

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

How voting and engagement policies have been followed

The Trustee’s policy on voting and engagement is set out in the Scheme’s Statement of Investment Principles, which is available publicly online. The Scheme invests entirely in pooled funds, and as such, the Trustee 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 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 PRI and UK Stewardship Code (or equivalent). LGIM, along with the Scheme’s investment adviser, 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.

In August 2021, the Scheme reinstated the previously held portfolio of passive equities with LGIM, using funds which were held in the LGIM Sterling Liquidity Fund.

Please note that all of the data included in this document covers the year to 31 December 2021, as opposed the accounting year to 31 January 2022. 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, 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 2021, together with information on any key voting priorities and information on the use of proxy voting advisors by the manager. The pooled equity funds held with LGIM were invested in the latter half of 2021, however the voting data provided for all the LGIM funds held is for the full calendar year as this was the information available.

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
<i>For funds marked with an asterisk (*), the Scheme invests/invested in both GBP currency hedged and non-currency hedged share classes.</i>							
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	5,834	329	463	442	638	707	3,627
Number of resolutions the manager was eligible to vote on over the year	59,616	2,308	7,665	5,306	7,846	9,923	31,303
Percentage of resolutions the manager voted on	99.81%	100.00%	99.97%	100.00%	99.73%	100.00%	99.79%
Percentage of resolutions the manager abstained from, as a percentage of the total number of resolutions voted on	0.88%	0.30%	0.37%	0.00%	0.06%	0.00%	1.90%
Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	80.83%	72.36%	82.19%	86.26%	70.95%	92.77%	81.82%
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	18.29%	27.34%	17.45%	13.74%	28.98%	7.23%	16.29%
Use of proxy voting adviser	LGIM vote by proxy using the Institutional Shareholder Services (ISS) "ProxyExchange" electronic voting platform. All strategic decisions are made by the internal team at LGIM.						
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	10.84%	15.90%	8.10%	11.01%	22.91%	5.51%	6.24%

Please note data may not add to 100% due to rounding.

Significant votes

The Trustee has delegated to the investment manager, LGIM, to define what a “significant vote” is, and the rationale is in the table below. A summary of examples of the data provided by LGIM is set out below. We have included the significant votes with the three largest holdings for concise reporting. All information has therefore been provided by LGIM and represents the views of the investment manager.

LGIM, Dynamic Diversified Fund

	Vote 1	Vote 2	Vote 3
Company name	Barrick Gold Corporation	Wheaton Precious Metals Corp.	Duke Energy Corporation
Date of vote	04 May 2021	14 May 2021	06 May 2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.34%	0.26%	0.21%
Summary of the resolution	Resolution 1.2 Elect Director Gustavo A. Cisneros	Resolution a1 Elect Director George L. Brack	Resolution 1.1 Elect Director Michael G. Browning
How the manager voted	Withhold	Withhold	Withhold
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 on its website with the rationale for all votes against management. It is LGIM's 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	<p>LGIM views gender diversity as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf. For 10 years, LGIM have been using their position to engage with companies on this issue. As part of LGIM's efforts to influence their investee companies on having greater gender balance, in 2020, LGIM increased its expectations on gender diversity on the board by placing a vote against the largest 100 companies in the S&P500 and the S&P/TSX where there is less than 25% women on the board. In 2021, LGIM expanded the scope of their vote policy to include all companies in the S&P 500 and the S&P/TSX. LGIM's expectation is for all companies in this market to reach a minimum of 30% women on the board and at senior management level by 2023.</p>		<p>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 LGIM have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 LGIM are voting against all combined board chair/CEO roles. Furthermore, LGIM have published a guide for boards on the separation of the roles of chair and CEO (available on LGIM's website), and LGIM have reinforced their position on leadership structures across their stewardship activities – e.g. via individual corporate engagements and director conferences.</p>
Outcome of the vote	93.0% of shareholders supported the resolution.	87.6% of shareholders supported the resolution.	88.1% of shareholders supported the resolution.
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
Criteria on which the vote is considered “significant”	<p>LGIM views gender diversity as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf.</p>		<p>LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).</p>

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

	Vote 1	Vote 2	Vote 3
Company name	Sands China Ltd.	Wilmar International Limited	WH Group Limited
Date of vote	21 May 2021	15 April 2021	01 June 2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.33%	0.26%	0.21%
Summary of the resolution	Resolution 2a Elect Robert Glen Goldstein as Director	Resolution 5 Elect Kuok Khoo Hong as Director	Resolution 2a Elect Wan Long as Director
How the manager voted	LGIM voted against the resolution (against management)	LGIM voted against the resolution (against management)	LGIM voted against the resolution (against management)
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 on its website with the rationale for all votes against management. It is LGIM's 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	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 LGIM have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 LGIM are voting against all combined board chair/CEO roles. Furthermore, LGIM have published a guide for boards on the separation of the roles of chair and CEO (available on LGIM's website), and LGIM have reinforced their position on leadership structures across their stewardship activities – e.g. via individual corporate engagements and director conferences.		
Outcome of the vote	94.7% of shareholders supported the resolution.	94.2% of shareholders supported the resolution.	75.2% of shareholders supported the resolution.
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
Criteria on which the vote is considered "significant"	LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).		

LGIM, Europe (ex UK) Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Total SE	Kering SA	Atlas Copco AB
Date of vote	28 May 2021	22 April 2021	27 April 2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.25%	0.63%	0.48%
Summary of the resolution	Resolution 6 Re-elect Patrick Pouyanne as Director	Resolution 4 Re-elect Francois-Henri Pinault as Director	Resolution 9.b. Re-elect Hans Straberg as Board Chairman
How the manager voted	LGIM voted against the resolution (against management)	LGIM voted against the resolution (against management)	Against
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 on its website with the rationale for all votes against management. It is LGIM's 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	<p>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 LGIM have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 LGIM are voting against all combined board chair/CEO roles. Furthermore, LGIM have published a guide for boards on the separation of the roles of chair and CEO (available on LGIM's website), and LGIM have reinforced their position on leadership structures across their stewardship activities – e.g. via individual corporate engagements and director conferences.</p>		<p>LGIM views gender diversity as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf. For 10 years, LGIM have been using their position to engage with companies on this issue. As part of LGIM's efforts to influence their investee companies on having greater gender balance, LGIM expect companies in well-governed markets to have at least 30% women on their boards. For further details, please refer to LGIM's vote policies on their website.</p>
Outcome of the vote	77.4% of shareholders supported the resolution.	93.7% of shareholders supported the resolution.	Data not provided
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
Criteria on which the vote is considered "significant"	LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).		LGIM views gender diversity as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf.

LGIM, Japan Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Mitsubishi UFJ Financial Group, Inc.	Shin-Etsu Chemical Co., Ltd.	Recruit Holdings Co., Ltd.
Date of vote	29 June 2021	29 June 2021	17 June 2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.57%	1.52%	1.52%
Summary of the resolution	Resolution 3 Amend Articles to Disclose Plan Outlining Company's Business Strategy to Align Investments with Goals of Paris Agreement	Resolution 3.1 Elect Director Saito, Yasuhiko	Resolution 5 Amend Articles to Allow Virtual Only Shareholder Meetings
How the manager voted	For	LGIM voted against the resolution (against management)	Against
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 on its website with the rationale for all votes against management. It is LGIM's 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	<p>Climate change: A vote in favour of this shareholder proposal is warranted as LGIM expects companies to be taking sufficient action on the key issue of climate change. While LGIM positively note the company's recent announcements around net-zero targets and exclusion policies, LGIM think that these commitments could be further strengthened and LGIM believe the shareholder proposal provides a good directional push.</p>	<p>LGIM views gender diversity as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf. For 10 years, LGIM have been using their position to engage with companies on this issue. As part of LGIM's efforts to influence their investee companies on having greater gender balance and following a campaign on gender diversity in Japan in 2019, LGIM decided to escalate their voting policy. In 2020, LGIM announced LGIM would be voting against all companies in the large-cap TOPIX 100 index that do not have at least one woman on their board. In 2021, LGIM expanded the scope of their policy to vote against TOPIX Mid 400 companies that do not have at least one woman on the board.</p>	<p>LGIM felt a vote against this proposal was warranted by LGIM because:- Japanese companies are able to hold virtual meetings using temporary regulatory relief (without amending articles) for two years, but the passage of this proposal would authorize the company to hold virtual meetings permanently, without further need to consult shareholders, even after the current health crisis is resolved.- The proposed language failed to specify situations under which virtual meetings will be held, raising concerns that meaningful exchange between the company and shareholders could be hindered, especially in controversial situations such as when shareholder proposals are submitted, a proxy fight is waged, or a corporate scandal occurs.</p>
Outcome of the vote	22.7% of shareholders supported the resolution.	90.7% of shareholders supported the resolution.	83.8% of shareholders supported the resolution.
Implications of the outcome	LGIM will continue to engage on this important ESG issue.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to engage on this important ESG issue.
Criteria on which the vote is considered "significant"	LGIM views climate change as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf. This was also a high profile proposal in Japan, where climate-related shareholder proposals are still rare.	LGIM views gender diversity as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf.	This was a high profile vote where the company proposed a change in articles to allow virtual-only AGMs beyond the temporary regulatory relief effective for 2 years from June 2021.

LGIM, North America Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Facebook, Inc.	JPMorgan Chase & Co	Johnson & Johnson
Date of vote	26 May 2021	18 May 2021	22 April 2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.01%	2.00%	1.17%
Summary of the resolution	Resolution 1.9 Elect Director Mark Zuckerberg	Resolution 1c Elect Director Todd A. Combs	Resolution 1e Elect Director Alex Gorsky
How the manager voted	Withhold	Against	Against
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 on its website with the rationale for all votes against management. It is LGIM's 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	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 LGIM have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 LGIM are voting against all combined board chair/CEO roles. Furthermore, LGIM have published a guide for boards on the separation of the roles of chair and CEO (available on LGIM's website), and LGIM have reinforced their position on leadership structures across their stewardship activities – e.g. via individual corporate engagements and director conferences.		
Outcome of the vote	97.2% of shareholders supported the resolution.	96.1% of shareholders supported the resolution.	93.4% of shareholders supported the resolution.
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
Criteria on which the vote is considered "significant"	LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).		

LGIM, UK Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Imperial Brands plc	Informa Plc	EVRAZ Plc
Date of vote	03 February 2021	03 June 2021	15 June 2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.64%	0.34%	0.15%
Summary of the resolution	Resolutions 2 and 3, respectively, Approve Remuneration Report and Approve Remuneration Policy.	Resolution 3, Re-elect Stephen Davidson as Director Resolution 5, Re-elect Mary McDowell as Director Resolution 7, Re-elect Helen Owers as Director Resolution 11, Approve Remuneration Report	Resolution 3 Re-elect Alexander Abramov as Director
How the manager voted	LGIM voted against both resolutions.	Against Resolutions 3, 5, 7, and 11 (against management recommendation).	Against
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 on its website with the rationale for all votes against management. It is LGIM's 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	<p>The company appointed a new CEO during 2020, who was granted a significantly higher base salary than his predecessor. LGIM note that a higher base salary has a consequential ripple effect on short- and long-term incentives, as well as pension contributions. Further, they feel that the company did not apply best practice in relation to post-exit shareholding guidelines as outlined by both LGIM and the Investment Association. An incoming CEO with no previous experience in the specific sector, or CEO experience at a FTSE100 company, should have to prove her or himself beforehand to be set a base salary at the level, or higher, of an outgoing CEO with multiple years of such experience.</p> <p>Further, LGIM would expect companies to adopt general best practice standards. Prior to the AGM, LGIM engaged with the company outlining what their concerns over the remuneration structure were. LGIM also indicated that LGIM publish specific remuneration guidelines for UK-listed companies and keep remuneration consultants up to date with LGIM's thinking.</p>	<p>The company's prior three Remuneration Policy votes – in 2018, June 2020, and at a General Meeting that was called in December 2020 – each received high levels of dissent, with 35% or more of votes cast against. At the December 2020 meeting, the Remuneration Policy and the Equity Revitalisation Plan (EVP) received over 40% of votes against. The EVP was structured to award the CEO restricted shares to a value of 600% of salary. LGIM has noted their concerns with the company's remuneration practices for many years. Due to continued dissatisfaction, LGIM again voted against the proposed Policy at the December 2020 meeting. However, despite significant shareholder dissent at the 2018 and 2020 meetings, the company implemented the awards under the plan, a few weeks after the December meeting.</p> <p>Additionally, the Remuneration Committee has adjusted the performance conditions for the FY2018 long-term incentive plan (LTIP) awards while the plan is running, resulting in awards vesting where they would otherwise have lapsed. Due to consistent problems with the implementation of the company's Remuneration Policy and the most recent events as described above, LGIM has voted against the Chair of the Remuneration Committee for the past three years. Given the company has implemented plans that received significant dissent from shareholders without addressing persistent concerns, LGIM has taken the decision to escalate their vote further to all incumbent Remuneration Committee members, namely Stephen Davidson (Remuneration Committee Chair), Mary McDowell and Helen Owers.</p>	<p>LGIM views gender diversity as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf. For 10 years, LGIM have been using their position to engage with companies on this issue. As part of LGIM's efforts to influence their investee companies on having greater gender balance, LGIM apply voting sanctions to those FTSE 350 companies that do not have a minimum of 30% women on the board. LGIM also apply voting sanctions to the FTSE 100 companies that do not have 30% women on their executive committee. For smaller companies LGIM expect at least one woman at board level.</p>

	Vote 1	Vote 2	Vote 3
Outcome of the vote	<p>Resolution 2 (Approve Remuneration Report) received 40.26% votes against, and 59.73% votes of support.</p> <p>Resolution 3 (Approve Remuneration Policy) received 4.71% of votes against, and 95.28% support.</p>	<p>Resolution 3 53.4% of shareholders supported the resolution.</p> <p>Resolution 5 80% of shareholders supported the resolution.</p> <p>Resolution 7 78.1% of shareholders supported the resolution.</p> <p>Resolution 11 38.3% of shareholders supported the resolution.</p>	<p>82.8% of shareholders supported the resolution.</p>
Implications of the outcome	<p>LGIM continues to engage with companies on remuneration both directly and via IVIS, the corporate governance research arm of The Investment Association. LGIM annually publishes remuneration guidelines for UK listed companies.</p>	<p>LGIM will continue to seek to engage with the company and monitor progress.</p>	<p>LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.</p>
Criteria on which the vote is considered "significant"	<p>LGIM are concerned over the ratcheting up of executive pay; and LGIM believe executive directors must take a long-term view of the company in their decision-making process, hence the request for executives' post-exit shareholding guidelines to be set.</p>	<p>LGIM consider this vote to be significant as LGIM took the rare step of publicly pre-declaring it before the shareholder meeting. Publicly pre-declaring their vote intention is an important tool for LGIM's engagement activities. LGIM decide to pre-declare their vote intention for a number of reasons, including as part of their escalation strategy, where LGIM consider the vote to be contentious, or as part of a specific engagement programme.</p>	<p>LGIM views gender diversity as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf.</p>

LGIM, World Emerging Markets Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Alibaba Group Holding Limited	China Construction Bank Corporation	MediaTek, Inc.
Date of vote	17 September 2021	25 June 2021	10 June 2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	3.76%	1.02%	0.71%
Summary of the resolution	Resolution 1.1 - Elect Director Joseph C. Tsai	Resolution 1 Approve Report of the Board of Directors	Resolution 5.1 Elect Ming-Kai Tsai with Shareholder No. 1 as Non-independent Director
How the manager voted	Against	Against	LGIM voted against the resolution (against management).
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 on its website with the rationale for all votes against management. It is LGIM's 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	<p>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 LGIM have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 LGIM have voted against all combined board chair/CEO roles. Furthermore, LGIM have published a guide for boards on the separation of the roles of chair and CEO (available on LGIM's website), and LGIM have reinforced their position on leadership structures across their stewardship activities – e.g. via individual corporate engagements and director conferences.</p>	<p>The company is deemed to not meet minimum standards with regards to climate risk management and disclosure.</p>	<p>LGIM views gender diversity as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf. For 10 years, LGIM have been using their position to engage with companies on this issue. As part of LGIM's efforts to influence their investee companies on having greater gender balance, LGIM expect all companies in which LGIM invest globally to have at least one female on their board. Please note LGIM have stronger requirements in the UK, North American, European and Japanese markets, in line with their engagement in these markets. For further details, please refer to LGIM's vote policies on their website.</p>
Outcome of the vote	73.6% supported the vote	Data not provided	Data not provided
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to engage with the company and monitor progress.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
Criteria on which the vote is considered "significant"	LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).	LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, LGIM's flagship engagement programme targeting some of the world's largest companies on their strategic management of climate change.	LGIM views gender diversity as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf.

Firm level engagement

LGIM provided engagement data at firm level. This is because they engage centrally across all of their holdings. The data below is a summary of LGIM's global engagement at a firm level for the year up until 31 December 2021.

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	772
Number of companies engaged	683
Number of engagements on environmental topics	294
Number of engagements on governance topics	441
Number of engagements on social topics	230
Number of engagements on other topics (e.g. financial and strategy)	209

Examples of engagements undertaken with holdings in the funds

LGIM's main engagement topics include: Remuneration, Board compensation, Diversity, ESG disclosures (including LGIM ESG Score), Climate Change, Strategy, Ethnic Diversity, Public Health, Water and Climate impact pledge.

An example is LGIM's engagement through the Climate Impact Pledge. LGIM launched its 5th engagement cycle of the Climate Impact Pledge. They analyse and directly engage with around 60 companies in 15 climate-critical sectors on their approach to strategic approach to climate change, and to what extent they are aligning their businesses with the constraints and opportunities of a net-zero transition. By the end of 2021 75% of companies had responded to engagement requests and although this is positive the manager's focus for 2022 is to continue to press companies to develop robust decarbonisation strategies.