Vindis Group Defined Benefit Pension Scheme

Implementation Statement

This Implementation Statement has been prepared by the Trustee of the Vindis Group Defined Benefit Pension Scheme ("the Scheme") and sets out:

- How the Trustees' policies on exercising rights (including voting rights) and engagement policies have been followed over the year.
- The voting behaviour of the Trustees, or that undertaken on their behalf, over the Scheme's accounting year.

How voting and engagement policies have been followed

The Trustees' policy on voting and engagement is set out in the Scheme's Statement of Investment Principles. The last review of this statement took place in September 2020. The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's fund manager. Each asset manager of the Scheme is expected to undertake good stewardship and positive engagement in relation to the assets held. The manager is also expected to exercise voting privileges (where applicable) with the objective of preserving and enhancing long-term shareholder value.

The Scheme's current asset manager, Legal and General Investment Management Limited ("LGIM"), is a large long-term investor and engages with companies (including those in the indices that the Scheme invests in) on matters including wider ESG factors and climate change on a regular basis. The Trustee takes into account whether the Scheme's investment managers are signatories to the UN PRI and UK Stewardship Code (or equivalent). LGIM is a signatory to both of the above.

The Trustee undertook an initial review of the stewardship and engagement activities of the current manager as part of its 2019 Statement of Investment Principles update, and were satisfied that their policies were reasonable and no remedial action was required at that time. The Trustee periodically receives and reviews voting information and engagement policies from LGIM to ensure alignment with their own policies. Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the fund manager are in alignment with the Scheme's stewardship policies.

Please note that all of the data included in this document covers the year to 31 December 2020, as opposed the accounting year to 31 January 2021. This is due to the availability of information, which is generally based on calendar quarters.

Voting Data

Voting only applies to equity holdings. As a result, this section only relates to the LGIM passive equity funds (sold over the accounting year), as well as the LGIM Dynamic Diversified Fund (which holds equities amongst other asset classes).

The table below provides a summary of the voting activity undertaken by LGIM over the year to 31 December 2020, together with information on any key voting priorities and information on the use of proxy voting advisors by the manager.

Manager	**LGIM**						
Fund name	Dynamic Diversified Fund	Asia Pacific (ex Japan) Developed Equity Index Fund	Europe (ex UK) Equity Index Fund	Japan Equity Index Fund	North America Equity Index Fund	UK Equity Index Fund	World Emerging Markets Equity Index Fund
Structure	Pooled						
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.						
Number of company meetings the manager was eligible to vote at over the year	7,600	515	635	547	804	894	3,778
Number of resolutions the manager was eligible to vote on over the year	81,093	3,634	10,402	6,538	9,634	12,468	34,537
Percentage of resolutions the manager voted on	99.90%	100.00%	99.88%	100.00%	100.00%	100.00%	99.87%
Percentage of resolutions the manager abstained from, as a percentage of the total number of resolutions voted on	0.70%	0.03%	0.35%	0.00%	0.04%	0.01%	1.48%
Percentage of resolutions voted *with* management, as a percentage of the total number of resolutions voted on	84.30%	73.20%	84.19%	86.68%	72.31%	93.12%	85.53%
Percentage of resolutions voted *against* management, as a percentage of the total number of resolutions voted on	15.00%	26.77%	15.47%	13.32%	27.65%	6.87%	12.99%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor*	0.20%	0.17%	0.32%	0.24%	0.28%	0.77%	0.02%

*LGIM use Institutional Shareholder Services' (ISS) proxy voting service and all voting decisions are made by the internal team at LGIM.

Significant votes

For the first year of implementation statements, the Trustee has delegated to the investment manager to define what a "significant vote" is. A summary of the data they have provided is set out below. All information has therefore been provided by LGIM and represents the views of the investment manager. LGIM have stated that there were no significant votes made in relation to the securities held by the World Emerging Markets Equity Index Fund during the reporting period.

LGIM, Dynamic Diversified Fund (Table 1 of 2)

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Company name	Quantas Airways Limited	Whitehaven Coal	International Consolidated Airlines Group	Lagardère	Pearson
Date of vote	23 October 2020	22 October 2020	07 September 2020	05 May 2020	18 September 2020
Summary of the resolution	Resolution 3: Approve participation of Alan Joyce in the Long-Term Incentive Plan Resolution 4: Approve Remuneration Report.	Resolution 6: Approve capital protection. Shareholders are asking the company for a report on the potential wind-down of the company's coal operations, with the potential to return increasing amounts of capital to shareholders.	Resolution 8: Approve Remuneration Report was proposed at the company's annual shareholder meeting.	Activist Amber Capital, which owned 16% of the share capital at the time of engagement, proposed 8 new directors to the Supervisory Board (SB) and removing all the incumbent directors (apart from two 2019 appointments).	Resolution 1: Amend remuneration policy' was proposed at the company's special shareholder meeting, held on 18 September 2020.
How the manager voted	LGIM voted against resolution 3 and supported resolution 4.	LGIM voted for the resolution.	LGIM voted against the resolution.	LGIM voted in favour of five of the Amber-proposed candidates and voted off five of the incumbent SB directors.	LGIM voted against the resolution.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Given LGIM's engagement, their Investment Stewardship team communicated the voting decision directly to the company before the AGM and provided feedback to the remuneration committee.	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.			

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Rationale for the voting decision	In light of the impact of the COVID crisis the company has raised significant capital to execute its recovery plan. It also cancelled dividends, terminated employees and accepted government assistance. LGIM engaged with the company to express their concerns and understand the company's views. LGIM supported the remuneration report (resolution 4) given the executive salary cuts, short-term incentive cancellations and the CEO's voluntary decision to defer the vesting of the long-term incentive plan (LTIP), in light of the pandemic. However, their concerns as to the quantum of the 2021 LTIP grant remained, especially given the share price at the date of the grant and the remuneration committee not being able to exercise discretion on LTIPs, which is against best practice. LGIM voted against resolution 3 to signal their concerns.	LGIM has publicly advocated for a 'managed decline' for fossil fuel companies, in line with global climate targets, with capital being returned to shareholders instead of spent on diversification and growth projects that risk becoming stranded assets. As the most polluting fossil fuel, the phase out of coal will be key to reaching these global targets.	As a result of the COVID-19 crisis, the company needed support from various government schemes, announced a 30% cut to its workforce, withdrew its dividend for 2020 and sought shareholder approval for a rights issue. LGIM were concerned about the level of bonus payments, which are 80% to 90% of their salary for current executives and 100% of their salary for the departing CEO. LGIM noted that the executive directors took a 20% reduction to their basic salary from 1 April 2020. LGIM would have expected the remuneration committee to exercise greater discretion in light of the financial situation of the company and also to reflect the stakeholder experience. LGIM have been privately closely engaging with the company, including on the succession of the CEO and the board chair, who were long-tenured. This eventually led to the appointment of a new CEO to replace the long-standing CEO was announced in January 2020. A new board chair, an independent non-executive director, was also recently appointed by the board.	Proposals by Amber were due to the opinion that the company strategy was not creating value for shareholders, that the board members were not sufficiently challenging management on strategic decisions, and for various governance failures. The company continues to have a commandite structure; a limited partnership, which means that the managing partner has a tight grip on the company, despite only having 7% share capital and 11% voting rights. The company strategy had not been value-enhancing and the governance structure of the company was not allowing the SB to challenge management on this. Where there is a proxy contest, LGIM engages with both the activist and the company to understand both perspectives. LGIM engaged with both Amber Capital, where they were able to speak to the proposed new SB Chair, and also Lagardère, where they spoke to the incumbent SB Chair.	Pearson decided to put forward an all-or-nothing proposal in the form of an amendment to the company's remuneration policy. This resolution at the extraordinary general meeting (EGM) was seeking shareholder approval for the grant of a co-investment award, an unusual step for a UK company, yet if this resolution was not passed the company confirmed that the proposed new CEO would not take up the CEO role. This is an unusual approach and many shareholders felt backed into a corner and felt forced to accept a less-than-ideal remuneration structure for the new CEO. LGIM spoke with the chair of the board on succession plans and progress for the new CEO, and also discussed the shortcomings of the company's current remuneration policy. They also spoke with the chair directly before the EGM, and relayed their concerns that the performance conditions were weak and should be re-visited, to strengthen the financial underpinning of the new CEO's award. LGIM also asked that the post-exit shareholding requirements be reviewed in order to be brought into line with their expectations for UK companies. In the absence of any changes, LGIM took the decision to vote against the amendment to the remuneration policy.

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Outcome of the vote	About 90% of shareholders supported resolution 3 and 91% supported resolution 4. LGIM believe the meeting results highlight their stronger stance on the topic of executive remuneration.	The resolution did not pass (4% voted in favour). However, the environmental profile of the company continues to remain in the spotlight: in late 2020 the company pleaded guilty to 19 charges for breaching mining laws that resulted in significant environmental harm.	28% of shareholders opposed the remuneration report.	Even though shareholders did not give majority support to Amber's candidates, its proposed resolutions received approximately 30-40% support, a clear indication that many shareholders have concerns with the board.	At the EGM, 33% of shareholders voted against the co-investment plan and therefore, by default, the appointment of the new CEO.
Implications of the outcome	LGIM will continue their engagement with the company.	LGIM will continue to monitor this company.	LGIM will continue to engage closely with the renewed board.	LGIM will continue to engage with the company to understand its future strategy and how it will add value to shareholders over the long term, as well as to keep the structure of Supervisory Board under review.	Such significant dissent clearly demonstrates the scale of investor concern with the company's approach. It is important that the company has a new CEO, a crucial step in the journey to recover value; but key governance questions remain which will now need to be addressed through continuous engagement.
Criteria on which the vote is considered "significant"	It highlights the challenges of factoring in the impact of the COVID situation into the executive remuneration package.	The vote received media scrutiny and is emblematic of a growing wave of green shareholder activism.	LGIM considers this vote significant as it illustrates the importance for investors of monitoring their investee companies' responses to the COVID crisis.	LGIM noted significant media and public interest on this vote given the proposed revocation of the company's board.	Pearson has had strategy difficulties in recent years and is a large and well-known UK company. Given the unusual approach taken by the company and LGIM's outstanding concerns, LGIM deem this vote to be significant.

LGIM, Dynamic Diversified Fund (Table 2 of 2)

	Vote 6	Vote 7	Vote 8	Vote 9	Vote 10
Company name	SIG plc.	Barclays	Rank Group	Medtronic plc	Plus500 ltd.
Date of vote	09 July 2020	07 May 2020	11 November 2020	11 December 2020	16 September 2020
Summary of the resolution	Resolution 5: Approve one-off payment to Steve Francis	Resolution 29: Approve Barclays' Commitment in Tackling Climate Change Resolution 30: Approve ShareAction Requisitioned Resolution.	Resolution 2: Approve the remuneration report. Resolution 3: Approve remuneration policy.	Resolution 3: Advisory Vote to Ratify Named Executive Officers' Compensation.	Resolution 17: Approve Special Bonus Payment to CFO Elad Even-Chen.
How the manager voted	LGIM voted against the resolution.	LGIM voted for resolution 29, proposed by Barclays and for resolution 30, proposed by ShareAction.	LGIM supported both resolutions.	LGIM voted against the resolution.	LGIM voted against the special bonus. Separately, LGIM also voted against an amendment to the company's remuneration policy.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.				Given their concerns, LGIM directly notified the company of its vote intentions before the shareholder meeting.

	Vote 6	Vote 7	Vote 8	Vote 9	Vote 10
Rationale for the voting decision	The company wanted to grant their interim CEO a one-off award of £375,000 for work carried out over a two-month period. The CEO agreed to invest £150,000 of this payment in acquiring shares in the business, and the remaining £225,000 would be a cash payment. LGIM does not generally support one-off payments. LGIM believes that the remuneration committee should ensure that executive directors have a remuneration policy in place that is appropriate for their role and level of responsibility. There were other factors that were taken into consideration: the size of the additional payment was a concern because it was for work carried over a two-month period, yet was equivalent to 65% of his full-time annual salary. £225,000 was to be paid in cash at a time when the company's liquidity position was so poor that it risked breaching covenants of a revolving credit facility and therefore needed to raise additional funding through a highly dilutive share issue.	The resolution proposed by Barclays sets out its long-term plans and has the backing of ShareAction and co-filers. LGIM are particularly grateful to the Investor Forum for the significant role it played in coordinating this outcome.	The company and its stakeholders have been impacted by the COVID crisis; LGIM want to ensure this is reflected in the executive remuneration package. After review of the remuneration policy, the remuneration committee asked shareholders to adopt a new long-term incentive (LTI) structure. LGIM decided to support the remuneration report, which looks back at the remuneration earned during the financial year. LGIM noted the remuneration committee's decision to apply a 20% deduction and cancel the planned increase of salaries of the executives and fees of the board members. No annual bonus was granted, given the performance of the company. LGIM was comfortable that the impact of COVID-19 had been appropriately reflected in the remuneration of the executives and therefore decided to support the remuneration report. Regarding the remuneration policy, LGIM's direct engagement with the company allowed them to better understand the rationale for the proposed changes to the LTIP.	Following the end of the financial year, executive directors were granted a special, one-off award of stock options to compensate for no bonus being paid out during the financial year. LGIM voted against the one-off payment as they are not supportive of one-off awards in general and in particular when these are awarded to compensate for a payment for which the performance criterion/criteria were not met. Prior to the AGM LGIM engaged with the company and clearly communicated their concerns over one-off payments.	Plus500 proposed a number of pay-related proposals for shareholder approval. Amongst these, the board recommended the approval of a substantial discretionary bonus offered to the CFO of around $1.2 million, for his successful work with Israeli tax authorities over a number of years, resulting in a significant tax-saving for shareholders. The bonus is in addition to his annual variable pay and outside the normal bonus structure. LGIM does not support one-off discretionary bonuses (or transaction bonuses) as these are not within the approved policy to reward the achievement of pre-set targets. Moreover, discussions with tax authorities and the obtaining of preferential tax structures for the company are seen as part of a CFO's day-to-day job and should not be remunerated separately. Instead, a preferential tax treatment will benefit future performance and will therefore be rewarded within annual bonus and long-term incentives in future performance years.

	Vote 6	Vote 7	Vote 8	Vote 9	Vote 10
Outcome of the vote	The resolution passed. However, 44% of shareholders did not support it. LGIM believes that with this level of dissent the company should not go ahead with the payment.	Resolution 29 was supported by 99.9% of shareholders, and resolution 30 was supported by 23.9% of shareholders.	90.8% of shareholders supported resolution 2 and 96.4% supported resolution 3. However, it should be noted that a majority shareholder owned 56.2% of the voting rights shortly before the time of the vote. This remains an interesting outcome given the recommendation of a vote against both resolutions by influential proxy voting agency ISS.	91.7% voted for the resolution, and 8.2% against.	Given the level of shareholder dissent, Resolution 17 was withdrawn ahead of the AGM. The company stated that: 'The board and the remuneration committee consider that a bonus is appropriate given the outstanding efforts of [the CFO].'As such, Plus500 intends to again propose the resolution for shareholder approval at the EGM to cover 2021 director pay (as is required under Israeli law).
Implications of the outcome	LGIM intends to engage with the company over the coming year to find out why this payment was deemed appropriate and whether they made the payment despite the significant opposition.	LGIM's focus going forward will be to help Barclays on the detail of their plans and targets. LGIM plans to continue to work closely with the Barclays board and management team in the development of their plans and will continue to liaise with ShareAction, Investor Forum and other large investors, to ensure consistency of messaging and to continue to drive positive change.	LGIM's engagement with the company on the topic of remuneration led to an informed vote decision by LGIM.	LGIM will continue to monitor this company.	LGIM will continue to monitor the company.
Criteria on which the vote is considered "significant"	The vote is high-profile and controversial.	Since the beginning of the year, there has been significant client interest in LGIM's voting intentions and engagement activities in relation to the 2020 Barclays AGM. LGIM considers the outcome to be extremely positive for all parties: Barclays, ShareAction and long-term asset owners such as LGIM's clients.	It illustrates the complexity of remuneration practices and the importance of engagement. The media also expected this shareholder meeting would trigger a substantial amount of votes against.	LGIM believes it is contrary to best practice in general and LGIM's pay principles in particular to award one-off awards, especially if they are to compensate for a forgone payment.	There was a level of media interest regarding the withdrawal of the resolution. This, combined with the other shortcomings of this company in relation to the expectations of a company listed in London, makes this a significant vote. Shareholder dissent to the resolution was sufficiently high that the proposal was withdrawn ahead of the AGM; this will result in the company being included in the UK Investment Association's Public Register.

LGIM, Asia Pacific (ex Japan) Developed Equity Index Fund (Table 1 of 1)

	Vote 1	Vote 2
Company name	Quantas Airways Limited	Whitehaven Coal
Date of vote	23 October 2020	22 October 2020
Summary of the resolution	Resolution 3: Approve participation of Alan Joyce in the Long-Term Incentive Plan Resolution 4: Approve Remuneration Report.	Resolution 6: Approve capital protection. Shareholders are asking the company for a report on the potential wind-down of the company's coal operations, with the potential to return increasing amounts of capital to shareholders.
How the manager voted	LGIM voted against resolution 3 and supported resolution 4.	LGIM voted for the resolution.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Given LGIM's engagement, their Investment Stewardship team communicated the voting decision directly to the company before the AGM and provided feedback to the remuneration committee.	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	In light of the impact of the COVID crisis the company has raised significant capital to execute its recovery plan. It also cancelled dividends, terminated employees and accepted government assistance. LGIM engaged with the company to express their concerns and understand the company's views. LGIM supported the remuneration report (resolution 4) given the executive salary cuts, short-term incentive cancellations and the CEO's voluntary decision to defer the vesting of the long-term incentive plan (LTIP), in light of the pandemic. However, their concerns as to the quantum of the 2021 LTIP grant remained, especially given the share price at the date of the grant and the remuneration committee not being able to exercise discretion on LTIPs, which is against best practice. LGIM voted against resolution 3 to signal their concerns.	LGIM has publicly advocated for a 'managed decline' for fossil fuel companies, in line with global climate targets, with capital being returned to shareholders instead of spent on diversification and growth projects that risk becoming stranded assets. As the most polluting fossil fuel, the phase out of coal will be key to reaching these global targets.
Outcome of the vote	About 90% of shareholders supported resolution 3 and 91% supported resolution 4. LGIM believe the meeting results highlight their stronger stance on the topic of executive remuneration.	The resolution did not pass (4% voted in favour). However, the environmental profile of the company continues to remain in the spotlight: in late 2020 the company pleaded guilty to 19 charges for breaching mining laws that resulted in significant environmental harm.
Implications of the outcome	LGIM will continue their engagement with the company.	LGIM will continue to monitor this company.
Criteria on which the vote is considered "significant"	It highlights the challenges of factoring in the impact of the COVID situation into the executive remuneration package.	The vote received media scrutiny and is emblematic of a growing wave of green shareholder activism.

LGIM, Europe (ex UK) Equity Index Fund (Table 1 of 1)

	Vote 1
Company name	Lagardère
Date of vote	05 May 2020
Summary of the resolution	Activist Amber Capital, which owned 16% of the share capital at the time of engagement, proposed 8 new directors to the Supervisory Board (SB) and removing all the incumbent directors (apart from two 2019 appointments).
How the manager voted	LGIM voted in favour of five of the Amber-proposed candidates and voted off five of the incumbent SB directors.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Proposals by Amber were due to the opinion that the company strategy was not creating value for shareholders, that the board members were not sufficiently challenging management on strategic decisions, and for various governance failures. The company continues to have a commandite structure; a limited partnership, which means that the managing partner has a tight grip on the company, despite only having 7% share capital and 11% voting rights. The company strategy had not been value-enhancing and the governance structure of the company was not allowing the SB to challenge management on this. Where there is a proxy contest, LGIM engages with both the activist and the company to understand both perspectives. LGIM engaged with both Amber Capital, where they were able to speak to the proposed new SB Chair, and also Lagardère, where they spoke to the incumbent SB Chair.
Outcome of the vote	Even though shareholders did not give majority support to Amber's candidates, its proposed resolutions received approximately 30-40% support, a clear indication that many shareholders have concerns with the board.
Implications of the outcome	LGIM will continue to engage with the company to understand its future strategy and how it will add value to shareholders over the long term, as well as to keep the structure of Supervisory Board under review.
Criteria on which the vote is considered "significant"	LGIM noted significant media and public interest on this vote given the proposed revocation of the company's board.

LGIM, Japan Equity Index Fund (Table 1 of 1)

	Vote 1	Vote 2
Company name	Olympus Corporation	Fast Retailing Co. Limited.
Date of vote	30 July 2020	26 November 2020
Summary of the resolution	Resolution 3.1: Elect Director Takeuchi, Yasuo.	Resolution 2.1: Elect Director Yanai Tadashi.
How the manager voted	LGIM voted against the resolution.	LGIM voted against the resolution.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.	
Rationale for the voting decision	Japanese companies in general have trailed behind European and US companies, in ensuring more women are appointed to their boards. The lack of women is also a concern below board level. LGIM have for many years promoted and supported an increase of women on boards, at the executive level and below. On a global level LGIM considers that every board should have at least one female director. LGIM deem this a de minimis standard. Globally, LGIM aspires to all boards comprising 30% women. Last year in February LGIM sent letters to the largest companies in the MSCI Japan which did not have any women on their boards or at executive level, indicating that they expect to see at least one woman on the board. One of the companies targeted was Olympus Corporation. LGIM opposed the election of this director in his capacity as a member of the nomination committee and the most senior member of the board, in order to signal that the company needed to take action on this issue.	Japanese companies in general have trailed behind European and US companies, as well as companies in other countries in ensuring more women are appointed to their boards. A lack of women employed is also a concern below board level. LGIM has for many years promoted and supported an increase of appointing more women on boards, at the executive level and below. On a global level LGIM considers that every board should have at least one female director. They deem this a de minimis standard. Globally, LGIM aspires to all boards comprising 30% women. In the beginning of 2020, LGIM announced that they would vote against the chair of the nomination committee or the most senior board member (depending on the type of board structure in place) for companies included in the TOPIX100 (major Japanese stock exchange), where these standards were not upheld. LGIM opposed the election of this director in his capacity as a member of the nomination committee and the most senior member of the board, in order to signal that the company needed to act on this issue.
Outcome of the vote	94.9% of shareholders supported the election of the director.	Shareholders supported the election of the director.
Implications of the outcome	LGIM will continue to engage with and require increased diversity on all Japanese company boards, including Olympus.	LGIM will continue to engage with and require increased diversity on all Japanese company boards, including Fast Retailing.
Criteria on which the vote is considered "significant"	This vote is deemed significant as LGIM considers it imperative that the boards of Japanese companies increase their diversity.	LGIM considers it imperative that the boards of Japanese companies increase their diversity.

LGIM, North America Equity Index Fund (Table 1 of 1)

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Company name	Medtronic plc	Amazon	Cardinal Health	ExxonMobil	The Procter & Gamble Company (P&G)
Date of vote	11 December 2020	27 May 2020	04 November 2020	27 May 2020	13 October 2020
Summary of the resolution	Resolution 3: Advisory Vote to Ratify Named Executive Officers' Compensation.	Shareholder resolutions 5 to 16: disclosure to encourage a better understanding of process and performance of material issues (resolutions 5, 6, 7, 8, 10, 13, 15 and 16) and governance structures that benefit long-term shareholders (resolutions 9 and 14).	Resolution 3: Advisory Vote to Ratify Named Executive Officers' Compensation.	Resolution 1.10: Elect Director Darren W. Woods	Resolution 5: Report on effort to eliminate deforestation.
How the manager voted	LGIM voted against the resolution.	Of 12 shareholder proposals, LGIM voted to support 10. LGIM looked into the individual merits of each individual proposal.	LGIM voted against the resolution.	LGIM voted against the resolution.	LGIM voted in favour of the resolution.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.				

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Rationale for the voting decision	Following the end of the financial year, executive directors were granted a special, one-off award of stock options to compensate for no bonus being paid out during the financial year. LGIM voted against the one-off payment as they are not supportive of one-off awards in general and in particular when these are awarded to compensate for a payment for which the performance criterion/criteria were not met. Prior to the AGM LGIM engaged with the company and clearly communicated their concerns over one-off payments.	In addition to facing a full slate of proxy proposals, in the two months leading up to the annual meeting, Amazon was on the front lines of a pandemic response. The company was already on the back foot owing to the harsh workplace practices alleged by the author of a seminal article in the New York Times published in 2015. LGIM's team has had multiple engagements with Amazon over the past 12 months, touching most aspects of ESG. LGIM finds the allegations from current and former employees worrying. Amazon employees have consistently reported not feeling safe at work, that paid sick leave is not adequate, and that the company only provides an incentive of $2 per hour to work during the pandemic. LGIM discussed with Amazon the lengths the company is going to in adapting their working environment, with claims of industry leading safety protocols, increased pay, and adjusted absentee policies.	The company paid out an above target bonus to the CEO, the same year it recorded a total pre-tax charge of $5.63 billion ($5.14 billion after tax) for expected opioid settlement costs during the fiscal year ended 30 June 2020. The Compensation Committee excluded the settlement costs from the earnings calculations which resulted in executive pay being boosted. Further, the current CEO was head of pharma globally during the worst years of the opioid crisis. Accountability would therefore have been expected. LGIM voted against the resolution to signal their concern over the bonus payment to the CEO in the same year the company recorded the charge for expected opioid settlement.	In June 2019, under LGIM's annual 'Climate Impact Pledge' ranking of corporate climate leaders and laggards, they announced that they will be removing ExxonMobil from their Future World fund range, and will be voting against the chair of the board. Ahead of the company's annual general meeting in May 2020, LGIM also announced they will be supporting shareholder proposals for an independent chair and a report on the company's political lobbying. Due to recurring shareholder concerns, LGIM's voting policy also sanctioned the reappointment of the directors responsible for nominations and remuneration.	P&G uses both forest pulp and palm oil as raw materials within its household goods products, which are considered leading drivers of deforestation and forest degradation, responsible for c. 12.5% of greenhouse gas emissions that contribute to climate change. Following a round of extensive engagement on deforestation certification issues, LGIM decided to support the resolution. Although P&G has introduced a number of objectives and targets to ensure their business does not impact deforestation, LGIM felt it was not doing as much as it could. The company has not responded to CDP Forest disclosure; this was a red flag to LGIM in terms of its level of commitment. Deforestation is one of the key drivers of climate change. Therefore, a key priority issue for LGIM is to ensure that companies they invest their clients' assets in are not contributing to deforestation.
Outcome of the vote	91.7% voted for the resolution, and 8.2% against.	Resolution 5 to 8, and 14 to 16 each received approximately 30% support from shareholders. Resolutions 9 and 10 received respectively 16.7% and 15.3% support. Resolution 11 received 6.1% support. Resolution 12 received 1.5 % support. Resolution 13 received 12.2% support.	The resolution encountered a significant amount of oppose votes from shareholders, with 38.6% voting against the resolution and 61.4% supporting the proposal.	93.2% of shareholders supported the re-election of the combined chair and CEO Darren Woods. Approximately 30% of shareholders supported the proposals for independence and lobbying.	The resolution received the support of 67.7% of shareholders.

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Implications of the outcome	LGIM will continue to monitor this company.	Despite shareholders not giving majority support to the raft of shareholder proposals, the sheer number and focus on these continues to dominate the landscape for the company. LGIM's engagement with the company continues as they push it to disclose more and to ensure it is adequately managing its broader stakeholders, and most importantly, its human capital.	LGIM continues to engage with US companies on their pay structures and has published specific pay principles for US companies.	LGIM believes this sends an important signal, and will continue to engage, both individually and in collaboration with other investors, to push for change at the company. LGIM's voting intentions were the subject of over 40 articles in major news outlets across the world, including Reuters, Bloomberg, Les Échos and Nikkei, with a number of asset owners in Europe and North America also declaring their intentions to vote against the company.	LGIM will continue to engage with P&G on the issue and will monitor its deforestation disclosures for improvement.
Criteria on which the vote is considered "significant"	LGIM believes it is contrary to best practice in general and LGIM's pay principles in particular to award one-off awards, especially if they are to compensate for a forgone payment.	The market attention was significant leading up to the AGM with substantial press coverage with largely negative sentiment related to the company's governance profile and its initial management of COVID-19. LGIM's Stewardship team received more inquiries related to Amazon than any other company this season.	LGIM believes it is imperative that pay structures are aligned with company performance and that certain expenses over which directors have control and influence should not be allowed to be excluded in the calculation of their pay, in particular if these would be detrimental to the executive director(s) in question.	LGIM voted against the chair of the board as part of LGIM's 'Climate Impact Pledge' escalation sanction.	It is linked to LGIM's five-year strategy to tackle climate change and attracted a great deal of client interest.

LGIM, UK Equity Index Fund (Table 1 of 2)

	Vote 1	Vote 2	Vote 3
Company name	International Consolidated Airlines Group	Pearson	SIG plc.
Date of vote	07 September 2020	18 September 2020	09 July 2020
Summary of the resolution	Resolution 8: Approve Remuneration Report was proposed at the company's annual shareholder meeting.	Resolution 1: Amend remuneration policy' was proposed at the company's special shareholder meeting.	Resolution 5: Approve one-off payment to Steve Francis
How the manager voted	LGIM voted against the resolution.	LGIM voted against the resolution.	LGIM voted against the resolution.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	As a result of the COVID-19 crisis, the company needed support from various government schemes, announced a 30% cut to its workforce, withdrew its dividend for 2020 and sought shareholder approval for a rights issue. LGIM were concerned about the level of bonus payments, which are 80% to 90% of their salary for current executives and 100% of their salary for the departing CEO. LGIM noted that the executive directors took a 20% reduction to their basic salary from 1 April 2020. LGIM would have expected the remuneration committee to exercise greater discretion in light of the financial situation of the company and also to reflect the stakeholder experience. LGIM have been privately closely engaging with the company, including on the succession of the CEO and the board chair, who were long-tenured. This eventually led to the appointment of a new CEO to replace the long-standing CEO was announced in January 2020. A new board chair, an independent non-executive director, was also recently appointed by the board.	Pearson decided to put forward an all-or-nothing proposal in the form of an amendment to the company's remuneration policy. This resolution at the extraordinary general meeting (EGM) was seeking shareholder approval for the grant of a co-investment award, an unusual step for a UK company, yet if this resolution was not passed the company confirmed that the proposed new CEO would not take up the CEO role. This is an unusual approach and many shareholders felt backed into a corner and felt forced to accept a less-than-ideal remuneration structure for the new CEO. LGIM spoke with the chair of the board on succession plans and progress for the new CEO, and also discussed the shortcomings of the company's current remuneration policy. They also spoke with the chair directly before the EGM, and relayed their concerns that the performance conditions were weak and should be re-visited, to strengthen the financial underpinning of the new CEO's award. LGIM also asked that the post-exit shareholding requirements were reviewed to be brought into line with their expectations for UK companies. In the absence of any changes, LGIM took the decision to vote against the amendment to the remuneration policy.	The company wanted to grant their interim CEO a one-off award of £375,000 for work carried out over a two-month period. The CEO agreed to invest £150,000 of this payment in acquiring shares in the business, and the remaining £225,000 would be a cash payment. LGIM does not generally support one-off payments. LGIM believes that the remuneration committee should ensure that executive directors have a remuneration policy in place that is appropriate for their role and level of responsibility. There were other factors that were taken into consideration: the size of the additional payment was a concern because it was for work carried over a two-month period, yet was equivalent to 65% of his full-time annual salary. £225,000 was to be paid in cash at a time when the company's liquidity position was so poor that it risked breaching covenants of a revolving credit facility and therefore needed to raise additional funding through a highly dilutive share issue.

	Vote 1	Vote 2	Vote 3
Outcome of the vote	28% of shareholders opposed the remuneration report.	At the EGM, 33% of shareholders voted against the co-investment plan and therefore, by default, the appointment of the new CEO.	The resolution passed. However, 44% of shareholders did not support it. LGIM believes that with this level of dissent the company should not go ahead with the payment.
Implications of the outcome	LGIM will continue to engage closely with the renewed board.	Such significant dissent clearly demonstrates the scale of investor concern with the company's approach. It is important that the company has a new CEO, a crucial step in the journey to recover value; but key governance questions remain which will now need to be addressed through continuous engagement.	LGIM intends to engage with the company over the coming year to find out why this payment was deemed appropriate and whether they made the payment despite the significant opposition.
Criteria on which the vote is considered "significant"	LGIM considers this vote significant as it illustrates the importance for investors of monitoring their investee companies' responses to the COVID crisis.	Pearson has had strategy difficulties in recent years and is a large and well-known UK company. Given the unusual approach taken by the company and LGIM's outstanding concerns, LGIM deem this vote to be significant.	The vote is high-profile and controversial.

LGIM, UK Equity Index Fund (Table 2 of 2)

	Vote 4	Vote 5	Vote 6
Company name	Barclays	Rank Group	Plus500 ltd.
Date of vote	07 May 2020	11 November 2020	16 September 2020
Summary of the resolution	Resolution 29: Approve Barclays' Commitment in Tackling Climate Change Resolution 30: Approve ShareAction Requisitioned Resolution.	Resolution 2: Approve the remuneration report. Resolution 3: Approve remuneration policy.	Resolution 17: Approve Special Bonus Payment to CFO Elad Even-Chen.
How the manager voted	LGIM voted for resolution 29, proposed by Barclays and for resolution 30, proposed by ShareAction.	LGIM supported both resolutions.	LGIM voted against the resolution. LGIM voted against the special bonus. Separately, LGIM also voted against an amendment to the company's remuneration policy.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		Given their concerns, LGIM directly notified the company of their vote intentions before the shareholder meeting.

	Vote 4	Vote 5	Vote 6
Rationale for the voting decision	The resolution proposed by Barclays sets out its long-term plans and has the backing of ShareAction and co-filers. LGIM are particularly grateful to the Investor Forum for the significant role it played in coordinating this outcome.	The company and its stakeholders have been impacted by the COVID crisis; LGIM want to ensure this is reflected in the executive remuneration package. After review of the remuneration policy, the remuneration committee asked shareholders to adopt a new long-term incentive (LTI) structure. LGIM decided to support the remuneration report, which looks back at the remuneration earned during the financial year. LGIM noted the remuneration committee's decision to apply a 20% deduction and cancel the planned increase of salaries of the executives and fees of the board members. No annual bonus was granted, given the performance of the company. LGIM was comfortable that the impact of COVID-19 had been appropriately reflected in the remuneration of the executives and therefore decided to support the remuneration report. Regarding the remuneration policy, LGIM's direct engagement with the company allowed them to better understand the rationale for the proposed changes to the LTIP.	Plus500 proposed a number of pay-related proposals for shareholder approval. Amongst these, the board recommended the approval of a substantial discretionary bonus offered to the CFO of around $1.2 million, for his successful work with Israeli tax authorities over a number of years, resulting in a significant tax-saving for shareholders. The bonus is in addition to his annual variable pay and outside the normal bonus structure. LGIM does not support one-off discretionary bonuses (or transaction bonuses) as these are not within the approved policy to reward the achievement of pre-set targets. Moreover, discussions with tax authorities and the obtaining of preferential tax structures for the company are seen as part of a CFO's day-to-day job and should not be remunerated separately. Instead, a preferential tax treatment will benefit future performance and will therefore be rewarded within annual bonus and long-term incentives in future performance years.
Outcome of the vote	Resolution 29 was supported by 99.9% of shareholders, and resolution 30 was supported by 23.9% of shareholders.	90.8% of shareholders supported resolution 2 and 96.4% supported resolution 3. However, it should be noted that a majority shareholder owned 56.2% of the voting rights shortly before the time of the vote. This remains an interesting outcome given the recommendation of a vote against both resolutions by influential proxy voting agency ISS.	Given the level of shareholder dissent, Resolution 17 was withdrawn ahead of the AGM. The company stated that: 'The board and the remuneration committee consider that a bonus is appropriate given the outstanding efforts of [the CFO].'As such, Plus500 intends to again propose the resolution for shareholder approval at the EGM to cover 2021 director pay (as is required under Israeli law).
Implications of the outcome	LGIM's focus going forward will be to help Barclays on the detail of their plans and targets. LGIM plans to continue to work closely with the Barclays board and management team in the development of their plans and will continue to liaise with ShareAction, Investor Forum and other large investors, to ensure consistency of messaging and to continue to drive positive change.	LGIM's engagement with the company on the topic of remuneration led to an informed vote decision by LGIM.	LGIM will continue to monitor the company.
Criteria on which the vote is considered "significant"	Since the beginning of the year, there has been significant client interest in LGIM's voting intentions and engagement activities in relation to the 2020 Barclays AGM. LGIM considers the outcome to be extremely positive for all parties: Barclays, ShareAction and long-term asset owners such as LGIM's clients.	It illustrates the complexity of remuneration practices and the importance of engagement. The media also expected this shareholder meeting would trigger a substantial amount of votes against.	There was a level of media interest regarding the withdrawal of the resolution. This, combined with the other shortcomings of this company in relation to the expectations of a company listed in London, make this a significant vote. Shareholder dissent to the resolution was sufficiently high that the proposal was withdrawn ahead of the AGM; this will result in the company being included in the UK Investment Association's Public Register.

Firm level engagement

LGIM were only able to provide engagement data at firm level. The Trustee's investment consultants are working with LGIM to improve the depth of the information provided in the requested format. The data below is a summary of LGIM's global engagement at a firm level for the year up until 31 December 2020.

Manager	LGIM
Fund name	Applicable for all LGIM funds
Does the manager perform engagement on behalf of the holdings within the funds	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes
Number of engagements undertaken at a firm level in the year	891
Number of companies engaged	796
Number of engagements on environmental topics	416
Number of engagements on governance topics	401
Number of engagements on social topics	241
Number of engagements on other topics (e.g. financial and strategy)	171
Examples of engagements undertaken with holdings in the funds	LGIM's main engagement topics include: Remuneration, Board compensation, Diversity, LGIM ESG Score, Climate Change, Governance score, Strategy, COVID 19 and Disclosure. An example is LGIM's engagement regarding Barclays' AGM, in which there has been significant client interest. LGIM endorsed Barclay's ESG target, to shrink its carbon footprint to net zero by 2050, and are focusing on helping Barclays develop plans and achieve their target. Another example is LGIM's 'Pandemic 50' collaborative engagement. LGIM along with nine other investors engaged with 50 of the world's largest companies about their response to the global pandemic. This identified a variety of weaknesses in economies and gaps in social safety nets. The coalition, representing \$3.7 trillion of assets under management, assessed how the business model, strategies and practices of each company are adapting to strengthen long-term resilience. In particular, they focused on how board oversight and approach to human capital management has evolved.