

FDR Limited Pension Scheme

Implementation Statement

For the year ending 31 March 2023

1. Introduction

The Trustee is required to make publicly available online a statement (“the Implementation Statement”) covering both the Defined Contribution (“DC”) and Defined Benefit (“DB”) sections of the FDR Limited Pension Scheme (“Scheme”), regarding its policies on the exercise of voting rights and engagement.

This Implementation Statement covers the DC Section of the Scheme for the year from 1 April 2022 to 31 March 2023 (the “Scheme year”) and is not designed to restate the contents of the Statement of Investment Principles (“SIP”) DC Section (the “SIP’s DC Section”), but to focus on adherence to stated policies and also comment on changes during the reporting period, including any reviews of the investment strategy. A description of engagement and voting behaviour during the year, either by or on behalf of the Trustee, and if proxy voting was used, is included within this statement.

The Implementation Statement for the DB Section of the Scheme is provided separately.

This statement should be read in conjunction with the DC Section of the SIP, a copy of the most recent version can be found at: <https://www.fdrlimitedpensionscheme.com/home/dc/important-documents>

During the year to 31 March 2023, the Trustee made the decision to move the DC Section to the Scottish Widows Master Trust via a bulk transfer of members’ benefits. This transfer was completed in July 2023. Therefore, as at the date of signing this Statement, the only DC benefits remaining in the Scheme are the AVCs paid in respect of the DB Section of the Scheme. The information contained in this Statement remains relevant as it pertains to the policies relating to the DC Section over the Scheme year.

2. Investment Objectives and Activity

The objective of the Scheme’s DC Section is to implement an investment strategy which, over the long term, meets the perceived needs of the membership, especially in light of the Freedom and Choice in pensions reforms. Recognising that individual members have different investment needs, the Trustee has put in place a default investment lifestyle strategy and a range of investment options that it believes will achieve appropriate returns consistent with the level of risk chosen by the member.

The aim is to ultimately ensure that the members of the Scheme’s DC Section are able to retire on a reasonable level of pension taking into account the contributions paid into their individual accounts and the timescale over which those contributions were invested.

The Trustee regularly discusses the Scheme’s DC Section’s current and future investment design and the investment options available to members including the DC Section’s default investment strategy, and has the practice of commissioning a formal investment strategy review where appropriate.

The Trustee is required to formally review the default investment strategy at least every three years or immediately following any significant change in investment policy or the member profile of the Scheme's DC Section. When investing in, or changing, any funds/managers, the Trustee obtains formal investment advice in order to fulfil its legal duties. A review of the overall DC investment strategy was conducted in December 2019, with a view to aligning the Scheme's investment structure with that of the Worksave Group Personal Pension Plan, which is used by the sponsoring employer for Auto Enrolment. Formal suitability investment advice was subsequently received in early 2020 following the Trustee's decision to adopt the recommendations of the 2019 review provided by the Trustee's DC Section advisers. Changes to the default investment strategy and alternative options that resulted from the review were implemented during the Scheme year.

In terms of the balance between different investments, the Trustee has constructed a default lifestyle strategy (and alternative lifestyles and a self-select range) which diversifies risk for members across asset classes and over time, predominantly using global equity, multi asset, fixed income and cash funds. The risk and return characteristics of these investments are designed to change over time to accommodate members' reduced appetite for risk towards retirement age.

The approach taken towards the measuring and monitoring of other risks is laid out in the SIP's DC Section and includes the use of pooled investment funds at the dedicated investment manager, and professional custodianship. The Scheme's DC Section predominantly uses passive or index-tracking funds, and active investment is used only where justified. Target objectives for each fund used and the associated performance is regularly monitored by the Trustee via an annual report provided by the Trustee's advisers of the Scheme's DC Section.

SIP Update

During the year ending 31 March 2021 the SIP's DC Section was reviewed and updated to incorporate the Trustee's policy on Environmental, Social and Governance ("ESG") factors, stewardship and climate change, as required under new regulations. The SIP's DC Section's was also updated to reflect the new default strategy and alternative lifestyle options available to members. As part of the new self-select fund range, two specialist ESG funds were made available to members.

3. Asset Manager Monitoring, ESG, Stewardship and Climate Change

The Scheme's SIP includes policies on the monitoring of the Scheme's investments, including the Trustee's policy on ESG factors, stewardship and climate change. This policy sets out the processes followed by the Trustee in relation to voting rights and stewardship.

The Scheme's DC Section is managed via investment platform provider Legal & General Investment Management ("LGIM"; the "Investment Manager"). The Trustee has a rolling contract with LGIM, which is reviewed in line with the overall investment strategy. As noted above, the Trustee regularly monitors the performance of the underlying funds (via an annual report provided by the Trustee's adviser) and takes advantage of the manager research capabilities of its investment adviser to ensure that the performance objectives of the Investment Manager remain consistent with the roles it carries out within the investment strategy. The Trustee is satisfied that the performance and risk levels of the Scheme's DC Section, and particularly the default strategy, were within the parameters outlined in the SIP's DC Section over the Scheme year.

The Trustee also uses its investment adviser to monitor the appropriateness of the remuneration and incentives offered to the Investment Manager's key personnel, as well as how they are incentivised to invest and engage in a medium-to-long-term manner with the Trustee's investments. In the same way, the Trustee monitors the cost-effective realisation of investments, transaction costs and value

for money offered by the manager via its annual Chair's Statement, compiled with its investment adviser, and encourages its manager to use the Cost Transparency Initiative template in order to make these costs clearer.

The Trustee has committed to reviewing LGIM's ESG policies as part of a commitment to understanding how the Investment Manager incorporates financially material considerations into its processes, focusing on the default lifestyle funds. The Trustee does so via its investment adviser's monitoring of these aspects of the Investment Manager's ESG philosophy and approach. Among the information sought by the investment adviser on the Trustee's behalf were; the Investment Manager's firmwide philosophy on Responsible Investment and ESG, the extent to which ESG factors are integrated into the Investment Manager's processes and investment decision making, whether ESG risks are considered as part of the core investment decision or only in the form of an overlay from an ESG team, whether third-parties are used for ESG assessment, whether the Investment Manager has the discretion to disregard the views of the ESG specialists, be they internal or external, and how the Investment Manager evaluates and monitors compliance with its overall ESG policy. Where the Trustee is not happy with the approach taken, it will take this into account and, together with its investment adviser, potentially review the Investment Manager. While the Trustee acknowledges that there is less flexibility for the Investment Manager where passive, index-tracking investments are concerned, the Trustee is satisfied that the Investment Manager has taken significant measures to embed ESG considerations into its overall investment philosophy and approach.

4. Voting and Engagement

The Trustee is keen that its Investment Manager is a signatory of the UK Stewardship Code and UN Principles of Responsible Investment, which the Trustee can confirm is the case.

All of the Trustee's holdings are within pooled funds held via the LGIM platform and the Trustee has delegated to its Investment Manager the exercise of voting rights. Therefore, the Trustee is not able to direct how votes are exercised and the Trustee has not used direct proxy voting services over the year.

During the Scheme year, the Scheme's DC funds were:

- LGIM Global Equity Market Weights (30:70) Index Fund (75% GBP Hedged)
- LGIM Multi-Asset Fund
- LGIM Pre-Retirement Fund
- LGIM Cash Fund
- LGIM Retirement Income Multi-Asset Fund
- LGIM World (ex-UK) Equity Index Fund
- LGIM UK Equity Index Fund
- LGIM Over 5 Year Index-Linked Gilts Index Fund
- LGIM Future World Multi-Asset Fund
- LGIM Future World Fund
- LGIM HSBC Islamic Global Equity Index Fund

The Trustee was unable to include voting data for the underlined funds as they do not hold physical equities. In addition, LGIM did not provide voting data for the HSBC Islamic Global Equity Index Fund as it is an externally-managed fund.

5a. Description of Legal & General Investment Management's voting processes

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 their clients. Their voting policies are reviewed annually and take into account feedback from their 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 they continue to develop their voting and engagement policies and define strategic priorities in the years ahead. They also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

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

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 they do not outsource any part of the strategic decisions. Their use of ISS recommendations is purely to augment their 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 they receive from ISS for UK companies when making specific voting decisions.

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

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

It is vital that the proxy voting service are regularly monitored and LGIM 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 their expectations, an analysis of any issues they have 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.

LGIM has its own internal Risk Management System (RMS) to provide effective oversight of key processes. This includes LGIM'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 LGIM'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 their formal RMS processes the Director of Investment Stewardship confirms that a formal review of LGIM's proxy provider has been conducted and that they have the capacity and competency to analyse proxy issues and make impartial recommendations.

5b. Summary of voting behaviour over the year

A summary of voting behaviour over the period is provided in the tables below:

	Summary Info
Manager name	LGIM
Fund name	Global Equity Market Weights (30:70) Index (75% GBP Hedged)
Approximate value of trustees' assets	c.£8.4 million (31/03/2023)
Number of equity holdings at year end	4,995
Number of meetings eligible to vote	7,319
Number of resolutions eligible to vote	76,499
% of resolutions voted	99.88%
% of resolutions voted with management	80.73%
% of resolutions voted against management	18.22%
% of resolutions abstained	1.05%
% of meetings with at least one vote against management	61.20%
% of resolutions voted contrary to the proxy adviser recommendation	9.73%

	Summary Info
Manager name	LGIM
Fund name	Retirement Income Multi-Asset
Approximate value of trustees' assets	c.£106 (31/03/2023)
Number of equity holdings at year end	7,084
Number of meetings eligible to vote	10,211
Number of resolutions eligible to vote	104,732
% of resolutions voted	99.83%
% of resolutions voted with management	77.95%
% of resolutions voted against management	21.36%
% of resolutions abstained	0.69%
% of meetings with at least one vote against management	70.42%
% of resolutions voted contrary to the proxy adviser recommendation	12.22%

	Summary Info
Manager name	LGIM
Fund name	World (ex-UK) Equity Index
Approximate value of trustees' assets	c.£0.08 million (31/03/2023)
Number of equity holdings at year end	3,203
Number of meetings eligible to vote	3,008
Number of resolutions eligible to vote	36,202
% of resolutions voted	99.83%
% of resolutions voted with management	77.58%
% of resolutions voted against management	21.67%
% of resolutions abstained	0.75%
% of meetings with at least one vote against management	77.05%
% of resolutions voted contrary to the proxy adviser recommendation	15.13%

	Summary Info
Manager name	LGIM
Fund name	UK Equity Index
Approximate value of trustees' assets	c.£77.6k (31/03/2023)
Number of equity holdings at year end	541
Number of meetings eligible to vote	733
Number of resolutions eligible to vote	10,870
% of resolutions voted	99.94%
% of resolutions voted with management	94.46%
% of resolutions voted against management	5.54%
% of resolutions abstained	0.00%
% of meetings with at least one vote against management	37.89%
% of resolutions voted contrary to the proxy adviser recommendation	4.23%

	Summary Info
Manager name	LGIM
Fund name	Future World Multi-Asset
Approximate value of trustees' assets	c.£105 (31/03/2023)
Number of equity holdings at year end	6,417
Number of meetings eligible to vote	8,912
Number of resolutions eligible to vote	93,318
% of resolutions voted	99.83%
% of resolutions voted with management	77.59%
% of resolutions voted against management	21.74%
% of resolutions abstained	0.67%
% of meetings with at least one vote against management	73.40%
% of resolutions voted contrary to the proxy adviser recommendation	12.89%

	Summary Info
Manager name	LGIM
Fund name	Future World
Approximate value of trustees' assets	c.£17.4k (31/03/2023)
Number of equity holdings at year end	1,391
Number of meetings eligible to vote	1,917
Number of resolutions eligible to vote	25,282
% of resolutions voted	99.83%
% of resolutions voted with management	80.81%
% of resolutions voted against management	18.82%
% of resolutions abstained	0.36%
% of meetings with at least one vote against management	72.30%
% of resolutions voted contrary to the proxy adviser recommendation	13.36%

The high levels of voting activity detailed in the above tables demonstrate the Investment Manager's ongoing commitment to engaging with the investee companies.

5c. Most significant votes over the year

LGIM define their process for determining the “most significant” votes as follows:

“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 have 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 consultation (PLSA). 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 will provide information on significant votes in the format of detailed case studies in our quarterly ESG impact report and annual active ownership publications.

If you have any additional questions on specific votes, please note that we publicly disclose our votes for the major markets on our website. The reports are published in a timely manner, at the end of each month and can be used by clients for their external reporting requirements. The voting disclosures can be found by selecting ‘Voting Report’ on the following page:

<https://vds.issgovernance.com/vds/#/MjU2NQ==/>

Implementation Statement (continued)

Examples of Significant Votes for the LGIM Global Equity Market Weights (30:70) Index Fund (75% GBP Hedged)

Company name	BP Plc	Rio Tinto Plc
Date of vote	2022-05-12	2022-04-08
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.936255	0.790102
Summary of the resolution	Resolution 3 - Approve Net Zero - From Ambition to Action Report	Resolution 17 - Approve Climate Action Plan
How you voted	For	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	Voted in line with management	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Climate change: A vote FOR is applied, though not without reservations. While we note the inherent challenges in the decarbonization efforts of the Oil & Gas sector, LGIM expects companies to set a credible transition strategy, consistent with the Paris goals of limiting the global average temperature increase to 1.5 C. It is our view that the company has taken significant steps to progress towards a net zero pathway, as demonstrated by its most recent strategic update where key outstanding elements were strengthened. Nevertheless, we remain committed to continuing our constructive engagements with the company on its net zero strategy and implementation, with particular focus on its downstream ambition and approach to exploration.	Climate change: We recognise the considerable progress the company has made in strengthening its operational emissions reduction targets by 2030, together with the commitment for substantial capital allocation linked to the company's decarbonisation efforts. However, while we acknowledge the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, we remain concerned with the absence of quantifiable targets for such a material component of the company's overall emissions profile, as well as the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.
Outcome of the vote	88.5%	84.3%
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
On which criteria (as explained in the cover email) have you assessed this vote to be "most significant"?	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.

Examples of Significant Votes for the LGIM Retirement Income Multi-Asset Fund

Company name	Prologis, Inc.	Royal Dutch Shell Plc
Date of vote	2022-05-04	2022-05-24
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.263872	0.252712
Summary of the resolution	Resolution 1a - Elect Director Hamid R. Moghadam	Resolution 20 - Approve the Shell Energy Transition Progress Update
How you voted	Against	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.	Voted in line with management
Rationale for the voting decision	Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight. Independence: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.	Climate change: A vote against is applied, though not without reservations. We 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, we 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.
Outcome of the vote	92.9%	79.9%
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
On which criteria (as explained in the cover email) have you assessed this vote to be "most significant"?	LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote). LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 we have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 we have voted against all combined board chair/CEO roles.	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.

Examples of Significant Votes for the LGIM World (ex-UK) Equity Index Fund

Company name	Amazon.com, Inc.	Alphabet Inc.
Date of vote	2022-05-25	2022-06-01
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.154081	1.189629
Summary of the resolution	Resolution 1f - Elect Director Daniel P. Huttenlocher	Resolution 7 - Report on Physical Risks of Climate Change
How you voted	Against	For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Human rights: A vote against is applied as the director is a long-standing member of the Leadership Development & Compensation Committee which is accountable for human capital management failings.	Shareholder Resolution - Climate change: A vote in favour is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.
Outcome of the vote	93.3%	17.7%
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
On which criteria (as explained in the cover email) have you assessed this vote to be "most significant"?	LGIM pre-declared its vote intention for this resolution, demonstrating its significance.	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.

Examples of Significant Votes for the LGIM UK Equity Index Fund

Company name	Standard Chartered Plc	Barclays Plc
Date of vote	2022-05-04	2022-05-04
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.525647	0.996926
Summary of the resolution	Resolution 31 - Approve Net Zero Pathway	Resolution 26 - Approve Barclays' Climate Strategy, Targets and Progress 2022
How you voted	Against	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Climate change: While we note the company's strengthened sector policies and the disclosure of some interim targets for its financed emissions, we are discouraged that these targets only cover the activity of lending related to three sectors, and are therefore concerned about the ability to achieve 1.5C temperature alignment on the proposed pathway. A vote Against is therefore applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5°C goal.	Climate change: While we positively note the Company's use of absolute emissions targets for its exposure in the Energy sector, as well as the inclusion of capital markets financed emissions within its methodology, we have concerns that the ranges used for interim emissions reduction targets and the exclusion of US clients from the 2030 thermal coal exit falls short of the actions needed for long-term 1.5C temperature alignment. A vote Against is therefore applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C.
Outcome of the vote	83.0%	80.8%
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
On which criteria (as explained in the cover email) have you assessed this vote to be "most significant"?	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.

Examples of Significant Votes for the LGIM Future World Multi-Asset Fund

Company name	Prologis, Inc.	Rio Tinto Plc
Date of vote	2022-05-04	2022-04-08
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.411802	0.346954
Summary of the resolution	Resolution 1a - Elect Director Hamid R. Moghadam	Resolution 17 - Approve Climate Action Plan
How you voted	Against	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight. Independence: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.	Climate change: We recognise the considerable progress the company has made in strengthening its operational emissions reduction targets by 2030, together with the commitment for substantial capital allocation linked to the company's decarbonisation efforts. However, while we acknowledge the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, we remain concerned with the absence of quantifiable targets for such a material component of the company's overall emissions profile, as well as the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.
Outcome of the vote	92.9%	84.3%
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
On which criteria (as explained in the cover email) have you assessed this vote to be "most significant"?	LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote). LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 we have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 we have voted against all combined board chair/CEO roles.	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.

Examples of Significant Votes for the LGIM Future World Fund

Company name	Mitsui Mining & Smelting Co., Ltd.	Fluidra SA
Date of vote	2022-06-29	2022-05-05
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.002612	0.002671
Summary of the resolution	Resolution 11 - Amend Articles to Separate Chairman of the Board and CEO, and Appoint Outside Director as Board Chair	Resolution 8 - Elect Bernat Garrigos Castro as Director
How you voted	LGIM voted in favour of the shareholder resolution (management recommendation: against).	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Shareholder Resolution - Joint Chair/CEO: A vote in favour is applied as LGIM expects companies to establish the role of independent Board Chair.	Diversity: A vote against is applied as LGIM expects a company to have a diverse board, with at least 25% of board members being women. We expect companies to increase female participation both on the board and in leadership positions over time. Independence: A vote against is applied as the director is not considered independent and their presence on the board is a concern as the board itself lacks a sufficient number of independent directors, which is a critical element for a board to protect shareholders' interests. Independence: Nomination Committee. A vote against is applied to the members of the nomination committee due to our concerns around the independence of the board. Remuneration Committee independence: A vote against is applied as LGIM expects the Committee to be comprised of independent directors. Remuneration: A vote against is applied because LGIM has had concerns with the remuneration for more than a year.
Outcome of the vote	N/A	75.4%
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
On which criteria (as explained in the cover email) have you assessed this vote to be "most significant"?	LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).	LGIM views diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.