

# YMUK Pension Plan Implementation Statement for the year ended 5 April 2022

## Purpose

This Implementation Statement provides information on how, and the extent to which, the Trustees of the YMUK Pension Plan (“the Plan”) have followed the policies documented in their Statement of Investment Principles (“SIP”) during the year ended 5 April 2022 (“the reporting year”). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

## Latest review of the Statement of Investment Principles

The Plan’s SIP was updated for both the defined benefit (“DB”) and defined contribution (“DC”) Sections in September 2020. Regulatory changes were required to cover policies on cost transparency and the Trustees’ arrangements with their Investment Managers. The updated SIP thus includes policies on how the Trustees incentivise their Investment Managers to achieve their long-term objectives, on cost transparency and on voting and stewardship.

There were no changes to the SIP during the reporting year.

## Investment-related activity during the reporting year

During the reporting year, the Trustees monitored the investment strategy of both the DB & DC Sections with the assistance of the Investment Adviser, XPS Investment. The purpose was to ensure that the investment strategies remain appropriate for achieving the Plan’s objectives as set out in the SIP, following the full review and strategic reallocation that was performed over the previous year. No strategy changes took place during the reporting year, with the strategy determined to be consistent with the Trustees’ objectives.

To better enable oversight and understanding of investment activities undertaken in relation to the Plan, the Trustees received input and training on the following investment topics:

- > Training on the Plan’s current Index-Linked Gilt holdings, how they are used to help the Plan meet its long-term objectives, and what alternatives are available.

The Trustees, with the assistance of the Plan’s Investment Adviser XPS, monitored the processes and operational behaviour of the Investment Managers throughout the reporting year, to ensure they remain appropriate and in line with the Trustees’ requirements. In addition, the Investment Managers’ asset allocation and performance was monitored by the Trustees, with quarterly reports provided by the Investment Adviser, and presented at the Trustees’ meetings. In addition, the Investment Adviser monitors manager processes (including ESG) and includes this in their reporting to the Trustees. There were no major flags identified over the reporting year.

## The Trustees’ investment policies

The Trustees have various investment policies for the Plan on the topics listed in the table below; the table also provides commentary on how and the extent to which the various policies were followed during the reporting year.

Policy	How and the extent to which the policy was followed
<b>1. General</b> The SIP will be reviewed at least annually or whenever changes to the principles or strategy are necessary. Any changes to the SIP will be undertaken having taken	The SIP was last updated in September 2020. A review was carried out during the reporting year and as there had been no strategy changes or changes to principles the SIP was not updated further.

<p>advice, as appropriate, and following consultation with the Principal Employer.</p>	<p><i>The Trustees are satisfied that they have followed this policy.</i></p>
<p><b>2. Investment Objectives</b></p> <p><b>DB Section</b></p> <p>The long-term objectives of the Plan are:</p> <ul style="list-style-type: none"> <li>- To hold suitable assets of appropriate liquidity which will generate income and capital growth to meet, together with new contributions from members and the Employer, the cost of the current and future benefits which the Plan provides, as set out in the Trust Deed and Rules.</li> <li>- To limit the risk of the assets failing to meet the liabilities over the long term, by considering the liability profile of the Plan when setting the asset allocation policy.</li> <li>- To minimise the long-term costs of the Plan by maximising the return on the assets whilst having regard to the objectives shown above.</li> <li>- To adhere to the provisions contained within the Plan’s Statement of Funding Principles.</li> </ul> <p><b>DC Section</b></p> <p>The Trustees’ objective is to provide vehicles that enable all existing members to generate suitable long-term returns, consistent with their reasonable expectations.</p>	<p>There have been no investments for the DB or DC Section of the Plan over the reporting year outside of those described in the SIP.</p> <p>For the DC Section, the Trustees consider that in making a range of investment funds available, they have provided members with funds that reflect the risk profile of most Plan members.</p> <p><i>The Trustees are satisfied that this objective has been met.</i></p>
<p><b>3. Distribution of investments</b></p> <p>The SIP describes the investment strategies as set by the Trustees for each Section.</p> <p><b>DB Section</b></p> <p>The Trustees, in conjunction with the Investment Adviser, will monitor the actual asset allocation of the Plan on a quarterly basis via the governance report.</p> <p><b>DC Section</b></p> <p>The choice of AVC providers and funds offered to members will be reviewed by the Trustees in accordance with their responsibilities, based on the result of their monitoring of performance and process. The Trustees commission regular reviews of the Plan’s DC arrangements in light of the Pension Regulator’s DC Code of Practice 13.</p>	<p>There have been no changes to the investment strategies in either Section over the reporting year. The assets of the DB Section of the Plan have been monitored on a quarterly basis via the governance report and have remained invested in line with the strategic benchmark as set out in the SIP (except for any differences due to market movements). Over the reporting year there was a new review of the DC and AVC investments in August 2021.</p> <p><i>The Trustees are satisfied that this objective has been met.</i></p>

<p><b>4. Alignment of incentives</b></p> <p>Details of each specific mandate are set out in guidelines, agreements and pooled fund documentation with each Investment Manager.</p> <p>The Investment Managers are incentivised to perform in line with expectations for their specific mandate as their continued involvement as Investment Managers as part of the Plan’s investment strategy – and hence the fees they receive – are dependent upon them doing so. They are therefore subject to performance monitoring and reviews based on a number of factors linked to the Trustees’ expectations.</p> <p>The Trustees encourage the Plan’s Investment Managers to make decisions in the long-term interests of the Plan. The Trustees expect engagement with management of the underlying issuers of debt or equity and the exercising of voting rights in line with the investment mandate guidelines provided.</p> <p>This expectation is based on the belief that such engagement can be expected to help investment managers to mitigate risk and improve long term returns.</p>	<p>Based on their monitoring of the Plan’s Investment Manager performance and XPS’s advice, the Trustees are comfortable that the Investment Managers are performing within reasonable expectations for their specific mandates.</p> <p><i>The Trustees are satisfied that this objective has been met.</i></p>
<p><b>5. Performance benchmark and expected return on investments</b></p> <p>The Trustees expect each of the funds in the DB and DC Sections in which they invest to generate returns in line with the expected returns and objectives as set out in the SIP.</p>	<p>The Trustees monitor the Investment Managers on a quarterly basis via reports from the Investment Adviser. Where a fund does not generate the expected rate of return over an appropriate timeframe the Trustees will consider what action to take. No action was required over the reporting year.</p> <p><i>The Trustees are satisfied that this objective has been met.</i></p>
<p><b>6. Risk</b></p> <p>The Trustees have considered risk from various perspectives in setting their investment policies and objectives for the DB and DC Sections of the Plan.</p> <p><b>Diversification:</b> The Trustees have sought to achieve diversification by predominantly investing in pooled funds which have investment restrictions (i.e. funds which impose concentration limits on individual positions and limits on the exposure to individual issuers).</p> <p><b>Suitability:</b> The Trustees have taken advice from the Investment Adviser to ensure that the asset allocation strategy is suitable for the Plan, given its investment objectives.</p> <p><b>Liquidity:</b> The vast majority of the non-cash assets are held in pooled funds with frequent dealing dates.</p>	<p>The Trustees have considered risks in detail over the year. The Trustees are comfortable that the policies remain appropriate and have been adhered to in any decisions made over the year.</p> <p><i>The Trustees are satisfied that this objective has been met.</i></p>

**7. Socially responsible investment and corporate governance**

The Trustees have considered their approach to environmental, social and corporate governance (“ESG”) risks and they believe there can be financially material risks relating to ESG. The Trustees have delegated the ongoing monitoring and management of ESG risks to the Plan’s investment managers. The Trustees require the Plan’s investment managers to take into consideration ESG risks within their decision-making, recognising that how they do this will be dependent on the characteristics of the asset classes in which they invest.

Furthermore, the Trustees, through the Investment Adviser, will monitor the processes and operational behaviour of the investment managers to ensure they remain appropriate and in line with the Trustees’ requirements as set out in the SIP.

Where practically possible the Trustees are keen to align their policy with the Employer’s approach to ESG for both financially material considerations and non-financial matters; where non-financial matters means the views of the members and beneficiaries on items such as: their ethical views, their views in relation to social and environmental impact, and their views on present and future quality of life of the Plan’s members and beneficiaries (for example by trying to avoid investments in manufacturers of military equipment). Notwithstanding this the Trustees’ general policy is that non-financial matters should not be taken into account in the selection, retention and realisation of investments.

Over the year the Trustees discussed the topic of ESG with XPS at the Trustee meetings. XPS liaise with the Plan’s Investment Managers on an ongoing basis to improve their ESG processes. The Investment Managers have provided information on their voting history in this implementation statement.

*The Trustees are satisfied that they have followed this policy.*

**8. Fees**

This section of the SIP sets out the Plan’s fee arrangements. The Trustees’ policy is to ensure that the fees and expenses for the Plan’s investments are consistent with levels typically available in the industry.

Over the reporting year there were two changes to the fee arrangements within the Plan’s portfolio. The Annual Management Charge (“AMC”) of the Baillie Gifford Diversified Growth Fund was reduced by 10bps to 0.55% and the AMC of the Alcentra Global Multi-Credit Solutions Fund was reduced by 30bps to 0.30%.

*These changes to the fee arrangements over the reporting year were communicated to the Trustees and the Trustees are satisfied that this section of the SIP was followed.*

**9. New policies and objectives implemented at the end of the reporting year**

The SIP was updated in September 2020 to reflect further regulatory changes which were required to expand the SIP to cover policies on cost transparency and the Trustees’ arrangements with their Investment

The Trustees have obtained the Investment Managers’ voting data as set out in this statement. The Trustees intend to ensure that they encourage engagement from the Investment Managers during future reporting years.

<p>Managers. The updated SIP includes policies on how the Trustees incentivise the Plan’s Investment Managers to achieve their long-term objectives, on cost transparency and on voting and stewardship.</p> <p>The Trustees have delegated responsibility for the exercise of rights (including voting rights) attached to the Plan’s investments to the investment managers and encourages them to vote whenever it is practical to do so.</p>	<p><i>These policies were implemented during the middle of the reporting year. The Trustees are comfortable that the policies have been fulfilled within the reporting year.</i></p>
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Overall, the Trustees are satisfied that all objectives and policies contained in the SIP were followed throughout the reporting year. In future reporting years, the Trustees intend to follow all of the new policies which were introduced during this reporting year.

## Voting

The Trustees have delegated responsibility for the exercise of rights (including voting rights) attached to the Plan’s investments to the Investment Managers. In the September 2020 update to the SIP, the Trustees stipulated that they encourage the Plan’s Investment Managers to engage with investee companies and vote whenever it is practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments.

The main asset class where the Plan’s Investment Managers will have voting rights is equities. Whilst the Plan’s DB Section does not invest directly in equities, investments in equities will form part of the strategy for the Baillie Gifford Diversified Growth Fund and the LGIM Dynamic Diversified Fund. The Plan’s DC Section invests in UK and overseas equities with both LGIM and BlackRock. In addition, investments in equities will also form part of the strategy for the LGIM Multi Asset Fund which is a self-select fund available for DC members and also forms part of the default investment option (Lifestyle Option) of the Plan. Therefore, a summary of the voting behaviour and most significant votes cast by Baillie Gifford, LGIM and BlackRock for each of the relevant funds is shown below. Based on this summary, the Trustees conclude that the Plan’s Investment Managers have exercised their delegated voting rights on behalf of the Trustees in a way that aligns with the Trustees’ relevant policies in this regard.

**Please note that the information on the managers’ voting activity has been provided by the Investment Managers, and this is reflected in the use of “we” or “our” throughout. Any opinions contained in the following pages do not necessarily reflect the views of the Trustees.**

**BlackRock have not provided voting activity on the 4 Aegon Funds.**

Signed: *Katherine Ball*, Chair of Trustees

Date: 2 November 2022

## Voting Information

### Baillie Gifford Diversified Growth Fund

The manager voted on 88.09% of resolutions of which they were eligible out of 1537 eligible votes.

## Investment Manager Client Consultation Policy on Voting

All voting decisions are made by our Governance & Sustainability team in conjunction with investment managers. We do not regularly engage with clients prior to submitting votes, however if a segregated client has a specific view on a vote then we will engage with them on this. If a vote is particularly contentious, we may reach out to clients prior to voting to advise them of this or request them to recall any stock on loan.

## Investment Manager Process to determine how to Vote

Thoughtful voting of our clients' holdings is an integral part of our commitment to stewardship. We believe that voting should be investment led, because how we vote is an important part of the long-term investment process, which is why our strong preference is to be given this responsibility by our clients. The ability to vote our clients' shares also strengthens our position when engaging with investee companies. Our Governance and Sustainability team oversees our voting analysis and execution in conjunction with our investment managers. Unlike many of our peers, we do not outsource any part of the responsibility for voting to third-party suppliers. We utilise research from proxy advisers for information only. Baillie Gifford analyses all meetings in-house in line with our Governance & Sustainability Principles and Guidelines and we endeavour to vote every one of our clients' holdings in all markets.

## How does this manager determine what constitutes a 'Significant' Vote?

The list below is not exhaustive, but exemplifies potentially significant voting situations:

- Baillie Gifford's holding had a material impact on the outcome of the meeting
- The resolution received 20% or more opposition and Baillie Gifford opposed
  - Egregious remuneration
  - Controversial equity issuance
- Shareholder resolutions that Baillie Gifford supported and received 20% or more support from shareholders
  - Where there has been a significant audit failing
  - Where we have opposed mergers and acquisitions
  - Where we have opposed the financial statements/annual report
  - Where we have opposed the election of directors and executives.

## Does the manager utilise a Proxy Voting System? If so, please detail

Whilst we are cognisant of proxy advisers' voting recommendations (ISS and Glass Lewis), we do not delegate or outsource any of our stewardship activities or follow or rely upon their recommendations when deciding how

to vote on our clients' shares. All client voting decisions are made in-house. We vote in line with our in-house policy and not with the proxy voting providers' policies. We also have specialist proxy advisors in the Chinese and Indian markets to provide us with more nuanced market specific information.

### Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
<b>GALAXY ENTERTAINMENT GROUP LTD</b>	<b>Incentive Plan</b>	<b>Against</b>	<b>Pass</b>
We have opposed similar resolutions in previous years and will continue to advise the company of our concerns. And seek to obtain proposals that we can support.			
<b>RIO TINTO PLC</b>	<b>Remuneration - Report</b>	<b>Against</b>	<b>Pass</b>
Following the submission of our votes we engaged with the company to communicate our concerns. Whilst we did not support the backwards looking remuneration report, we took the decision to support the forward-looking remuneration policy. We continue to be focussed on having good open communication with the leadership team which we believe is valuable as long-term investors.			
<b>VONOVIA SE</b>	<b>Amendment of Share Capital</b>	<b>Against</b>	<b>Pass</b>
In advance of the AGM, we contacted the company to see if they could provide an assurance, they would not issue shares below Net Tangible Asset (NTA). The company were not able to provide that assurance therefore we did not feel it was in our clients' interest to support the two equity issuance resolutions. We encourage the company to provide this additional assurance so we could consider supporting in future.			
<b>GREGGS PLC</b>	<b>Remuneration - Report</b>	<b>Against</b>	<b>Pass</b>
In line with the Investment Association's guidance, we expect companies to align the pension contributions of their executive team with that of the wider workforce by the stated deadline - end of 2022. Greggs stated in their annual report that the pensions of their current executives would not be aligned until the end of 2026 which we do not believe to be acceptable. Following the submission of our votes we communicated our concerns to the company who acknowledged our concerns and stated that they would review pension alignment at their next remuneration policy review, ahead of the 2023 AGM. We look to continue to engage on this issue.			
<b>SIX FLAGS ENTERTAINMENT CORPORATION</b>	<b>Remuneration - Say on Pay</b>	<b>Against</b>	<b>Pass</b>

We opposed executive compensation for a multitude of reasons however our primary concern was the size of the long-term incentive award paid to the CEO. In light of COVID-19, when reviewing proposals relating to executive compensation, we assess whether executive pay is aligned with the experience of employees and shareholders. We felt we could not justify supporting a sizeable long-term incentive award for the CEO, which was equal to the previous year, when framed against a background of company-wide salary reductions and employee lay-offs. We communicated our concerns to the company following the submission of our votes and we will continue to engage on our concerns. Although this proposal was passed, 41% of shareholders opposed it.

**Voting Information**

**LGIM Dynamic Diversified Fund**

The manager voted on 99.79% of resolutions of which they were eligible out of 71658 eligible votes.

**Investment Manager Client Consultation Policy on Voting**

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

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

**Investment Manager Process to determine how to Vote**

All decisions are made by LGIM’s Investment Stewardship team and in accordance with our relevant 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 our 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.

**How does this manager determine what constitutes a 'Significant' Vote?**

As regulation on vote reporting has recently evolved with the introduction of the concept of ‘significant vote’ by the EU Shareholder Rights Directive II, LGIM wants to ensure we continue to help our clients in fulfilling their reporting obligations. We also believe public transparency of our vote activity is critical for our clients and interested parties to hold us to account.



For many years, LGIM has regularly produced case studies and/ or summaries of LGIM's vote positions to clients for what we deemed were 'material votes'. We are evolving our approach in line with the new regulation and are committed to provide our clients access to 'significant vote' information.

In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

We provide information on significant votes in the format of detailed case studies in our quarterly ESG impact report and annual active ownership publications.

The vote information is updated on a daily basis and with a lag of one day after a shareholder meeting is held. We also provide the rationale for all votes cast against management, including votes of support to shareholder resolutions.

If you have any additional questions on specific votes, please note that LGIM publicly discloses its vote instructions on our website at:

### Does the manager utilise a Proxy Voting System? If so, please detail

LGIM's Investment Stewardship team uses ISS's 'Proxy Exchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our 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 that we receive from ISS for UK companies when making specific voting decisions.

To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice.

We retain the ability in all markets to override any vote decisions, which are based on our 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 us to apply a qualitative overlay to our voting judgement. We have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action.

### Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
Microsoft Corporation	Elect Director Satya Nadella	Against	94.7%
LGIM will continue to vote against combined Chairs and CEOs and will consider whether vote pre-declaration would be an appropriate escalation tool.			
Apple Inc.	Resolution 9 - Report on Civil Rights Audit	For	53.6%
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.			
Barrick Gold Corporation	Resolution 1.2 Elect Director Gustavo A. Cisneros	Withhold	93.0% of shareholders supported the resolution.
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.			
Wheaton Precious Metals Corp.	Resolution a1 Elect Director George L. Brack	Withhold	87.6% of shareholders supported the resolution.
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.			
Duke Energy Corporation	Resolution 1.1 Elect Director Michael G. Browning	Withhold	88.1% of shareholders supported the resolution.
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.			

### Voting Information

#### LGIM UK Equity Index Fund

The manager voted on 99.98% of resolutions of which they were eligible out of 10813 eligible votes.

### Investment Manager Client Consultation Policy on Voting

LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients.

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

### Investment Manager Process to determine how to Vote

All decisions are made by LGIM's Investment Stewardship team and in accordance with our relevant 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 our 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.

### How does this manager determine what constitutes a 'Significant' Vote?

As regulation on vote reporting has recently evolved with the introduction of the concept of 'significant vote' by the EU Shareholder Rights Directive II, LGIM wants to ensure we continue to help our clients in fulfilling their reporting obligations. We also believe public transparency of our vote activity is critical for our clients and interested parties to hold us to account.

For many years, LGIM has regularly produced case studies and/ or summaries of LGIM's vote positions to clients for what we deemed were 'material votes'. We are evolving our approach in line with the new regulation and are committed to provide our clients access to 'significant vote' information.

In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

We provide information on significant votes in the format of detailed case studies in our quarterly ESG impact report and annual active ownership publications.

The vote information is updated on a daily basis and with a lag of one day after a shareholder meeting is held. We also provide the rationale for all votes cast against management, including votes of support to shareholder resolutions.

If you have any additional questions on specific votes, please note that LGIM publicly discloses its vote instructions on our website at:

### Does the manager utilise a Proxy Voting System? If so, please detail

LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our 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 that we receive from ISS for UK companies when making specific voting decisions.

To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice.

We retain the ability in all markets to override any vote decisions, which are based on our 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 us to apply a qualitative overlay to our voting judgement. We have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action.

### Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
Informa Plc	Resolution 3, Re-elect Stephen Davidson as Director Resolution 5, Re-elect Mary McDowell as Director Resolution 7, Re-elect Helen Owers as Director Resolution 11, Approve Remuneration Report	Against Resolutions 3, 5, 7, and 11 (against management recommendation).	Resolution 3 53.4% of shareholders supported the resolution. Resolution 5 80% of shareholders supported the resolution. Resolution 7 78.1% of shareholders supported the resolution. Resolution 11 38.3% of shareholders supported the resolution.
LGIM will continue to seek to engage with the company and monitor progress.			
The Sage Group Plc	Resolution 11 - Re-elect Drummond Hall as Director	Against	94.4%

LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.			
JD Sports Fashion Plc	Resolution 4 - Re-elect Peter Cowgill as Director	Against	84.8%
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.			
EVRAZ Plc	Resolution 3 Re-elect Alexander Abramov as Director	Against	82.8% of shareholders supported the resolution.
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.			
Wizz Air Holdings Plc	Resolution 6 - Re-elect William Franke as Director	Against	88.2%
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.			

### Voting Information

#### LGIM Global Equity 70:30 Index Fund

The manager voted on 99.85% of resolutions of which they were eligible out of 72767 eligible votes.

### Investment Manager Client Consultation Policy on Voting

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If you have any additional questions on specific votes, please note that LGIM publicly discloses its vote instructions on our website at:

### Does the manager utilise a Proxy Voting System? If so, please detail

LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our 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 that we receive from ISS for UK companies when making specific voting decisions.

To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold

what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice.

We retain the ability in all markets to override any vote decisions, which are based on our 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 us to apply a qualitative overlay to our voting judgement. We have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action.

For more information on how we use the services of proxy providers, please refer to the following document available on our website: [https://www.lgim.com/landg-assets/lgim/\\_document-library/capabilities/how-lgim-uses-proxy-voting-services.pdf](https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/how-lgim-uses-proxy-voting-services.pdf)

### Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
Apple Inc.	Resolution 9 - Report on Civil Rights Audit	For	53.6%
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.			
Microsoft Corporation	Elect Director Satya Nadella	Against	94.7%
LGIM will continue to vote against combined Chairs and CEOs and will consider whether vote pre-declaration would be an appropriate escalation tool.			
Amazon.com, Inc.	Resolution 1a Elect Director Jeffrey P. Bezos	Against	95.1% of shareholders supported the resolution.
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.			
Facebook, Inc.	Resolution 1.9 Elect Director Mark Zuckerberg	Withhold	97.2% of shareholders supported the resolution.
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.			
Informa Plc			

	<p>Resolution 3, Re-elect Stephen Davidson as Director</p> <p>Resolution 5, Re-elect Mary McDowell as Director</p> <p>Resolution 7, Re-elect Helen Owers as Director</p> <p>Resolution 11, Approve Remuneration Report</p>	<p>Against Resolutions 3, 5, 7, and 11 (against management recommendation).</p>	<p>Resolution 3 53.4% of shareholders supported the resolution.</p> <p>Resolution 5 80% of shareholders supported the resolution.</p> <p>Resolution 7 78.1% of shareholders supported the resolution.</p> <p>Resolution 11 38.3% of shareholders supported the resolution.</p>
<p>LGIM will continue to seek to engage with the company and monitor progress.</p>			

### Voting Information

#### LGIM Multi-Asset Fund

The manager voted on 99.77% of resolutions of which they were eligible out of 88741 eligible votes.

### Investment Manager Client Consultation Policy on Voting

LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients.

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

### Investment Manager Process to determine how to Vote

All decisions are made by LGIM's Investment Stewardship team and in accordance with our relevant 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 our 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.

### How does this manager determine what constitutes a 'Significant' Vote?

As regulation on vote reporting has recently evolved with the introduction of the concept of 'significant vote' by the EU Shareholder Rights Directive II, LGIM wants to ensure we continue to help our clients in fulfilling their reporting obligations. We also believe public transparency of our vote activity is critical for our clients and interested parties to hold us to account.

For many years, LGIM has regularly produced case studies and/ or summaries of LGIM's vote positions to clients for what we deemed were 'material votes'. We are evolving our approach in line with the new regulation and are committed to provide our clients access to 'significant vote' information.

In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

We provide information on significant votes in the format of detailed case studies in our quarterly ESG impact report and annual active ownership publications.

The vote information is updated on a daily basis and with a lag of one day after a shareholder meeting is held. We also provide the rationale for all votes cast against management, including votes of support to shareholder resolutions.

If you have any additional questions on specific votes, please note that LGIM publicly discloses its vote instructions on our website at:

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NextEra Energy, Inc.	Resolution 1h Elect Director James L. Robo	Against	88.1% of shareholders supported the resolution.
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.			
Union Pacific Corporation	Resolution 1d Elect Director Lance M. Fritz	Against	90.5% of shareholders supported the resolution.
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.			
Prologis, Inc.	Resolution 1.a Elect Director Hamid R. Moghadam	Against	93.5% of shareholders supported the resolution.
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.			