has been provided directly by the investment managers. The managers have provided detailed information on their voting. The Trustee has considered this information and disclosed the votes that they deem to be most significant. A “significant vote” is defined as one that is linked to the Plan’s stewardship priorities/themes. These priorities were set out earlier in this Statement. The Trustee has weighted this analysis towards the funds with the largest asset value in the AB InBev DC Section and Former SAB Section, and companies that have the largest holdings within those funds (i.e. significant holdings).

The final outcome column below represents the result of the Resolution after all the votings: Passed (✓) or Not-Passed (✗).

Fund	Company	Portion of holding (%)	Date	How the manager voted	Summary of the Resolution	Rationale for the Manager vote	Why Vote is Significant for the Trustee	Final outcome
	Amazon.com, Inc.	2.15	25/05/2022	Against	Report on Median Gender/Racial Pay Gap	The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures.	The Trustee has deemed votes related to the <b>human rights</b> to be a significant vote	✗
BlackRock World (ex-UK) Equity Index	Alphabet Inc.	2.77	01/06/2022	For	Report on Metrics and Efforts to Reduce Water Related Risk	The company believes it is in the best interests of shareholders to have access to greater disclosure on this issue.	The Trustee has deemed votes related to the <b>climate change</b> risks, policies and activities to be a significant vote	✗
	Alphabet Inc.	2.77	01/06/2022	Against	Elect Director Ann Mather	Nominee serves on an excessive number of public company boards, which we believe raises substantial concerns about the director's ability to exercise sufficient oversight on this board.	The Trustee has deemed votes related to <b>governance</b> to be a significant vote.	✓
BlackRock DC 30/70 Hedged Global Equity	Samsung Electronics Co., Ltd.	0.40	16/03/2022	For	Elect Kim Han-jo as a Member of Audit Committee	Not provided	The Trustee has deemed votes related to <b>governance</b> to be a significant vote.	✓

## AB InBev UK Limited Pension Plan (the 'Plan') – DC Section and Former SAB Section

Fund	Company	Portion of holding (%)	Date	How the manager voted	Summary of the Resolution	Rationale for the Manager vote	Why Vote is Significant for the Trustee	Final outcome
LGIM RIMA	Prologis, Inc.	0.25	04/05/2022	Against	Elect Director Hamid R. Moghadam	A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight. Independence and expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.	The Trustee has deemed votes related to <b>governance</b> to be a significant vote.	<input checked="" type="checkbox"/>
	Apple Inc.	0.25	04/03/2022	For	Report on Civil Rights Audit	A vote in favour is applied as LGIM supports proposals related to diversity and inclusion policies as we consider these issues to be a material risk to companies.	The Trustee has deemed votes related to the <b>human rights, diversity and inclusion</b> to be a significant vote	<input checked="" type="checkbox"/>
	Royal Dutch Shell Plc	0.24	24/05/2022	Against	Approve the Shell Energy Transition Progress Update	A vote against is applied, though not without reservations. LGIM acknowledge the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030, as well as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, LGIM remain concerned of the disclosed plans for oil and gas production, and would benefit from further disclosure of targets associated with the upstream and downstream businesses.	The Trustee has deemed votes related to the <b>climate change</b> risks, policies and activities to be a significant vote	<input checked="" type="checkbox"/>



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Fund	Company	Portion of holding (%)	Date	How the manager voted	Summary of the Resolution	Rationale for the Manager vote	Why Vote is Significant for the Trustee	Final outcome
BlackRock UK Equity Index Fund	Rio Tinto Plc	2.32	08/04/2022	Against	Approve the Spill Resolution	BlackRock believes this proposal is not in the best interest of shareholders.	The Trustee has deemed votes related to the <b>climate change</b> risks, policies and activities to be a significant vote	<input type="checkbox"/>
	Rio Tinto Plc	2.32	08/04/2022	For	Reappoint KPMG LLP as Auditors	Not provided	The Trustee has deemed votes related to <b>governance</b> to be a significant vote.	<input checked="" type="checkbox"/>
	Glencore Plc	2.32	28/04/2022	For	Approve Climate Progress Report	Not provided	The Trustee has deemed votes related to the <b>climate change</b> risks, policies and activities to be a significant vote	<input checked="" type="checkbox"/>
LGIM Diversified Fund	Union Pacific Corporation	0.36	12/05/2022	Against	Elect Director Lance M. Fritz	A vote against is applied as LGIM expects companies not to recombine the roles of Board Chair and CEO without prior shareholder approval.	The Trustee has deemed votes related to <b>governance</b> to be a significant vote.	<input checked="" type="checkbox"/>
	NextEra Energy, Inc.	0.34	19/05/2022	Against	Elect Director Rudy E. Schupp	A vote against is applied as LGIM expects a company to have at least 25% women on the board with the expectation of reaching a minimum of 30% of women on the board by 2023. We are targeting the largest companies as we believe that these should demonstrate leadership on this critical issue. LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.	The Trustee has deemed votes related to <b>governance and independence</b> to be a significant vote.	<input checked="" type="checkbox"/>

## AB InBev UK Limited Pension Plan (the 'Plan') – DC Section and Former SAB Section

Fund	Company	Portion of holding (%)	Date	How the manager voted	Summary of the Resolution	Rationale for the Manager vote	Why Vote is Significant for the Trustee	Final outcome
LGIM Diversified Fund	American Tower Corporation	0.27	18/05/2022	Against	Elect Director Robert D. Hormats	A vote against is applied as the company has an all-male Executive Committee.	The Trustee has deemed votes related to <b>governance and independence</b> to be a significant vote.	<input checked="" type="checkbox"/>
	Bank of Montreal	Not provided	13/04/2022	Against	Adopt an Annual Advisory Vote Policy on the Bank's Environmental and Climate Change Action Plan and Objectives	The company already has policies in place to address the request being made by the proposal, or is already enhancing its relevant policies.	The Trustee has deemed votes related to the <b>climate change</b> risks, policies and activities to be a significant vote	<input type="checkbox"/>
BlackRock Market Advantage Fund	China Tower Corporation Limited	Not provided	14/01/2022	Against	Elect Gao Tongqing as Director	Vote against director due to concerns of gender-related diversity at the board level	The Trustee has deemed votes related to <b>governance and board diversity</b> to be a significant vote.	<input checked="" type="checkbox"/>
	Anthem, Inc.	Not provided	18/05/2022	For	Oversee and Report a Racial Equity Audit	We believe it is in the best interests of shareholders to have access to greater disclosure on this issue.	The Trustee has deemed votes related to the <b>human rights, diversity and inclusion</b> to be a significant vote	<input type="checkbox"/>