

The Delco Remy UK Employee Pension Scheme ('the Scheme') – Implementation Statement 1st August 2022 – 31st July 2023

An Implementation Statement ('Statement') has been prepared in accordance with applicable legislation, taking into account guidance from the Department of Work and Pensions and The Pensions Regulator for the period from 1st August 2022 – 31st July 2023 ('the Scheme Year').

Under applicable legislation, the Scheme, for the purpose of this Statement, is a Hybrid scheme as it provides both Defined Benefit ('DB') and Defined Contribution ('DC') benefits. There are arrangements for members to invest Additional Voluntary Contributions ('AVCs') into any of the investment options available under the DC Section.

Following the insolvency of Remy Automotive UK Limited (the 'Employer') on 28 February 2022, Independent Trustee Services Limited ('the Trustee') were appointed as a sole corporate professional Trustee in place of the former Trustees with effect from 25 March 2022 and the Scheme is currently in the Pension Protection Fund ('PPF') assessment period.

In this Statement we seek to:

- set out how, and the extent to which the DB and DC Statements of Investment Principles ('SIP') have both been followed during the Scheme Year;
- describe the review of the DB and DC SIP;
- set out the Trustee's policies; and
- comment on the voting and engagement behaviour and how the Trustee policy has been followed during the Scheme Year.

SIP review and changes during the Scheme Year

In July 2022 the Trustee commissioned a review of the DB Section's investment strategy from the Scheme's investment consultants Spence & Partners. Investment advice was received by the Trustee in August 2022 and transition to the new strategy with Legal & General Investment Managements ("LGIM") was completed in December 2022, with the Trustee adopting the following strategic asset allocation with LGIM for the DB section.

Asset Class	Fund	Strategic Asset Allocation (%)
Index Linked Gilts	LGIM Under 15 Year Index-Linked Gilts Index Fund	13.0
	LGIM Over 15 Year Index-Linked Gilts Index Fund	13.7
Fixed Interest Gilts	LGIM 5 to 15 Year Gilts Index Fund	12.8
	LGIM Over 15 Year Gilts Index Fund	60.5
Total		100.0

A revised DB SIP was put in place with effect from January 2023 in relation to this change in strategy.

The Trustee continues the process of reviewing the options to discharge each members' DC benefits to an alternative arrangement as part of the wind-up of the DC Section of the Scheme.

How the DB and DC SIPs have been followed during the Scheme Year

The Trustee believes, to the best of its knowledge, that the policies in the SIPs have broadly been followed.

Based on the Trustee's understanding of the Scheme, the following can be noted in respect of the DB and DC Sections over the year:

- The Trustee invests the assets of the Scheme with the aim of ensuring that all members' benefits can be paid. The Trustee believes this objective was met during the Scheme year and all cashflow requirements were met.
- There have been no changes to the default investment strategy or self-select options available to members in the DC Section over the year. The last review was completed in February 2016, and this review considered the aims and objectives of the default strategy, along with other self-select investment options.
- There were no changes to the investment manager, which remained LGIM throughout the period.
- The Trustee receives performance reports on a quarterly basis from LGIM which include an analysis of fund performance to check that return levels meet expectations. Performance is reviewed against benchmarks that have been agreed with the investment managers.
- The Trustee has the appropriate knowledge and understanding to ensure its policies on financially and non-financially material considerations, as well as engagement and voting activities, are and remain appropriate for the Scheme. More detail on engagement and voting is provided later in this Statement.
- The Trustee is a professional Trustee and has measures in place to ensure compliance with the requirements regarding its knowledge and understanding including investment matters, pension and trust law. This, together with the advice available from service providers, enables the Trustee to exercise its functions and run the Scheme properly and effectively.
- The Scheme does not hold any employer related investments that would contravene the Pensions Act 1995 and underlying regulations.

The Trustee is committed to engaging with its investment managers and other stakeholders. However, now the Scheme has entered the PPF assessment period, it will need to consider how it can effectively comply with the requirements such as the following:

- how the investment managers have engaged with issues regarding ESG;
- discussing investment matters at each meeting with their investment adviser present;
- performing a review of investment manager fees, including portfolio turnover costs;
- in respect of the DC benefits, how information on investment performance, charges and transaction costs is reviewed on an annual basis alongside the annual chair statement.

Voting and Engagement

The Trustee has used Minerva Analytics ('Minerva') to obtain voting and investment engagement information (VEI) on the Scheme's behalf.

This Statement includes Minerva's report on key findings on behalf of the Trustee over the Scheme Year.

A summary of the key points are set out below.

Legal and General Investment Management ('LGIM')

All of the Scheme's invested assets are invested with LGIM. For the Scheme's DB section, the Scheme's equity and corporate bond holdings with LGIM were fully disinvested from on 19 December 2022 as part of the transition to the new investment strategy.

Due to the nature of the underlying holdings, no voting information was provided for the Cash Fund, the Gilt and Index-Linked Gilt Funds. The nature of the underlying holdings also meant there was no engagement information to report for these funds with the exceptions detailed in the next few sentences. LGIM explained that all engagements are carried out at firm level and then mapped to the funds. The Over 5 Year Index-Linked Gilts Index Fund included cash and/or money market funds and the engagement information provided was for these holdings and no other of the Scheme's Index-Linked Gilt Funds. Engagement information was also provided for the Cash Fund. This information was not in line in with the Scheme's reporting period and was basic, providing little detail on engagements undertaken. Despite this, Minerva confirmed that the activity appeared to broadly comply with LGIM's own engagement approach, and so also complies with the Scheme's approach.

Voting and engagement information was provided for the remaining holdings. In relation to the Scheme's equity holdings, Minerva confirmed that the manager's voting policies and disclosures broadly comply with the ICGN Voting Guidelines Principles and good corporate governance practices. In relation to the Active Corporate Bond - Over 10 Year - Fund, LGIM confirmed that they do not have a formal proxy voting policy for bond investments. In instances where bonds have voting rights, typically in relation to corporate actions, a case-by-case approach to determine the votes to cast is adopted. Given the nature of the investments in this Fund, Minerva has concluded that the manager's approach is in the best financial interest of the Scheme beneficiaries. Voting records provided were not in line with specific investment holding periods, as the manager is unable to provide bespoke reporting. Significant votes were provided for the equity holdings, excluding the Japan Equity Index Fund (GBP hedged) given the investment holding period was later in the year than the 'Peak Voting Season' for Japan, which occurs in May and June. From the information provided, Minerva were able to confirm that LGIM's voting activity was in line with the Scheme's policies, as stated in the Scheme's SIP.

LGIM provided basic fund level engagement information that covered the Scheme's reporting period for all but the Global Equity (70:30) Index Fund. The Trustee will continue to encourage LGIM to provide detailed fund level information but acknowledge that the information provided was in line with Trustee's own policies.

AVCs

The Scheme holds AVCs and the Trustee has determined that they will not be covered in this Statement on the grounds of materiality.

Final Comments

Since last year, there has been some improvement in the information provided by LGIM who had previously provided engagement information that was not in line with Scheme's reporting period. This year, engagement information was in line with the Scheme's reporting period for most funds although voting information has remained for a different period. Further improvement is also needed from LGIM to provide detail on engagements undertaken.



Delco Remy UK Employee Pension Scheme

Spence & Partners Limited

Implementation Statement (IS): Voting & Engagement Information (VEI) Report

Scheme Reporting Period:
1st August 2022 to 31st July 2023

12th December 2023

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1 SIP Disclosures

This section sets out the policies in the Statement of Investment Principles ('SIP') in force at the Scheme year-end relating to the following:

1. Financially Material Considerations
2. Non-Financial Considerations
3. Investment Manager Arrangements

Stewardship - including the exercise of voting rights and engagement activities - is set out in the 'Voting and Engagement' section.

Source of Information:

*Delco Remy UK Employee Pension Scheme- Defined Benefit Section
Statement of Investment Principles
January 2023*



1.1 Financially Material Considerations

The Trustee has considered financially material factors such as environmental, social and governance ('ESG') issues as part of the investment process to determine a strategic a set allocation over the length of time during which the benefits are provided by the Scheme for members. It believes that financially material considerations (including climate change) are implicitly factored into the expected risk and return profile of the asset classes it is investing in.

In endeavouring to invest in the best financial interests of the beneficiaries, the Trustee has elected to invest through pooled funds.

The DB Section is invested in gilts and index linked gilts and there is limited scope to take into account financially material considerations and socially responsible investment. However, the Trustee does expect its fund manager and investment adviser to take account of financially material considerations when carrying out their respective roles, where possible.

The Trustee will only invest with investment managers that are signatories for the United Nations supported Principles of Responsible Investment ('UN PRI') or other similarly recognised standard.

1.2 Non-Financial Considerations

The Trustee has not considered non-financial matters in the selection, retention and realisation of investments..

1.3 Investment Manager Arrangements

Incentives to align investment managers' investment strategies and decisions with the Trustees' policies

The DB Section invests in pooled funds and so the Trustee acknowledges that decisions cannot be tailored to the Trustee's policies. However, the Trustee sets its investment strategy and then selects managers that best suits its strategy, taking into account the fees being charged, which acts as the fund manager's incentive..

Incentives for the investment managers to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term

The DB Section invests passively solely in gilts and index linked gilts and so there is no scope to consider long-term financial and non-financial performance of UK government bonds..

How the method (and time horizon) of the evaluation of the fund managers' performance and the remuneration for asset management services are in line with the Trustees' policies

The Trustee will receive and review the quarterly asset statements from the investment manager and will review the performance reporting on a 6 monthly basis (performance is on a gross of fees basis).

The Trustee assesses the performance of the funds, where possible, over at least a 3-5 year period when selecting a manager and will always consider this when looking to select or terminate a manager together with other relevant factors other than performance after obtaining advice from the investment consultant.

The fund manager's remuneration is considered as part of the manager selection process and will only be looked at in greater detail if it increases.

As the timeframe before the assets are sold is 12-24 months the Trustee will only take action to replace the manager in extreme circumstances on receipt of advice from the investment consultant.

How the Trustees monitor portfolio turnover costs incurred by the fund managers, and how they define and monitor targeted portfolio turnover or turnover range

The Trustee does not monitor portfolio turnover costs incurred by the asset manager as it is not a financially material concern over the investment time horizon.

The duration of the arrangement with the fund managers

The Scheme is in the PPF assessment period and is only expected to hold the investments until it is transferred into the PPF, which is likely to be relatively short..

2 Sourcing of Voting and Engagement Information

This section sets out the availability of the information Minerva initially requested from the Scheme's managers, to facilitate the preparation of this report:

Table 2.1: Summary of Available Information

Fund Manager	Investment Fund/Product	Voting Information	Significant Votes	Engagement Information
	5 to 15 Year Gilts Index Fund	No Info to Report	No Info to Report	No Info to Report
	Active Corporate Bond - Over 10 Year - Fund	Part Info Available	No Info to Report	Part Info Available
	Asia Pacific (ex-Japan) Developed Equity Index Fund	Part Info Available	Full Info Available	Part Info Available
	Cash Fund	No Info to Report	No Info to Report	Part Info Available
	Europe (ex UK) Equity Index Fund (GBP hedged)	Part Info Available	Full Info Available	Part Info Available
	Global Equity (70:30) Index Fund	Part Info Available	Full Info Available	Part Info Available
LGIM*	Japan Equity Index Fund (GBP hedged)	Part Info Available	No Info to Report	Part Info Available
	North America Equity Index Fund (GBP hedged)	Part Info Available	Full Info Available	Part Info Available
	Over 15 Year Gilts Index Fund	No Info to Report	No Info to Report	No Info to Report
	Over 15 Year Index-Linked Gilts Index Fund	No Info to Report	No Info to Report	No Info to Report
	Over 5 Year Index-Linked Gilts Index Fund	No Info to Report	No Info to Report	Part Info Available
	UK Equity Index Fund	Part Info Available	Full Info Available	Part Info Available
	Under 15 Year Index-Linked Gilts Index Fund	No Info to Report	No Info to Report	No Info to Report

* LGIM have requested that a Disclaimer be shared, which should be read in relation to any stewardship information provided by them. It can be found at the end of this report.

Table Key

Full Info Available

The manager has provided either a PLSA Voting Template or voting data that **precisely** matches the specific investment's holding / reporting period

Part Info Available

The manager has provided either a PLSA Voting Template or voting data that **partially** matches the specific investment's holding / reporting period

No Info to Report

The manager has explicitly stated that there is no voting or engagement information to report for this specific investment or that it is not expected there will be any voting or engagement information to report due to the nature of the underlying investments

No Info Provided

At the time of preparing this report, the manager has either not formally responded to the information request or has not provided information when we believe there should be information to report

Voting Activity

There was voting information disclosed for the following Scheme investments with LGIM:

- Active Corporate Bond - Over 10 Year - Fund
- Asia Pacific (ex-Japan) Developed Equity Index Fund
- Europe (ex UK) Equity Index Fund (GBP hedged)
- Global Equity (70:30) Index Fund
- Japan Equity Index Fund (GBP hedged)
- North America Equity Index Fund (GBP hedged)
- UK Equity Index Fund

Significant Votes

There was 'Significant Vote' information disclosed for the following Scheme investments with LGIM:

- Asia Pacific (ex-Japan) Developed Equity Index Fund
- Europe (ex UK) Equity Index Fund (GBP hedged)
- Global Equity (70:30) Index Fund
- North America Equity Index Fund (GBP hedged)
- UK Equity Index Fund

Engagement Activity

There was reportable engagement information provided for the following Scheme investments with LGIM:

- Active Corporate Bond - Over 10 Year - Fund
- Asia Pacific (ex-Japan) Developed Equity Index Fund
- Cash Fund
- Europe (ex UK) Equity Index Fund (GBP hedged)
- Global Equity (70:30) Index Fund
- Japan Equity Index Fund (GBP hedged)
- North America Equity Index Fund (GBP hedged)
- Over 5 Year Index-Linked Gilts Index Fund
- UK Equity Index Fund

3 Voting and Engagement

The Trustees are required to disclose the voting and engagement activity over the Scheme year. The Trustees have used Minerva Analytics ('Minerva') to obtain voting and investment engagement information (VEI) on the Scheme's behalf.

This statement provides a summary of the key information and summarizes Minerva's findings on behalf of the Scheme over the Scheme's reporting year.

The voting and engagement activity undertaken by the Scheme's managers, as reported by them and set out in this document, has been in the scheme members' best interests insofar as it demonstrates that the Scheme's managers have undertaken stewardship activity they deem to be appropriate and proportionate in the oversight and management of the Scheme's investments.

3.1 Stewardship

The Trustees' policy on Voting & Engagement from the Scheme's SIP is set out below:

The Trustee's policy on the exercise of rights attaching to investments, including voting rights, is that these rights should be exercised by the investment manager on the Trustee's behalf, having regard to the best financial interests of the beneficiaries.

The investment manager should engage with companies to take account of ESG factors in the exercise of such rights as the Trustee believes this will be beneficial to the financial interests of members over the long term.

The DB Section is invested in gilts and index linked gilts and so there are no voting rights and limited scope to engage in the investments.

The Trustee has taken into consideration the Financial Reporting Council's UK Stewardship Code and expects investment managers to adhere to this where appropriate for the investments they manage.

The following table sets out:

- The funds and products in which the Scheme was invested during the Scheme's reporting period;
- The holding period for each fund or product; and
- Whether each investment manager made use of a 'proxy voter', as defined by the Regulations

Table 3.1: Scheme Investment/Product Information

Fund Manager	Investment Fund/Product	Investment Made Via	Fund / Product Type	Period Start Date	Period End Date	'Proxy Voter' Used?
	5 to 15 Year Gilts Index Fund	L&G Platform	DB Fund	13/12/22	31/07/23	N/A
	Active Corporate Bond - Over 10 Year - Fund	L&G Platform	DB Fund	01/08/22	19/12/22	N/A
	Asia Pacific (ex-Japan) Developed Equity Index Fund	L&G Platform	DB Fund	01/08/22	19/12/22	ISS
	Cash Fund	L&G Platform	DC Fund	01/08/22	31/07/23	N/A
	Europe (ex UK) Equity Index Fund (GBP hedged)	L&G Platform	DB Fund	01/08/22	19/12/22	ISS
	Japan Equity Index Fund (GBP hedged)	L&G Platform	DB Fund	01/08/22	19/12/22	ISS
LGIM	Global Equity (70:30) Index Fund	L&G Platform	DC Fund	01/08/22	31/07/23	ISS
	North America Equity Index Fund (GBP hedged)	L&G Platform	DB Fund	01/08/22	19/12/22	ISS
	Over 15 Year Gilts Index Fund	L&G Platform	DB Fund	13/12/22	31/07/23	N/A
	Over 15 Year Index-Linked Gilts Index Fund	L&G Platform	DB Fund	13/12/22	31/07/23	N/A
	Over 5 Year Index-Linked Gilts Index Fund*	L&G Platform	DB & DC Fund	01/08/22	19/12/22	N/A
	UK Equity Index Fund	L&G Platform	DB Fund	01/08/22	19/12/22	ISS
	Under 15 Year Index-Linked Gilts Index Fund	L&G Platform	DB Fund	13/12/22	31/07/23	N/A

*Two versions of the same fund were held - one DB and DC. The DB version was held for the dates shown, the DC version from 01/08/22 to 31/07/23

Minerva Says

As shown in the table above:

- LGIM identified Institutional Shareholder Services, or 'ISS', as their 'Proxy Voter'
- The investments shown as 'N/A' had no listed equity voting activity associated with them, and so had no need for a proxy voter

4 Exercise of Voting Rights

The following tables show a comparison of each of the Scheme's relevant manager(s) voting activity versus the Trustees' policy (which in this instance is the manager's own policy).

Table 4: LGIM's Approach to Voting

Asset manager LGIM (Legal & General Investment Management)

Relevant Scheme Investment(s)

- Asia Pacific (ex-Japan) Developed Equity Index Fund
- Europe (ex UK) Equity Index Fund (GBP hedged)
- Global Equity (70:30) Index Fund
- Japan Equity Index Fund (GBP hedged)
- North America Equity Index Fund (GBP hedged)
- UK Equity Index Fund

Key Points of Manager's Voting Policy

LGIM's Corporate Governance and Responsible Investing Policy sets out what the manager considers to be corporate governance best practice. It explains their expectations with respect to topics they believe are essential for an efficient governance framework, and for building a sustainable business model. LGIM expects all companies to closely align with their principles, or to engage with them where circumstances prevent them from doing so.

LGIM's voting policy is built on the assessment of 5 key policy areas:

#	Policy Area	Example of Topics Covered
1	Company Board	Board Leadership, Board Independence, Board Diversity, Succession Planning and Board Evaluation
2	Audit, Risk & Internal Control	External Audit, Internal Audit and Whistleblowing
3	Remuneration	Fixed Remuneration, Incentive Arrangements and Service Contracts and Termination Payments
4	Shareholder & Bondholder Rights	Voting Rights and Share-class Structures, Shareholder Proposals and Political Donations

5	Sustainability	Material ESG Risks & Opportunities, Target Setting, Public Disclosure and Engagement
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Yes

Is Voting Activity in Line with the Scheme's Policy?

Some examples of the manager's voting activity are provided in Section 7 – Significant Votes

Minerva Says

- LGIM have set out how they approach their stewardship responsibilities for listed companies on behalf of their clients.
- From the information available, we believe that the voting approaches are consistent with the Scheme's voting approach expectations of its investment managers.



5 Manager Voting Policy

As the current approach of the Scheme is to use the voting policy of the external asset managers, it is important that these policies are independently reviewed to ensure that they match current good practice and the general stewardship expectations set by the Scheme. Well-managed companies that operate in a commercially, socially and environmentally responsible manner are expected to perform better over the longer term, as the Scheme believe that adopting such an approach will allow each company's management to identify, address and monitor the widest range of risks associated with their specific business.

Set out in the following table is Minerva's independent assessment of the Scheme's managers' publicly available voting policies, in the context of current good practice as represented by the ICGN Voting Guidelines, whilst also bearing the Scheme's stewardship expectations in mind. This has been done for each manager where they have identified voting activity on behalf of the Scheme.

We have assessed each manager's policy individually, looking at it from Minerva's perspective of seven 'Voting Policy Pillars' that are at the core of our proxy voting research process, and which we have developed over the last 25 years. In using this well-tryed approach, the Scheme can be sure that their investment managers voting policies are being carefully considered against current good practice.

Table 5.1: Voting Policy Alignment

Investment Manager	Manager Voting Policy Alignment with Current Good Practice						
	Audit & Reporting	Board	Capital	Corporate Actions	Remuneration	Shareholder Rights	Sustainability
LGIM	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned
Comments	LGIM's voting policy and disclosures broadly comply with the ICGN Voting Guidelines Principles and good corporate governance practices.						

Table Key

- Aligned** This aspect of the manager's voting policy is aligned with good practice
- Limited Disclosures** This policy pillar could only be partially assessed on the information available in the manager's voting policy
- No Disclosures** This policy pillar could not be assessed due to a lack of information in the manager's voting policy
- Not Available** The manager's voting policy was not disclosed for analysis by Minerva



Minerva Says

For the Scheme's managers that responded to our information requests by providing voting information:

- LGIM have confirmed that they do not have a formal proxy voting policy for bond investments such as those held in the Active Corporate Bond - Over 10 Year - Fund.
- LGIM's public voting policies for listed equities are, in our view, broadly in line with good practice, and are what we would expect to see from such large asset stewards.

6 Manager Voting Behaviour

The Trustees believe that responsible oversight of investee companies is a fundamental duty of good stewardship. As such, it expects the Scheme's managers to vote at the majority of investee company meetings every year, and to provide sufficient information as to allow for the independent assessment of their voting activity.

The table below sets out the voting behaviour as disclosed by the each of the Scheme's managers:

Table 6.1: Manager Voting Behaviour

Manager	Fund	No. of Meetings		No. of Resolutions				
		Eligible for Voting	Eligible for Voting	% Eligible Voted	% Voted in Favour	% of Voted Against	% Abstain	
LGIM	Active Corporate Bond - Over 10 Year - Fund	3	4	100.0%	100.0%	0.0%	0.0%	
	Asia Pacific (ex-Japan) Developed Equity Index Fund	503	3,592	100.0%	71.6%	28.4%	0.0%	
	Global Equity (70:30) Index Fund	6,904	70,780	99.9%	81.3%	18.1%	0.6%	
	Europe (ex UK) Equity Index Fund (GBP hedged)	605	10,296	99.8%	81.4%	18.1%	0.5%	
	Japan Equity Index Fund (GBP hedged)	503	6,255	100.0%	88.5%	11.5%	0.0%	
	North America Equity Index Fund (GBP hedged)	668	8,416	99.4%	65.2%	34.8%	0.1%	
	UK Equity Index Fund	759	10,854	99.9%	94.5%	5.5%	0.0%	

Comments

The manager provided summarised voting records for the Funds shown above that covered the periods from 01/07/22 to 30/06/23 for the Global Equity (70:30) Index Fund, and from 01/01/22 to 31/12/22 for the other Funds, rather than for the Scheme's specific investment holding periods (the manager does not provide bespoke reporting).

From the summarised information provided, we can see that the manager has voted at almost all investee company meetings for these two Funds, which is in line with the Trustees' expectations of its managers.

Table Key

- Available Information** matches the Scheme's specific reporting period / investment holding period
- Available Information** is for a different period than the Scheme's reporting period / investment holding period
- Information** was not provided by the manager
- Not Applicable

Minerva Says

For the Scheme's managers that responded to our information requests by providing voting information, we believe that they have followed the Scheme's requirements in relation to voting activity, as stated in the Scheme's SIP:

The Trustee's policy on the exercise of rights attaching to investments, including voting rights, is that these rights should be exercised by the investment manager on the Trustee's behalf, having regard to the best financial interests of the beneficiaries.

7 Significant Votes

Set out in the following section are 5 examples of the Scheme's manager(s) voting behaviour from the relevant fund(s) in which the Scheme was invested. A 'Significant Vote' relates to any resolution at a company that meets one of the following criteria:

1. Identified by the manager themselves as being of significance;
2. Contradicts local market best practice (e.g., the UK Corporate Governance Code in the UK);
3. Is one proposed by shareholders that attracts at least 20% support from investors;
4. Attracts over 10% dissenting votes from shareholders.

Where the manager has not provided sufficient data to identify 'Significant Votes' based on criteria 2-4 above, we have used manager-identified examples:

Table 7.1 LGIM's 'Significant Votes'

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Asia Pacific (ex- Japan) Developed Equity Index Fund	Insurance Australia Group Ltd.	21/10/22	0.29%	Resolution 1 - Elect Tom Pockett as Director	Against	90.7% of votes cast were in favour of the resolution
Why a 'Significant Vote'?							
LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.							
Manager's Vote Rationale:							
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.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our general policy not to engage with our investee companies in the three weeks prior to an AGM so to not limit our engagement to shareholder meeting topics and vote decisions.							

Next Steps / Implications of 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.

Relevance to Manager's Stated Policy:**Company Board****Audit, Risk & Internal Control****Remuneration****Shareholder & Bondholder Rights****Sustainability**

We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Asia Pacific (ex- Japan) Developed Equity Index Fund	Endeavour Group Ltd. (Australia)	18/10/22	0.23%	Resolution 2a - Elect Duncan Makeig as Director	Against	98.5% of votes cast were in favour of the resolution

Why a 'Significant Vote?'

LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting some of the world's largest companies on their strategic management of climate change.

Manager's Vote Rationale:

Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management.

Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?

LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our general policy not to engage with our investee companies in the three weeks prior to an AGM so to not limit our engagement to shareholder meeting topics and vote decisions.

Next Steps / Implications of 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.

Relevance to Manager's Stated Policy:			
Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights
			Sustainability

We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Asia Pacific (ex- Japan) Developed Equity Index Fund	Want Want China Holdings Limited	23/08/22	0.12%	Resolution 3a1 - Elect Tsai Eng-Meng as Director	Against	97.0% of votes cast were in favour of the resolution

Why a 'Significant Vote?'
 Thematic - Board Leadership: 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).

Manager's Vote Rationale:
 Independence: A vote against is applied as the board does not comprise at least 33% independent directors. Joint Chair/CEO: A vote against is applied as LGIM expects the roles of Chair and CEO to be separate. These two roles are substantially different and a division of responsibilities ensures there is a proper balance of authority and responsibility on the board.

Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?
 LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our general policy not to engage with our investee companies in the three weeks prior to an AGM so to not limit our engagement to shareholder meeting topics and vote decisions.

Next Steps / Implications of 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.

Relevance to Manager's Stated Policy:			
Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights
			Sustainability

We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Asia Pacific (ex- Japan) Developed Equity Index Fund	Magellan Financial Group Limited	20/10/22	0.04%	Resolution 3 - Elect Hamish McLennan as Director	Against	89.4% of votes cast were in support of the resolution

Why a 'Significant Vote?'

LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

Manager's Vote Rationale:

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. Board mandates: A vote against is applied as LGIM expects a CEO/CFO or a non-executive director not to hold too

Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?

LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our general policy not to engage with our investee companies in the three weeks prior to an AGM so to not limit our engagement to shareholder meeting topics and vote decisions.

Next Steps / Implications of 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.

Relevance to Manager's Stated Policy:

Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability
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We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Europe (ex UK) Equity Index Fund (GBP hedged)	Colruyt SA	28/09/2022	0.02%	Resolution 6b - Reelect Jozef Colruyt as Director	Against	Not stated

Why a 'Significant Vote?'

Thematic - Board Leadership: 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).

Manager's Vote Rationale:

Joint Chair/CEO: A vote against is applied as LGIM expects the roles of Board Chair and CEO to be separate and not to be recombined once separated. These two roles are substantially different and a division of responsibilities ensures there is a proper balance of authority and responsibility on the board.

Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?

LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our general policy not to engage with our investee companies in the three weeks prior to an AGM so to not limit our engagement to shareholder meeting topics and vote decisions.

Next Steps / Implications of 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.

Relevance to Manager's Stated Policy:

Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability
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We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Global Equity (70:30) Index	Flutter Entertainment Plc	27/04/23	0.76%	Resolution 5H - Re-elect Gary McGann as Director	Against	Not stated
Why a 'Significant Vote'?							
Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.							
Manager's Vote Rationale:							
Diversity: A vote against is applied due to the lack of gender diversity at executive officer level. LGIM expects executive officers to include at least 1 female.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a 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.							
Next Steps / Implications of 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.							
Relevance to Manager's Stated Policy:							
		Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability		
We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Global Equity (70:30) Index	Aviva Plc	04/05/23	0.34%	Resolution 3 - Approve Climate-Related Financial Disclosure	For	Not stated

Why a 'Significant Vote?'

Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. We expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.

Manager's Vote Rationale:

Climate: A vote FOR is warranted, having reviewed the disclosures we consider the report is aligned with LGIM's climate expectations.

Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?

LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a 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.

Next Steps / Implications of 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.

Relevance to Manager's Stated Policy:

Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability

We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Global Equity (70:30) Index	InterContinental Hotels Group Plc	05/05/23	0.28%	Resolution 5d - Re-elect Graham Allan as Director	Against	97.3% of votes cast were in support of the resolution
Why a 'Significant Vote'?							
Thematic - Nature: LGIM considers this vote to be significant as it is applied under our engagement program on deforestation, targetting companies in high-risk sectors.							
Manager's Vote Rationale:							
Deforestation Policy: A vote against is applied as the company is deemed to not meet minimum standards with regard to LGIM's deforestation policy.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a 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.							
Next Steps / Implications of 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.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control		Remuneration		Shareholder & Bondholder Rights	
We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Global Equity (70:30) Index	Johnson & Johnson	27/04/23	0.21%	Resolution 1j - Elect Director Anne M. Mulcahy	Against	Not stated
Why a 'Significant Vote'?							
Thematic - Board Leadership: 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).							
Manager's Vote Rationale:							
Joint Chair/CEO: A vote against is applied as LGIM expects companies not to recombine the roles of Board Chair and CEO without prior shareholder approval.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a 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.							
Next Steps / Implications of 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.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability		
We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Global Equity (70:30) Index	Eli Lilly and Company	01/05/23	0.16%	Resolution 8 - Adopt Simple Majority Vote	For	40.7% of votes cast were in support of the resolution
Why a 'Significant Vote?'							
High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.							
Manager's Vote Rationale:							
Shareholder Resolution - Shareholder rights: A vote FOR this proposal is warranted given that elimination of the supermajority vote requirement enhances shareholder rights.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a 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.							
Next Steps / Implications of the Outcome:							
LGIM will continue to monitor the board's response to the relatively high level of support received for this resolution.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control		Remuneration		Shareholder & Bondholder Rights	
We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Japan Equity Index Fund (GBP hedged)				There were no 'Significant Votes' reported, as 'Peak Voting Season' for Japan occurs in May & June – and the investment holding period was later in the year		
Why a 'Significant Vote'?							
Manager's Vote Rationale:							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
Next Steps / Implications of the Outcome:							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control		Remuneration		Shareholder & Bondholder Rights	Sustainability
There were no Significant Votes available for analysis							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	North America Equity Index Fund (GBP hedged)	FedEx Corporation	19/09/2022	0.14%	Resolution 1I - Elect Director David P. Steiner	Against	89.0% of votes cast were in support of the resolution
Why a 'Significant Vote'?							
Thematic - Board Leadership: 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).							
Manager's Vote Rationale:							
Joint Chair/CEO: A vote against is applied as LGIM expects companies to respond to a meaningful level of shareholder support requesting the company to implement an independent Board Chair.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our general policy not to engage with our investee companies in the three weeks prior to an AGM so to not limit our engagement to shareholder meeting topics and vote decisions.							
Next Steps / Implications of 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.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability		
We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	North America Equity Index Fund (GBP hedged)	Twitter, Inc.	13/09/22	0.08%	Resolution 2 - Advisory Vote on Golden Parachutes	Against	95.0% of votes cast were in support of the resolution
Why a 'Significant Vote'?							
<p>High Profile Meeting: LGIM considers Twitter to be significant given the high profile nature of the meeting. Golden parachute payments are lucrative settlement payments to top executives in the event that their employment is terminated. This is an issue we assess across all companies, and is particularly pertinent for Twitter at the moment as the proposed takeover by Elon Musk continues to evolve.</p>							
Manager's Vote Rationale:							
<p>Remuneration: Termination: A vote against is applied as LGIM does not support the use of golden parachutes. As a long-term and engaged investor, we entrust the board to ensure executive directors' pay is fair, balanced and aligned with the strategy and long-term growth and performance of the business, where this is not the case we will use our vote.</p>							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
<p>LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our general policy not to engage with our investee companies in the three weeks prior to an AGM so to not limit our engagement to shareholder meeting topics and vote decisions.</p>							
Next Steps / Implications of the Outcome:							
<p>It is worth noting that in Twitters 2022 AGM, we voted against their say on pay proposal, as did 42% of shareholders. LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.</p>							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control		Remuneration		Shareholder & Bondholder Rights	
<p>We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach</p>							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	North America Equity Index Fund (GBP hedged)	Take-Two Interactive Software, Inc.	16/09/22	0.05%	Resolution 1a - Elect Director Strauss Zelnick	Against	93.0% of votes cast were in support of the resolution
Why a 'Significant Vote'?							
Thematic - Board Leadership: 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).							
Manager's Vote Rationale:							
Transparency: A vote against has been applied as the company has failed to report on their material ESG factors in line with the GRI or SASB reporting framework. 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.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our general policy not to engage with our investee companies in the three weeks prior to an AGM so to not limit our engagement to shareholder meeting topics and vote decisions.							
Next Steps / Implications of 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.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control		Remuneration		Shareholder & Bondholder Rights	
We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	North America Equity Index Fund (GBP hedged)	Conagra Brands, Inc.	21/09/22	0.04%	Resolution 5 - Require Independent Board Chair	For	Not stated
Why a 'Significant Vote'?							
Thematic - Board Leadership: 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).							
Manager's Vote Rationale:							
Shareholder Resolution - Joint Chair/CEO: A vote in favour is applied as LGIM expects companies to establish the role of independent Board Chair. 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. Furthermore, we have published a guide for boards on the separation of the roles of chair and CEO (available on our website), and we have reinforced our position on leadership structures across our stewardship activities - e.g. via individual corporate engagements and director conferences.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our general policy not to engage with our investee companies in the three weeks prior to an AGM so to not limit our engagement to shareholder meeting topics and vote decisions.							
Next Steps / Implications of 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.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control		Remuneration		Shareholder & Bondholder Rights	
We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	North America Equity Index Fund (GBP hedged)	NetApp, Inc.	09/09/22	0.04%	Resolution 1a - Elect Director T. Michael Nevens	Against	93.0% of votes cast were in support of the resolution
Why a 'Significant Vote'?							
Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients. This vote is deemed significant due to the escalation and expansion of our diversity vote to all-male Executive Committees.							
Manager's Vote Rationale:							
Diversity: A vote against was applied as the company has an all-male Executive Committee. From 2022, we have applied voting sanctions to the FTSE 100 companies that do not have at least one woman on their executive committee, with the expectation that there should be a minimum of 33% over time							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our general policy not to engage with our investee companies in the three weeks prior to an AGM so to not limit our engagement to shareholder meeting topics and vote decisions.							
Next Steps / Implications of 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.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability		
We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	UK Equity Index Fund	Wizz Air Holdings Plc	13/09/22	0.08%	Resolution 3 - Re-elect William Franke as Director	Against	Not stated
Why a 'Significant Vote'?							
Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.							
Manager's Vote Rationale:							
Chair tenure: A vote against the Chair's re-election is applied because we believe the role of Board Chair should be refreshed regularly in line with best practice. Diversity: A vote against is applied because of a lack of progress on gender diversity on the board. LGIM expects boards to have at least one-third female representation on the board.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our general policy not to engage with our investee companies in the three weeks prior to an AGM so to not limit our engagement to shareholder meeting topics and vote decisions.							
Next Steps / Implications of 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.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability		
We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	UK Equity Index Fund	Foresight Group Holdings Ltd.	10/08/22	0.01%	Resolution 4 - Re-elect Bernard Fairman as Director	Against	93.0% of votes cast were in support of the resolution
Why a 'Significant Vote?'							
Thematic - Board Leadership: 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).							
Manager's Vote Rationale:							
Joint Chair/CEO: A vote against is applied because we believe the role of Chair and CEO are distinctly different and therefore should be held by two different people. Chair tenure: A vote against the Chair's re-election is applied because we believe the role of Board Chair should be refreshed regularly in line with best practice.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our general policy not to engage with our investee companies in the three weeks prior to an AGM so to not limit our engagement to shareholder meeting topics and vote decisions.							
Next Steps / Implications of 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.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability		
We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	UK Equity Index Fund	Oryx International Growth Fund Limited	18/08/22	<0.01%	Resolution 2 - Re-elect Nigel Cayzer as Director	Against	96.0% of votes cast were in support of the resolution
Why a 'Significant Vote'?							
Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.							
Manager's Vote Rationale:							
Independence: A vote against is applied to the (re-)election of a non-independent director due to lack of independence on the board. Chair independence: A vote against is applied to the (re-)election of a non-independent Chair due to concerns regarding the lack of independence on the board. Diversity: A vote against is applied because of a lack of progress on gender diversity on the board. Chair Tenure: A vote against the Chair's re-election is applied because we believe the role of Board Chair should be refreshed regularly in line with best practice.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our general policy not to engage with our investee companies in the three weeks prior to an AGM so to not limit our engagement to shareholder meeting topics and vote decisions.							
Next Steps / Implications of 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.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability		
We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	UK Equity Index Fund	DS Smith plc	06/09/22	0.15%	Resolution 4 - Re-elect Geoff Drabble as Director	Against	88.0% of votes cast were in support of the resolution
Why a 'Significant Vote?'							
Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients. This vote is deemed significant due to the escalation and expansion of our diversity vote to all-male Executive Committees.							
Manager's Vote Rationale:							
Diversity: A vote against was applied as the company has an all-male Executive Committee. From 2022, we have applied voting sanctions to the FTSE 100 companies that do not have at least one woman on their executive committee, with the expectation that there should be a minimum of 33% over time							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our general policy not to engage with our investee companies in the three weeks prior to an AGM so to not limit our engagement to shareholder meeting topics and vote decisions.							
Next Steps / Implications of 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.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability		
We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach							



Minerva Says

LGIM's reported 'Significant Vote' information seems to be consistent with their stated voting policies, and so is consistent with the Scheme's expectations.

8 Manager Engagement Information

The Trustees have set the following expectation in the Scheme's SIP in relation to its managers' engagement activity:

The investment manager should engage with companies to take account of ESG factors...as the Trustee believes this will be beneficial to the financial interests of members over the long term.

The Trustees believe that an important part of responsible oversight is for the Scheme's investment managers to engage with the senior management of investee companies on any perceived risks or shortcomings – both financial and non-financial – relating to the operation of the business, with a specific focus on ESG factors. As such, they expect the Scheme's managers to engage with investee companies where they have identified any such issues.

The following table(s) summarises the engagement activity of the manager(s):

Table 8.1: Summary of Engagement Information Provided

Manager	Engagement Information Obtained	Level of Available information	Info Covers Scheme's Reporting Period?	Comments
LGIM	YES	FUND	YES	The manager provided basic fund level engagement information that covered the Scheme's specific investment holding periods

Table Key

GREEN = A positive result. The manager has provided engagement information / fund level info available / matches the Scheme's reporting / investment holding period

ORANGE = A 'partial' result. We had to try to source engagement information / firm level info available / does not match the Scheme's reporting / investment holding period

RED = A negative result. No engagement information was located at any level

LGIM

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Active Corporate Bond - Over 10 Year - Fund	01/08/22	19/12/22	42	40.5%	28.6%	28.6%	2.4%	Not Stated	Not Stated

Asia Pacific (ex-Japan) Developed Equity Index Fund	01/08/22	19/12/22	99	59.6%	8.1%	30.3%	2.0%	Not Stated	Not Stated
Cash Fund	01/07/22	30/06/23	14	42.8%	0.0%	51.7%	0.0%	Not Stated	Not Stated
Europe (ex UK) Equity Index Fund (GBP hedged)	01/08/22	19/12/22	98	46.9%	8.2%	34.7%	10.2%	Not Stated	Not Stated
Global Equity (70:30) Index Fund	01/07/22	30/06/23	1,429	31.2%	17.1%	42.3%	9.4%	Not Stated	Not Stated
Japan Equity Index Fund (GBP hedged)	01/08/22	19/12/22	70	50.0%	7.1%	40.0%	2.9%	Not Stated	Not Stated
North America Equity Index Fund (GBP hedged)	01/08/22	19/12/22	288	40.3%	13.2%	43.8%	2.8%	Not Stated	Not Stated
Over 5 Year Index-Linked Gilts Index Fund	01/07/22	30/06/23	50	32.0%	8.0%	52.0%	8.0%	Not Stated	Not Stated
UK Equity Index Fund	01/08/22	19/12/22	201	27.9%	10.4%	56.2%	5.5%	Not Stated	Not Stated

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	<p>LGIM's Investment Stewardship team focuses on client outcomes and broader societal and environmental impacts in its engagements with companies, taking the following six step approach:</p> <ol style="list-style-type: none"> 1) Identify the most material ESG issues 2) Formulate a strategy 3) Enhance the power of engagement (e.g., through public statements) 4) Collaborate with other stakeholders and policymakers 5) Vote 6) Report to shareholders <p>From LGIM's most recent Active Ownership Report the manager has identified the following as their top 5 engagement topics:</p> <ol style="list-style-type: none"> 1. Climate Change 2. Remuneration 3. Diversity (Gender and Ethnicity) 4. Board Composition 5. Strategy

<p>Additional information on engagements provided by the Manager</p>	<p>Whilst the manager provided a list of engagements undertaken on investments in the fund during the Scheme's holding period, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> ▪ engagement objectives ▪ collaborative engagements ▪ process for escalating ineffective engagement and ▪ whether any fintech solution was used to facilitate engagement
<p>Comparison of the Manager's Engagement Activity vs the Trustees' policy</p>	<p>Set out below is an example of engagement activity reported by LGIM in the North America Equity Index Fund (GBP hedged):</p> <p>28/09/22 – Morgan Stanley – Environmental and Governance-themed Engagement Activity</p> <p>Engagement Type: Conference Call.</p> <p>Issue Theme: Environmental /Climate Change and Governance/Activism, Remuneration and Board Composition.</p> <p>Engagement Details: Not provided.</p> <p>Engagement Outcome: Not provided.</p>
<p>Is Engagement Activity in Line with the Trustees' Policy?</p>	<p>Whilst we believe that the manager's engagement approach is consistent with the Scheme's approach, we believe that the manager should be able to provide more information relating to engagements undertaken.</p>

Minerva Says

As can be seen from the previous tables, the Scheme's managers' 'Engagement Activity' appears to broadly comply with their own engagement approaches, and so also complies with the Scheme's approach.



9 Conclusions

9.1 Assessment of Compliance

In this report, Minerva has undertaken an independent review of the Scheme's external asset managers' voting and engagement activity. The main objective of the review is for Minerva to be in a position to say that the activities undertaken on the Scheme's behalf by its agents are aligned with its own policies.

Set out in the following table is Minerva's assessment of each manager's compliance with the Scheme's approach:

Table 9.1: Summary Assessment of Compliance

Fund / Product Manager	Investment Fund/ Product	Does the Manager's Reported Activity Follow the Scheme's Expectations:				UK Stewardship Code 2020 Signatory?	Overall Assessment
		Voting Activity	Significant Votes Identified	Engagement Activity	Use of a 'Proxy Voter?'		
	5 to 15 Year Gilts Index Fund	N.I.R.	N.I.R.	N.I.R.	N/A	N.I.R.	N.I.R.
	Active Corporate Bond - Over 10 Year - Fund	YES	N.I.R.	YES	N/A	COMPLIANT	COMPLIANT
	Asia Pacific (ex-Japan) Developed Equity Index Fund	YES	YES	YES	ISS	COMPLIANT	COMPLIANT
	Cash Fund	N.I.R.	N.I.R.	YES	N/A	COMPLIANT	COMPLIANT
	Europe (ex UK) Equity Index Fund (GBP hedged)	YES	YES	YES	ISS	COMPLIANT	COMPLIANT
	Global Equity (70:30) Index Fund	YES	YES	YES	ISS	COMPLIANT	COMPLIANT
	Japan Equity Index Fund (GBP hedged)	YES	N.I.R.	YES	ISS	COMPLIANT	COMPLIANT
	North America Equity Index Fund (GBP hedged)	YES	YES	YES	ISS	COMPLIANT	COMPLIANT
	Over 15 Year Gilts Index Fund	N.I.R.	N.I.R.	N.I.R.	N/A	N.I.R.	N.I.R.
	Over 15 Year Index-Linked Gilts Index Fund	N.I.R.	N.I.R.	N.I.R.	N/A	N.I.R.	N.I.R.
	Over 5 Year Index-Linked Gilts Index Fund	N.I.R.	N.I.R.	YES	N/A	COMPLIANT	COMPLIANT
	UK Equity Index Fund	YES	YES	YES	ISS	COMPLIANT	COMPLIANT
	Under 15 Year Index-Linked Gilts Index Fund	N.I.R.	N.I.R.	N.I.R.	N/A	N.I.R.	N.I.R.

LGIM*

* LGIM have requested that a Disclaimer be shared, which should be read in relation to any stewardship information provided by them. It can be found at the end of this report.

Table Key

GREEN= Positive outcome e.g., Manager's reported activity follows the Scheme's expectations

ORANGE= An issue exists e.g., the information provided does not match the Scheme's reporting / investment holding period

BLUE= Manager has confirmed that there is no voting, 'Significant Votes' or engagement information to report (N.I.R.)

RED= Negative outcome e.g., no information provided (N.I.P.); Manager is not a signatory to the UK Stewardship Code 2020

GREY= Not Applicable e.g., there has been no 'Proxy Voter' used due to the nature of the investments held

Minerva Says

Overall Assessment:

We believe that the Scheme's manager has broadly complied with the Scheme's Voting and Engagement requirements of them.

Notes

- 1) The preceding table shows that Minerva has been able to determine that:
 - Where Voting and 'Significant Vote' information was available, LGIM's overall approach is broadly in step with the Scheme's requirements.
 - Where Engagement information was available, LGIM's overall approach was also broadly in step with the Scheme's requirements.
- 2) The Scheme's investment manager are signatories to the UK Stewardship Code.
- 3) We were disappointed with LGIM's inability to provide reporting that specifically covered the Scheme's individual investment holding periods, and with some of the information disclosed.
- 4) We were also disappointed with the limited engagement information provided by LGIM. Whilst LGIM can provide information on engagements undertaken in individual funds, they are not yet able to provide much in the way of details concerning the engagements.

LGIM Information Disclaimer

- i. Carbon dioxide equivalent (CO₂e) is a standard unit to compare the emissions of different greenhouse gases.
- ii. The choice of this metric follows best practice recommendations from the Task Force on Climate-related Financial Disclosures.
- iii. Data on carbon emissions from a company's operations and purchased energy is used.
- iv. This measure is the result of differences in weights of companies between the index and the benchmark, and does not depend on the amount invested in the fund. It describes the relative 'carbon efficiency' of different companies in the index (i.e. how much carbon was emitted per unit of sales), not the contribution of an individual investor in financing carbon emissions.
- v. LGIM set the following threshold for our reportable funds 1) the assets eligible for coverage e.g. eligible ratio needs to be greater than or equal to 50% and 2) the carbon coverage of the eligible assets e.g. eligible coverage needs to be greater than or equal to 60%.
- vi. Eligibility % represents the % of the securities in the benchmark which are eligible for reporting including equity, bonds, ETFs and sovereigns (real assets, private debt and derivatives are currently not included for carbon reporting). The Coverage % represents the coverage of those assets with carbon scores.
- vii. Derivatives including repos are not presently included and the methodology is subject to change. Leveraged positions are not currently supported. In the instance a leveraged position distorts the coverage ratio over 100% then the coverage ratio will not be shown.
- viii. LGIM define 'Sovereigns' as, Agency, Government, Municipals, Strips and Treasury Bills and is calculated by using: the CO₂e/GDP, Carbon Emissions Footprint uses: CO₂e/Total Capital Stock.
- ix. The carbon reserves intensity of a company captures the relationship between the carbon reserves the company owns and its market capitalisation. The carbon reserves intensity of the overall benchmark reflects the relative weights of the different companies in the benchmark.
- x. Green revenues % represents the proportion of revenues derived from low-carbon products and services associated with the benchmark, from the companies in the benchmark that have disclosed this as a separate data point.
- xi. Engagement figures do not include data on engagement activities with national or local governments, government related issuers, or similar international bodies with the power to issue debt securities.
- xii. LGIM's temperature alignment methodology computes the contribution of a company's activities towards climate change. It delivers an specific temperature value that signifies which climate scenario (e.g.3°C, 1.5°C etc.) the company's activities are currently aligned with. The implied temperature alignment is computed as a weighted aggregate of the company-level warming potential.

Third Party ESG Data Providers: Source: ISS. Source: HSBC© HSBC 2022. Source: IMF (International Monetary Fund). Source: Refinitiv. Information is for recipients' internal use only.

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