Annual Implementation Statement – for scheme year ending 5 April 2024
C&J Clark Pension Fund

1. Introduction

This document is the Annual Implementation Statement ("the statement") prepared by the Trustee of the C&J Clark Pension Fund ("the Fund") covering Plan 35, Plan E, the Flexible Section, Plan 18 and AVCs for the year to 5 April 2024. The purpose of this statement is to:

- Set out the extent to which, in the opinion of the Trustee, the Scheme's Statement of Investment Principles ("SIP") required under section 35 of the Pensions Act 1995 has been followed during the year

- Detail any reviews of the SIP the Trustee has undertaken, and any changes made to the SIP over the year as a result of the review

- Describe the voting behaviour by, or on behalf of, the Trustee over the year.

A copy of this implementation statement has been made available on the following website: https://www.clarkspensions.co.uk/ . The previous version can also be found here.

2. Review of, and changes to the SIP

The SIP was reviewed and updated during the Fund year, with a revised version being published as at August 2023. Only minimal changes were made to the SIP in this revision, with the key additions being considerations to the Trustee's stewardship activities, including ESG engagement and voting, and inclusion of the Trustee's focus on climate change and human and labour rights.

3. Adherence to the SIP

Overall, the Trustee believes the policies and principles outlined in the SIP have been adhered to during the Fund year. The remaining parts of this implementation statement set out details of how this has been achieved for the Fund. These details relate to those parts of the SIP which set out the Trustee' policies, and not those which are statements of fact.

The Trustee will continue to monitor the investment managers' stewardship practices on an ongoing basis.

Plan 35, Plan E (CJC Section) and Flexible Section

Fund Objectives

The Trustee summarises its objectives in the SIP as the following:

Plan 35 and CJC Section Objectives

To guide it in its strategic asset management, the Trustee (in consultation with the Company) has considered its key investment objectives. The primary objective is that the Fund's assets are held to meet the Fund's liabilities as and when they fall due. At the time of the last review of long-term investment strategy, the Trustee's policy in this regard was summarised as follows:

(i) To reach a position where the fund is considered to be self-sufficient, under a plausible choice of economic scenarios

(ii) To achieve adequate stability in the contribution rate, on the assumption that the Company continues to participate in the Fund throughout the working lifetime of the existing employees and that pensions are increased in line with inflation

(iii) To maximise the return on the assets subject to a reasonable control of the risks associated with Investment Objectives (i) and (ii).

Flexible Section Objectives

The Trustee Directors seek to invest the Section's assets so as to maximize the likelihood that the benefits will be paid to members as they fall due, in the context of their assessment of the long-term financial support available from the sponsoring employer.

The Trustee Directors believe that this objective will ensure that the assets are invested in the best interest of the members and beneficiaries of the Flexible Section. The Trustee Directors do not foresee this objective giving rise to any conflict with the interest of the members and beneficiaries, but if a potential conflict arose, the Trustee directors would take steps to ensure that the assets are invested in the sole interest of members and other beneficiaries.

The Trustee Directors aim to maintain a funding level of 100%, measured on an ongoing valuation basis. The value of liabilities is calculated on the basis agreed by the Trustee Directors and the Scheme Actuary. The fund position is monitored regularly by the Trustee Directors and formally reviewed at each triennial actuarial valuation, or more frequently as required by the Pensions Act 2004. The Trustee Directors wish to pursue an investment strategy that will, together with the funding strategy, offer a strong probability of achieving this.

In order to achieve these the Trustee uses a combination of the following actions and monitoring processes.

<u>Investment Strategy</u>

Following last year's report, the Trustee agreed to begin de-risking and target a full buy-in of the Fund's liabilities. The Fund made a full redemption from Alpha Real with a dealing date of 16th of October 2023. The Fund has also agreed the sale, via the secondary market, of its other Secure Income Assets, Equitix and Greencoat, with proceeds due to settle in September 2024.

Proceeds received to date have been redistributed across the Fund's liability matching assets to reduce risk, or have been used to meet member payments as they have fallen due.

The Trustee is targeting a full buy-in by the end of 2024.

The Trustee continues to monitor the investment strategy through their six-monthly monitoring reports from the Investment Consultant.

Investment Managers

The Trustee is not involved in the investment managers' day-to-day method of operation and does not directly seek to influence attainment of their performance targets. The Trustee has delegated the detailed monitoring of the Fund's investment managers to its Investment Consultant and reviews the investment performance of its investment managers on a six-monthly basis. The Trustee receives six monthly monitoring reports provided by the Investment Consultant. The Trustee monitors the markets, via a dedicated section of the Investment Consultant's monitoring report. In addition, the sub-group of the Trustee meets a subset of the Fund's investment managers on an annual basis for review.

The Trustee expects its managers to invest with a medium to long term time horizon and expects a long-term partnership which encourages active ownership of assets. Should the monitoring process reveal that a manager's portfolio is not aligned with the Trustee's policies, the Trustee will engage with the manager further to encourage alignment.

Fees are monitored throughout the year, and the Trustee also received details on costs and charges from the fund managers, to assist in their governance responsibilities. There were no fee changes throughout the year in question The Trustee has engaged with its investment managers to assess the appropriateness of portfolio turnover costs. The turnover within the funds has been confirmed to be within expectations.

The Trustee confirms that the investments which the Plan holds were chosen in line with the requirements of s36 of the Pensions Act 1995.

Responsible Investment

The Trustee believes long-term sustainability to be an important and relevant issue to consider throughout the investment process. The Trustee expects the Fund's investment managers, where appropriate, to have integrated ESG factors as part of their investment analysis and decision-making process and will review managers in this regard. Managers are reviewed on an on-going basis, through semi-annual meetings in which each manager is reviewed each year. As part of this process, sustainable investment and ESG principles are considered and challenged by a sub-group of the Trustee.

The six-monthly monitoring report provided by the Investment Consultant includes ratings of all managers. These ratings include an embedded assessment of an investment manager's culture and attitude towards sustainability. Socially responsibility investment is built into the Investment Consultant's research process which informs the Trustee's selection and retention process.

For the Flexible Section, the Trustee recognises that ESG factors are less directly applicable given the nature of the investments and the choice of benchmark. The Trustee Directors therefore understand that ESG factors will not be given priority by the manager although they would expect the manager to continue to engage with the companies in which they invest. A sub-group of the Trustees met with the manager over the course of the year.

Other matters

The Trustee considers risk from a number of perspectives:

- Deficit Risk
- Liquidity Risk
- Currency Risk

- Interest rate and Inflation Risk
- Political Risk
- Sponsor Risk
- Counterparty Risk
- Manager Risk
- Custodian Risk

During the Fund year the Trustee has considered, monitored and managed these risks in a number of ways:

- Through the ongoing monitoring of expected cashflows into and out of the Fund over each quarterly cycle.
- Through the monitoring of the Fund's LDI manager including a high-level review of the LDI strategy and updates to the mandate where appropriate to maintain the target hedge of interest rates and inflation.
- Through ongoing conversations with the Sponsor and their representatives to understand the impact of market conditions.
- Through the collateralisation of swap agreements with counterparties.
- Through the six-monthly monitoring reports from the investment consultant. The reports received during the Plan year indicated that the level of risk in the fund was appropriate and consistent with its objectives. The reports also include ongoing monitoring of the fund managers.
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Plan 18 and AVC Section

Investment Policy

The Trustee's primary investment policy is to offer members a range of investment options that accommodate different investment objectives and attitudes to investment risk. Additionally, the Trustee believes that it is appropriate to offer a default investment option (for members who feel unable, or do not wish to, make investment decisions themselves) as the majority of the members who have remained in the Plan are expected to have broadly similar investment needs.

This policy has been implemented through:

- Offering a lifestyle investment strategy as the default, so as to provide a reasonable balance of risk and expected return throughout a member's time in the Fund, and which reflects the typical mix of benefits members are likely to take at retirement (cash and income drawdown)
- Offering a range of "self select" options in addition to the default, through the Trustee's arrangement with Legal & General Investment Management (LGIM). These options provide a broad range of choice across a number of different asset classes and management styles.

In September 2022 the Trustee completed its latest strategic review of the investment options. This considered the design of the main default arrangement and the range of self-select funds. No changes to the investment strategy were made as a result of this review.

Investment Risk

The SIP outlines a number of different risks that members may face as an investor in the Fund, and how these are managed through the provision of the lifestyle option and the additional funds. These risks were considered as part of the investment review completed in

2022, and the Trustee was comfortable that all risks are being managed appropriately. These risks will also be considered periodically as deemed appropriate.

Type of Fund used

The Trustee has continued to invest via pooled funds, with all day-to-day investment decisions being delegated to the portfolio managers. Overall, the Trustee believes that the Plan's investment options cater to members with varying risk and return requirements and appropriately manage the risks faced by most members. The range of funds offered was reviewed as part of the investment strategy review completed in 2022 and the Trustee is comfortable that they remain suitable and appropriately diversified as a whole.

The Trustee assesses the level of costs and charges borne by members annually, and reports on this through the Annual Governance Statement. This includes reporting on transaction costs (including costs incurred through portfolio turnover). Overall, the Trustee is comfortable that the level of costs and charges remains competitive. In addition, given the passive nature of the majority of the funds, actual portfolio turnover levels for the funds have been relatively low during the Plan year, and within expected levels overall.

Responsible Investment

As noted in the SIP, the use of standard pooled funds means the Trustee cannot adopt an approach to managing financially material considerations specific to the Fund. However, the Trustee expects its investment manager to take all financially material factors into account where relevant. As the majority of the funds are passively managed, the portfolio manager has minimal discretion to take account of factors that may be deemed to be financially material, such as ESG and climate change.

Stewardship

Stewardship encompasses the exercise of voting rights, engagement by and with investment managers and the monitoring of compliance with agreed policies. The Trustee believe that engagement with the companies in which the Plan invests through pooled investment funds, including the proactive use of shareholder voting rights, can improve the longer-term returns on the Plan's investments.

To monitor the portfolio managers in this area, the Trustee has received details of the managers' voting activity during the last Fund year, and this is summarized in the "Voting" section of this Statement.

4. Voting and engagement

The Trustee has delegated responsibility for the exercising of ownership rights (including voting rights) attaching to the investments to its investment managers. Accordingly, the Trustee's policy is to engage with the managers to understand their policies on sustainability and stewardship and review these policies regularly to ensure that the managers are carrying out their delegated responsibilities. The Trustee considers the investment manager voting policies to be appropriate, and consistent with the Trustee's policies and objectives and ultimately, therefore in the best financial interests of the members. This topic is discussed during regular meetings with the investment managers. A summary of the voting undertaken on behalf of the Trustee is below. It provides additional detail on the key voting and engagement activities for the Investment Managers during the year. All funds for which voting statistics are appropriate are managed by Legal and General Investment Management. We have only provided details for those funds which were invested in for the total Fund year.

The following tables outline the most significant votes cast by the respective investment managers on the Trustee’s behalf for each of the funds outlined above. This is based on the criteria provided by the investment managers, which aligns with the views of the Trustee:

What is LGIM's policy on consulting with clients before voting? LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all LGIM's clients. Its voting policies are reviewed annually and take into account feedback from its clients. Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as LGIM continues to develop its voting and engagement policies and define strategic priorities in the years ahead. It also takes into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.
How, if at all, have you made use of proxy voting services over the year to 31 March 2024 LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and it does not outsource any part of the strategic decisions. LGIM's use of ISS recommendations is purely to augment our its research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that LGIM receives from ISS for UK companies when making specific voting decisions. To ensure LGIM's proxy provider votes in accordance with its position on ESG, it has put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what it considers are minimum best practice standards which it believes all companies globally should observe, irrespective of local regulation or practice. LGIM retains the ability in all markets to override any vote decisions, which are based on its custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows LGIM to apply a qualitative overlay to its voting judgement. LGIM has strict monitoring controls to ensure its votes are fully and effectively executed in accordance with its voting policies by its service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform LGIM of rejected votes which require further action.
Please provide an overview of your process for deciding how to vote. All decisions are made by LGIM's Investment Stewardship team and in accordance with its relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures LGIM's stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

Is LGIM currently affected by any of the five conflicts listed by the PLSA or any other conflicts across any of its holdings?
Please refer to the LGIM investment stewardship conflict of interest document at the following link: https://www.lgim.com/api/epi/documentlibrary/view?id=1116980ea5bf43fa9801c212be73f487&old=literature.html?cid=
Please include here any additional comments which you believe are relevant to your voting activities or processes
It is vital that the proxy voting service are regularly monitored and LGIM do this through quarterly due diligence meetings with ISS. Representatives from a range of departments attend these meetings, including the client relationship manager, research manager and custom voting manager. The meetings have a standing agenda, which includes setting out LGIM’s expectations, an analysis of any issues it has experienced when voting during the previous quarter, the quality of the ISS research delivered, general service level, personnel changes, the management of any potential conflicts of interest and a review of the effectiveness of the monitoring process and voting statistics. The meetings will also review any action points arising from the previous quarterly meeting. LGIM has its own internal Risk Management System (RMS) to provide effective oversight of key processes. This includes LGIM's voting activities and related client reporting. If an item is not confirmed as completed on RMS, the issue is escalated to line managers and senior directors within the organisation. On a weekly basis, senior members of the Investment Stewardship team confirm on LGIM’s internal RMS that votes have been cast correctly on the voting platform and record any issues experienced. This is then reviewed by the Director of Investment Stewardship who confirms the votes have been cast correctly on a monthly basis. Annually, as part of LGIM’s formal RMS processes the Director of Investment Stewardship confirms that a formal review of LGIM’s proxy provider has been conducted and that they have the capacity and competency to analyse proxy issues and make impartial recommendations.

LGIM – UK Equity Index Fund

Voting activity	Number of votes eligible to cast: 10,462 Percentage of eligible votes cast: 99.8% Percentage of votes with management: 94.4% Percentage of votes against management: 5.6% Percentage of votes abstained from: 0.0%			
Most significant votes cast	**Company**	Shell Plc	Experian Plc	Glencore Plc
	Size of holdings	7.0%	1.2%	2.4%
	Resolution	Resolution 25 - Approve the Shell Energy Transition Progress	Resolution 14: Re-elect Mike Rogers as Director	Resolution 19: Shareholder resolution “Resolution in Respect of the Next Climate Action Transition Plan”
	Decision /Vote	Against (against management recommendation)	Against	For (Against Management Recommendation)
	Rationale for decision	Climate change: A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in meeting its 2021 climate commitments and welcome the company’s leadership in pursuing low carbon products. However, we remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5C trajectory.	Diversity: A vote against is applied due to the lack of gender diversity at executive officer level. LGIM expects executives officers to include at least 1 female.	In 2021, Glencore made a public commitment to align its targets and ambition with the goals of the Paris Agreement. However, it remains unclear how the company’s planned thermal coal production aligns with global demand for thermal coal under a 1.5°C scenario. Therefore, LGIM has co-filed this shareholder proposal (alongside Ethos Foundation) at Glencore’s 2023 AGM, calling for disclosure on how the company’s thermal coal production plans and capital allocation decisions are aligned with the Paris objectives. This proposal was filed as an organic escalation following our multi-year discussions with the company since 2016 on its approach to the energy transition.

	Rationale for classifying as significant	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.	Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.	Pre-declaration and Engagement: LGIM considers this vote to be significant as LGIM co-filed this shareholder resolution as an escalation of our enagement activity, targeting some of the word's largest companies on their strategic management of climate change.
	Outcome of vote (% voting in favour)	80.0% (Pass)	8% (Pass)	29.2% (Fail)

LGIM – World Emerging Markets Equity Index Fund

Voting activity	Number of votes eligible to cast: 33,716 Percentage of eligible votes cast: 99.9% Percentage of votes with management: 80.1% Percentage of votes against management: 19.0% Percentage of votes abstained from: 0.9%			
Most significant votes cast	**Company**	Tencent Holdings Limited	China Mengniu Dairy Company Limited	PICC Property and Casualty Company Limited
	Size of holdings	4.2%	0.2%	0.1%
	Resolution	Resolution 3a - Elect Jacobus Petrus (Koos) Bekker as Director	Resolution 3b - Elect Simon Dominic Stevens as Director	Resolution 2: Elect Yu Ze as Director
	Decision /Vote	Against (against management recommendation)	For (in line with management recommendation)	Against
	Rationale for decision	Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management. Remuneration Committee: A vote against has been applied because LGIM expects the Committee to comprise independent directors.	Climate Impact Pledge - a vote in favour is applied - the company has made sufficient positive changes over the past year to their climate change mitigation program that we do not believe a sanction this year is necessary.	Joint Chair/CEO: A vote against is applied as LGIM expects the roles of Board 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.
	Rationale for classifying as significant	Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting companies in climate-critical sectors. More information on LGIM's Climate Impact Pledge can be found here: https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/	Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting companies in climate-critical sectors. More information on LGIM's Climate Impact Pledge can be found here: https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/	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).
	Outcome of vote (% voting in favour)	88.4% (Pass)	93.3% (Pass)	4% (Pass)

LGIM – Diversified Fund

<table>
<tr><td rowspan="1">Voting activity</td><td colspan="4">Number of votes eligible to cast: 93,090
Percentage of eligible votes cast: 99.8%
Percentage of votes with management: 76.6%
Percentage of votes against management: 23.1%
Percentage of votes abstained from: 0.3%</td></tr>
<tr><td rowspan="5">Most significant votes cast</td><td>Company</td><td>Shell Plc</td><td>Crown Castle Inc.</td><td>Amazon.com, Inc.</td></tr>
<tr><td>Size of holdings</td><td>0.3%</td><td>0.1%</td><td>0.1%</td></tr>
<tr><td>Resolution</td><td>Resolution 25 - Approve the Shell Energy Transition Progress</td><td>Resolution 1a - Elect Director P. Robert Bartolo</td><td>Resolution 13 – Report on Median and Adjusted Gender/Racial Pay Gaps</td></tr>
<tr><td>Decision /Vote</td><td>Against (against management recommendation)</td><td>Against (against management recommendation)</td><td>For (Against Management Recommendation)</td></tr>
<tr><td>Rationale for decision</td><td>Climate change: A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in meeting its 2021 climate commitments and welcome the company’s leadership in pursuing low carbon products. However, we remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5C trajectory.</td><td>Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management.</td><td>A vote in favour is applied as LGIM expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. This is an important disclosure so that investors can assess the progress of the company’s diversity and inclusion initiatives. Board diversity is an engagement and voting issue, as we believe cognitive diversity in business – the bringing together of people of different ages, experiences, genders, ethnicities, sexual orientations, and social and economic backgrounds – is a crucial step towards building a better company, economy and society.</td></tr>
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	Rationale for classifying as significant	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.	Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting companies in climate-critical sectors. More information on LGIM's Climate Impact Pledge can be found here: https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/	Pre-declaration and Thematic – Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.
	Outcome of vote (% voting in favour)	80% (Pass)	97.9% (Pass)	29% (Fail)

LGIM - World (ex UK) Equity Index Fund

Voting activity	Number of votes eligible to cast: 34,635 Percentage of eligible votes cast: 99.9% Percentage of votes with management: 78.0% Percentage of votes against management: 21.9% Percentage of votes abstained from: 0.1%			
Most significant votes cast	**Company**	JPMorgan Chase & Co.	Danaher Corporation	Chevron Corporation
	Size of holdings	0.74%	0.30%	0.53%
	Resolution	Resolution 9 - Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets	Resolution 1c - Elect Director Linda Filler	Resolution 1l - Elect Director Michael K. (Mike) Wirth
	Decision /Vote	For (Against Management Recommendation)	Against (against management recommendation)	Against (against management recommendation)
	Rationale for decision	We generally support resolutions that seek additional disclosures on how they aim to manage their financing activities in line with their published targets. We believe detailed information on how a company intends to achieve the 2030 targets they have set and published to the market (the 'how' rather than the 'what', including activities and timelines) can further focus the board's attention on the steps and timeframe involved and provides assurance to stakeholders. The onus remains on the board to determine the activities and policies required to fulfil their own ambitions, rather than investors imposing restrictions on the company.	Average board tenure: 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. Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board. Independence: A vote against is applied as LGIM expects the Chair of the Committee to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background. Independence: A vote against is applied as LGIM expects the Lead Director to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background.	Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management. 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 concerns.

	Rationale for classifying as significant	Pre-declaration and Thematic – Climate: LGIM considers this vote to be significant as we pre-declared our intention to support. We continue to consider that decarbonisation of the banking sector and its clients is key to ensuring that the goals of the Paris Agreement are met.	Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf..	Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting companies in climate-critical sectors. More information on LGIM's Climate Impact Pledge can be found here: https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/ 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).
	Outcome of vote (% voting in favour)	34.8% (Fail)	88.4% (Pass)	No data provided

Ethical Global Equity Index Fund

Voting activity	Number of votes eligible to cast: 16,564 Percentage of eligible votes cast: 99.8% Percentage of votes with management: 81.4% Percentage of votes against management: 18.5% Percentage of votes abstained from: 0.2%			
Most significant votes cast	**Company**	Eli Lilly and Company	The Coca-Cola Company	Amgen Inc.
	Size of holdings	1.0%	0.7%	0.4%
	Resolution	Resolution 8 - Adopt Simple Majority Vote	Resolution 7 – Report on Congruency of Political Spending with Company Values and Priorities	Resolution 1f - Elect Director Greg C. Garland
	Decision /Vote	For (against management recommendation)	For (Against Management Recommendation)	Against (against management recommendation)
	Rationale for decision	Shareholder Resolution - Shareholder rights: A vote FOR this proposal is warranted given that elimination of the supermajority vote requirement enhances shareholder rights.	LGIM expects companies to be transparent in their disclosures of their lobbying activities and internal review processes involved. While we appreciate the level of transparency Coca-Cola provides in terms of its lobbying practices, it is unclear whether the company systematically reviews any areas of	Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board.

			misalignment between its lobbying practices and its publicly stated values. We believe that the company is potentially leaving itself exposed to reputational risks related to funding organisations that take positions that are contradictory to those of the company’s stated values, and potentially attracting negative attention that could harm the company's public image and brand. Producing a report on the congruency of political spending with company values and priorities may help the company to identify and question its previous political spending priorities.	
	Rationale for classifying as significant	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.	Pre-declaration and Thematic - Lobbying: LGIM believes that companies should use their influence positively and advocate for public policies that support broader improvements of ESG factors including, for example, climate accountability and public health. In addition, we expect companies to be transparent in their disclosures of their lobbying activities and internal review processes involved.	Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.
	Outcome of vote (% voting in favour)	40.7% (Fail)	30.2%	87.7% (Pass)

All World Equity Index Fund

Voting activity	Number of votes eligible to cast: 64,058 Percentage of eligible votes cast: 99.9% Percentage of votes with management: 79.3% Percentage of votes against management: 20.2% Percentage of votes abstained from: 0.5%			
Most significant votes cast	**Company**	Alphabet Inc.	T-Mobile US, Inc.	JPMorgan Chase & Co.
	Size of holdings	1.2%	0.1%	0.7%
	Resolution	Resolution 18 - Approve Recapitalization Plan for all Stock to Have One-vote per Share	Resolution 1.12 - Elect Director Teresa A. Taylor	Resolution 9 - Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets
	Decision /Vote	For (against management recommendation)	Withhold (against management recommendation)	For (Against Management Recommendation)
	Rationale for decision	Shareholder Resolution - Shareholder rights: A vote in favour is applied as LGIM expects companies to apply a one-share-one-vote standard.	Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board.	We generally support resolutions that seek additional disclosures on how they aim to manage their financing activities in line with their published targets. We believe detailed information on how a company intends to achieve the 2030 targets they have set and published to the market (the 'how' rather than the 'what', including activities and timelines) can further focus the board's attention on the steps and timeframe involved and provides assurance to stakeholders. The onus remains on the board to determine the activities and policies required to fulfil their own ambitions, rather than investors imposing restrictions on the company.
	Rationale for classifying as significant	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.	Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.	Pre-declaration and Thematic – Climate: LGIM considers this vote to be significant as we pre-declared our intention to support. We continue to consider that decarbonisation of the banking sector and its clients is key to ensuring that the goals of the Paris Agreement are met.
	Outcome of vote (% voting in favour)	30.7% (Fail)	88.3% (Pass)	34.8% (Fail)

Retirement Income Multi-Asset Fund

Voting activity	Number of votes eligible to cast: 102,982 Percentage of eligible votes cast: 99.8% Percentage of votes with management: 77.4% Percentage of votes against management: 22.4% Percentage of votes abstained from: 0.2%			
Most significant votes cast	**Company**	Toyota Motor Corp.	Shell Plc	Eversource Energy
	Size of holdings	0.2%	0.2%	0.07%
	Resolution	Resolution 4 – Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement	Resolution 25 - Approve the Shell Energy Transition Progress	Resolution 1.9 - Elect Director Joseph R. Nolan, Jr.
	Decision /Vote	For (Against Management Recommendation)	Against (against management recommendation)	Against (against management recommendation)
	Rationale for decision	LGIM views climate lobbying as a crucial part of enabling the transition to a net zero economy. A vote for this proposal is warranted as LGIM believes that companies should advocate for public policies that support global climate ambitions and not stall progress on a Paris-aligned regulatory environment. We acknowledge the progress that Toyota Motor Corp has made in relation to its climate lobbying disclosure in recent years. However, we believe that additional transparency is necessary with regards to the process used by the company to assess how its direct and indirect lobbying activity aligns with its own climate ambitions, and what actions are taken when misalignment is identified. Furthermore, we expect Toyota Motor Corp to improve its governance structure to oversee this climate lobbying review. We believe the company must also explain more clearly how its multi-pathway electrification strategy translates into meeting its decarbonisation targets, and how its climate lobbying practices are in keeping with this.	Climate change: A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in meeting its 2021 climate commitments and welcome the company's leadership in pursuing low carbon products. However, we remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5C trajectory.	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 concerns.

	Rationale for classifying as significant	Pre-declaration and Thematic - Lobbying: LGIM believes that companies should use their influence positively and advocate for public policies that support broader improvements of ESG factors including, for example, climate accountability and public health. In addition, we expect companies to be transparent in their disclosures of their lobbying activities and internal review processes involved.	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.	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).
	Outcome of vote (% voting in favour)	15.1% (Fail)	80% (Pass)	71.4% (Pass)