The Roll Group Pension Scheme

Implementation Statement for the year ending 5 April 2022

Introduction

This implementation statement has been prepared by the Trustees of the Roll Group Pension Scheme (the "Scheme"). The Scheme provides benefits calculated on a defined benefit (DB) basis for members in the DB Section and benefits calculated on a defined contribution (DC) basis for members in the DC Section.

The statement:

- sets out how, and the extent to which, the policies set out in the Statement of Investment Principles (SIP) have been followed over the year;
- describes any review of the SIP, including an explanation of any changes made; and
- describes the voting behaviour by, or on behalf of, the Trustees over the same period.

The Trustees' policies contained in the SIP are underpinned by their beliefs as investors, which have been developed in consultation with their investment consultant.

Trustees' overall assessment

In the opinion of the Trustees, the policies as set out in the SIP have been followed during the year ending 5 April 2022.

Review of the SIP

The Trustees' policies have been developed over time by the Trustees in conjunction with their investment consultant and are reviewed and updated periodically and at least every three years.

The SIP was reviewed following the scheme year end to incorporate changes to the investment arrangements. This review resulted in the Trustees' policy in relation to their arrangements with their investment managers being updated in June 2022.

Policy in relation to the kinds of investments to be held

The Trustees have given full regard to their investment powers as set out in the Trust Deed and Rules and have considered the attributes of the various asset classes when deciding which kinds of investments are to be held.

The Scheme may invest in quoted and unquoted securities of UK and overseas markets including:

- Equities
- Fixed interest and index-linked bonds and/or debt instruments.
- Cash
- Property

- Private equity
- Hedge funds and pooled investment vehicles considered appropriate for tax-exempt registered occupational pension schemes

All investments made during the year have been in line with their Statement of Investment Principles.

Investment strategy and objectives

Investment strategy (DB Section)

The Scheme's investment strategy has been agreed by the Trustees having taken advice from the investment consultant in relation to the suitability of investments and the need to diversify and takes due account of the Scheme's liability profile along with the level of disclosed surplus or deficit.

The agreed investment strategy is based on an analysis of the Scheme's liability profile, the required investment return and the returns expected from the various asset classes over the long-term. Long-term returns from growth seeking assets, like equities, are expected to exceed the returns from bonds and cash, although returns and capital values may demonstrate higher volatility. The Trustees are prepared to accept this higher volatility in order to aim to achieve the overall investment objectives.

The Trustees' primary objectives are:

- To provide appropriate security for all beneficiaries.
- To achieve long-term growth sufficient to provide the benefits from the Scheme.
- To achieve an appropriate balance between risk and return with regards to the cost of the Scheme and the security of the benefits.

All investments decisions made during the year have been in line with the above objectives

A review of the investment strategy was carried in August 2021, as a result of the significant improvement in the funding level experienced by the Scheme. As part of this review exercise, the Trustees:

- Considered Value at Risk analysis for a range of potential investment strategies
- Undertook analysis to explore how assets could be matched against expected cashflows for the Scheme
- Explored different asset classes which they may wish to include within the investment strategy
- Considered the fees and expenses payable and the effect that any changes in investment strategy would have on these

As a result of that review the following changes were made to the asset allocation benchmark:

- 15% reduction in the Scheme's equities allocation
- Increase in the allocation to investment grade corporate bonds by 14%
- Increase in liability hedging assets by 1% overall

Policy in relation to the balance between various kinds of investments and the realisation of investments (DB Section)

The appointed investment managers will hold a diversified mix of investments in line with their agreed benchmark and within their discretion to diverge from the benchmark. Within each major market, where relevant, each manager will maintain a diversified portfolio of securities.

Under normal market conditions the Trustees expect to be able to realise investments within a reasonable timescale although there remains the risk that certain assets may become less liquid in times of market stress. Dealing spreads and liquidity are monitored periodically by the investment consultant.

During the year, the Trustees received training on Maturing Buy & Maintain as part of the strategy review.

Policy in relation to the expected return on investments (DB Section)

The investment strategy is believed to be capable of exceeding, in the long run, the overall required rate of return assumed in the Scheme Actuary's published actuarial valuation report in order to reach / maintain a fully funded status under the agreed assumptions.

During the year, the Trustees considered the return expected from their assets as part of their investment strategy review and compared this against the assumptions set out in the published valuation report.

Investment strategy (DC Section)

The Scheme provides members in the DC Section with a range of funds in which to invest. These aim to allow members to achieve the following:

- maximising the value of retirement benefits, to ensure a reasonable standard of living in retirement;
- protecting the value of benefits in the years approaching retirement against equity market falls and (should they decide to purchase an annuity) fluctuations in annuity costs; and
- tailoring a member's investments to meet his or her own needs, and to how the member intends to make use of their benefits at and through retirement.

The Trustees also provide a default strategy that has been designed having taken due regard to the membership profile of the Scheme, including consideration of:

- The size of members' retirement savings within the Scheme.
- Members' current level of income and hence their likely expectations for income levels post retirement.
- The fact that members may have other retirement savings invested outside of the Scheme.
- The ways members may choose to use their savings to fund their retirement.

Policy in relation to the balance between various kinds of investments and the realisation of investments (DC Section)

The investment managers maintain a diversified portfolio of stocks or bonds within each of the funds offered to members under the DC Section (both within the default and self-select options).

Under normal market conditions the Trustees expect to be able to realise investments within a reasonable timescale although there remains the risk that certain assets may become less liquid in times of market stress. Dealing spreads and liquidity are monitored periodically by the investment consultant.

During the year, the Trustees discussed the performance of the asset classes invested in and the attributes of the asset classes that contributed to that.

Policy in relation to the expected return on investments (DC Section)

The default option is expected to provide an appropriate return on members' investments, based on the Trustees' understanding of the membership of the DC Section and having taken into account the risk considerations set out in the SIP.

Risk capacity and risk appetite

Policy in relation to risks (DB Section)

Although the Trustees acknowledge that the main risk is that the Scheme will have insufficient assets to meet its liabilities, the Trustees recognise other contributory risks, including the following. Namely the risk:

- Associated with the differences in the sensitivity of asset and liability values to changes in financial and demographic factors.
- Of the Scheme having insufficient liquid assets to meet its immediate liabilities.
- Of the investment managers failing to achieve the required rate of return.
- Due to the lack of diversification of investments.
- Of failure of the Scheme's Sponsoring Employer to meet its obligations.

The Trustees manage and measure these risks on a regular basis via actuarial and investment reviews, and in the setting of investment objectives and strategy.

The Trustees undertake monitoring of the investment managers' performance against their targets and objectives on a regular basis. The Trustees monitor manager risks through the quarterly investment monitoring reports and cost disclosure documents provided by and discussed with the investment consultant.

Policy in relation to risks (DC Section)

The Trustees have considered risk from a number of perspectives. These are the risk that:

- the investment return over members' working lives will not keep pace with inflation and does not, therefore, secure an adequate retirement income,
- investment market movements in the period prior to retirement lead to a substantial reduction in the anticipated level of pension or other retirement income,
- investment market movements in the period just prior to retirement lead to a substantial reduction in the anticipated cash lump sum benefit,
- the default option is not suitable for members who invest in it, and
- fees and transaction costs reduce the return achieved by members by an inappropriate extent.

The investment strategy for the default option has been chosen with the aim of reducing these risks. The self-select funds and alternative lifestyle strategies available have been chosen to provide members with the flexibility to address these risks for themselves.

To help address these risks, the Trustees also review the default option used and the fund range offered at least every three years, taking into account changes to the membership profile, developments within DC markets (including both product development and trends in member behaviour) and changes to legislation.

Stewardship in relation to the Scheme's assets

Policies in relation to investment manager arrangements

The Scheme's assets are invested in pooled funds which have their own policies and objectives and charge a fee, set by the investment manager, for their services. The Trustees have very limited to no influence over the objectives of these funds or the fees they charge (although fee discounts can be negotiated in certain circumstances).

The Trustees, in conjunction with their investment consultant, have introduced a process to obtain and review the investment holding turnover costs incurred on the pooled funds used by the Scheme on an annual basis.

In addition, the Trustees receive information on any trading costs incurred as part of asset transfer work within either the DB or the DC Section, as and when these occur. The exercise is only undertaken if the expected benefits outweigh the expected costs. The Trustees note that, in respect of the DC Section, trading costs are also incurred in respect of member switches (including within the lifestyle strategy).

The investment managers have invested the assets within their portfolio in a manner that is consistent with the guidelines and constraints set out in their appointment documentation. In return the Trustees have paid their investment managers a fee which is a fixed percentage of assets under management.

The investment consultant has reviewed and evaluated the investment managers on behalf of the Trustees, including performance reviews, manager oversight meetings and operational due diligence reviews.

Stewardship of investments

The Trustees have a fiduciary duty to consider their approach to the stewardship of the investments, to maximise financial returns for the benefit of members and beneficiaries over the long term. The Trustees can promote an investment's long-term success through monitoring, engagement and/or voting, either directly or through their investment managers.

The Trustees, in conjunction with their investment consultant, select their investment managers and choose the specific pooled funds to use in order to meet specific Scheme policies. They expect that their investment managers make decisions based on assessments about the financial performance of underlying investments, and that they engage with issuers of debt or equity to improve their performance (and thereby the Scheme's performance) over an appropriate time horizon.

The Trustees have decided not to take non-financial matters into account when considering their policy objectives with respect to the DB Section. However, they have included an Ethical Fund within the DC Section self-select fund options.

Stewardship - monitoring and engagement

The Trustees recognise that the investment managers' ability to influence the companies in which they invest will depend on the nature of the investment.

The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights. The investment managers are expected to provide regular reports for the Trustees detailing their voting activity.

The Trustees' also delegate responsibility for engaging and monitoring investee companies to the investment managers and they expect the investment managers to use their discretion to maximise financial returns for members and others over the long term.

Investment manager engagement policies

The Scheme's investment managers are expected to have developed and publicly disclosed an engagement policy. This policy, amongst other things, provides the Trustees with information on how each investment manager engages in dialogue with the companies it invests in and how it exercises voting rights. It also provides details on the investment approach taken by the investment manager when considering relevant factors of the investee companies, such as strategy, financial and non-financial performance and risk, and applicable social, environmental and corporate governance aspects.

Links to each investment manager's engagement policy or suitable alternative is provided in the Appendix.

These policies are publicly available on each investment manager's websites.

The latest available information provided by the investment managers (for mandates that contain public equities or bonds) is as follows:

Engagement	LGIM UK Equity Index Fund	LGIM World (ex-UK) Equity Index Fund-GBP Currency Hedged Fund	LGIM Global Equity Fixed Weights (50/50) Index Fund – GBP Currency Hedged Fund
Period	01/04/2020-31/03/2021	01/04/2020-31/03/2021	01/04/2020-31/03/2021
Engagement definition	Purposeful, targeted communication with an entity (e.g. company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.		
Number of companies engaged with over the year	147	275	394
Number of engagements over the year	244	386	573

Engagement	LGIM Ethical Global Equity Index Fund	LGIM FTSE Developed Core Infrastructure Index Fund	LGIM Retirement Income Multi-Asset Fund
Period	01/04/2020-31/03/2021	01/04/2020-31/03/2021	01/04/2020-31/03/2021
Engagement definition	Purposeful, targeted communication with an entity (e.g. company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.		
Number of companies engaged with over the year	203	15	443
Number of engagements over the year	323	19	640

Engagement	LGIM Diversified Fund	LGIM Global Real Estate Equity Index Fund	BlackRock Aquila Connect Emerging Markets Fund
Period	01/04/2020-31/03/2021	01/04/2020-31/03/2021	01/04/2020-31/03/2021
Engagement definition	Purposeful, targeted communication with an entity (e.g. company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.		Not provided
Number of companies engaged with over the year	434	71	36
Number of engagements over the year	631	81	90

Engagement	Nordea Diversified Return Fund	M&G Total Return Credit Investment Fund
Period	01/04/2020-31/03/2021	01/04/2020-31/03/2021
Engagement definition	Engagement is the next step of being an active owner and is a crucial component of our RI philosophy and framework. Our engagement activities combine the perspectives of portfolio managers, financial analysts and ESG specialists to form a holistic opinion and establish coherent engagement objectives. We conduct engagements through constructive dialogues with companies through face-to-face meetings, conference calls, letters or even field visits. As such, it provides an opportunity to improve our understanding of companies that we invest in as well as the ability to influence them. We engage proactively with companies and other stakeholders on behalf of all Nordea funds.	Not provided
Number of companies engaged with over the year	85	19
Number of engagements over the year	133	20

Exercising rights and responsibilities

The Trustees recognise that different investment managers should not be expected to exercise stewardship in an identical way, or to the same intensity.

The investment managers are expected to disclose annually a general description of their voting behaviour, an explanation of the most significant votes cast and report on the use of proxy voting advisers.

The Trustees do not carry out a detailed review of the votes cast by or on behalf of their investment managers but rely on the requirement for their investment managers to provide a high-level analysis of their voting behaviour.

The Trustees consider the proportion of votes cast, and the proportion of votes against management and believe this to be an important (but not the only) consideration of investor behaviour.

The latest available information provided by the investment managers (for mandates that contain public equities) is as follows:

Voting behaviour	LGIM UK Equity Index Fund	LGIM World (ex-UK) Equity Index Fund-GBP Currency Hedged Fund	LGIM Global Equity Fixed Weights (50/50) Index Fund – GBP Currency Hedged Fund
Period	01/04/2020-31/03/2021	01/04/2020-31/03/2021	01/04/2020-31/03/2021
Number of meetings eligible to vote at	772	2,931	3,175
Number of resolutions eligible to vote on	10,813	34,024	39,493
Proportion of votes cast	100.0%	99.8%	99.9%
Proportion of votes for management	93.1%	79.0%	82.9%
Proportion of votes against management	6.9%	20.1%	17.0%
Proportion of resolutions abstained from voting on	0.00%	0.9%	0.2%

Voting behaviour	LGIM Ethical Global Equity Index Fund	LGIM FTSE Developed Core Infrastructure Index Fund	LGIM Retirement Income Multi-Asset Fund
Period	01/04/2020-31/03/2021	01/04/2020-31/03/2021	01/04/2020-31/03/2021
Number of meetings eligible to vote at	1,123	155	10,487
Number of resolutions eligible to vote on	15,785	1,786	105,734
Proportion of votes cast	99.9%	100.0%	99.8%
Proportion of votes for management	83.2%	80.6%	80.0%
Proportion of votes against management	16.6%	19.3%	19.3%
Proportion of resolutions abstained from voting on	0.3%	0.1%	0.8%

Voting behaviour	LGIM Diversified Fund	LGIM Global Real Estate Equity Index Fund	BlackRock Aquila Connect Emerging Markets Fund
Period	01/04/2020-31/03/2021	01/04/2020-31/03/2021	01/04/2020-31/03/2021
Number of meetings eligible to vote at	9,010	426	117
Number of resolutions eligible to vote on	90,252	4,335	1,080
Proportion of votes cast	98.8%	99.9%	92.8%
Proportion of votes for management	78.7%	82.4%	81.6%
Proportion of votes against management	20.5%	17.6%	4.9%
Proportion of resolutions abstained from voting on	0.8%	0.1%	6.2%

Voting behaviour	Nordea Diversified Return Fund
Period	01/04/2020-31/03/2021
Number of meetings eligible to vote at	199
Number of resolutions eligible to vote on	2,348
Proportion of votes cast	99.9%
Proportion of votes for management	88.0%
Proportion of votes against management	11.3%
Proportion of resolutions abstained from voting on	0.6%

Trustees' engagement

The Trustees have undertaken a review of each investment manager's engagement policy including their policies in relation to financially material considerations.

The Trustees have considered the environmental, social and governance rating for each fund/investment manager provided by the investment consultant, which includes consideration of voting and/or engagement activities. This also includes those funds that do not hold listed equities.

The Trustees have reviewed the investment managers' policies relating to engagement and voting and how they have been implemented and have found them to be acceptable at the current time.

The Trustees recognise that engagement and voting policies, practices and reporting, will continue to evolve over time and are supportive of their investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020.

Appendix

Links to the Engagement Policies for the investment managers and platform provider can be found here:

Investment manager	Engagement Policy (or suitable alternative)
Mobius Life (Investment Platform Provider)	https://mobiuslife.co.uk/documents/ML-Modern-Slavery-Statement.pdf
Legal & General Investment Management	https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-engagement-policy.pdf
ASI	https://www.abrdn.com/docs?editionId=50636955-103f-47cb-86e2-036aec4d30d4#xd_co_f=MzFlOTViMDYtNTE3ZS00MDlhLWEwYzEtOGVkNTUxYTg2ZGNj~
Nordea	https://www.nordea.lu/documents/engagement-policy/EP_eng_INT.pdf
M&G	https://www.mandgplc.com/~/media/Files/M/MandG-Plc/documents/mandg-investments-policies/15-06-20-MandG-Shareholder-Rights-Directive-Engagement-Policy.pdf
RLAM	https://www.rlam.co.uk/institutional-investors/responsible-investment/responsible-investment-at-rlam/
Columbia Threadneedle (formerly BMO)	https://www.columbiathreadneedle.co.uk/en/inst/investment-themes/esg/

Information on the most significant votes for each of the funds containing public equities is shown below:

LGIM UK Equity Index Fund	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Informa Plc	The Sage Group Plc	JD Sports Fashion Plc
Date of Vote	2021-06-03	2022-02-03	2021-07-01
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.3	0.3	0.2
Summary of the resolution	Resolution 3, Re-elect Stephen Davidson as Director Resolution 5, Re-elect Mary McDowell as Director Resolution 7, Re-elect Helen Owers as Director Resolution 11, Approve Remuneration Report	Resolution 11 - Re-elect Drummond Hall as Director	Resolution 4 - Re-elect Peter Cowgill as Director
How the fund manager voted	Against Resolutions 3, 5, 7, and 11 (against management recommendation).	Against	Against
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	The company's prior three Remuneration Policy votes – in 2018, June 2020, and at a General Meeting that was called in December 2020 – each received high levels of dissent, with	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	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

	35% or more of votes cast against. At the December 2020 meeting, the Remuneration Policy and the Equity Revitalisation Plan (EVP) received over 40% of votes against. The EVP was structured to award the CEO restricted shares to a value of 600% of salary. LGIM has noted our concerns with the company's remuneration practices for many years. Due to continued dissatisfaction, we again voted against the proposed Policy at the December 2020 meeting. However, despite significant shareholder dissent at the 2018 and 2020 meetings, the company implemented the awards under the plan, a few weeks after the December meeting. Additionally, the Remuneration Committee has adjusted the performance conditions for the FY2018 long-term incentive plan (LTIP) awards while the plan is running, resulting in awards vesting where they would otherwise have lapsed. Due to consistent problems	representation on the board.	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.

	with the implementation of the company's Remuneration Policy and the most recent events as described above, LGIM has voted against the Chair of the Remuneration Committee for the past three years. Given the company has implemented plans that received significant dissent from shareholders without addressing persistent concerns, LGIM has taken the decision to escalate our vote further to all incumbent Remuneration Committee members, namely Stephen Davidson (Remuneration Committee Chair), Mary McDowell and Helen Owers.		
Outcome of the vote	Resolution 3 - 53.4% of shareholders supported the resolution. Resolution 5 - 80% of shareholders supported the resolution. Resolution 7 78.1% of shareholders supported the resolution. Resolution 11 - 38.3% of shareholders supported the resolution.	94.4% of shareholders supported the resolution.	84.8% of shareholders supported the resolution.

Implications of the outcome	LGIM will continue to seek to engage with the company and monitor progress.	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
Criteria on which the vote is assessed to be "most significant"	We consider this vote to be significant as LGIM took the rare step of publicly pre-declaring it before the shareholder meeting. Publicly pre-declaring our vote intention is an important tool for our engagement activities. We decide to pre-declare our vote intention for a number of reasons, including as part of our escalation strategy, where we consider the vote to be contentious, or as part of a specific engagement programme.	LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.	LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).

LGIM World (ex-UK) Equity Index Fund- GBP Currency Hedged Fund / **LGIM Global Equity Fixed Weights (50/50) Index Fund – GBP Currency Hedged Fund /** **LGIM Ethical Global Equity Index Fund Fund/**	**Vote 1**	**Vote 2**	**Vote 3**

Company name	Apple Inc.	Microsoft Corporation	Amazon.com, Inc.
Date of Vote	2022-03-04	2021-11-30	2021-05-26
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	4.1 (LGIM World (ex-UK) Equity Index Fund-GBP Currency Hedged Fund) 1.0 (LGIM Global Equity Fixed Weights (50/50) Index Fund – GBP Currency Hedged Fund) 7.0 (LGIM Ethical Global Equity Index Fund Fund)	4.0 (LGIM World (ex-UK) Equity Index Fund-GBP Currency Hedged Fund) 1.0 (LGIM Global Equity Fixed Weights (50/50) Index Fund – GBP Currency Hedged Fund) 6.7 (LGIM Ethical Global Equity Index Fund Fund)	2.5 (LGIM World (ex-UK) Equity Index Fund-GBP Currency Hedged Fund) 0.5 (LGIM Global Equity Fixed Weights (50/50) Index Fund – GBP Currency Hedged Fund) 1.3 (LGIM Ethical Global Equity Index Fund Fund)
Summary of the resolution	Resolution 9 - Report on Civil Rights Audit	Elect Director Satya Nadella	Resolution 1a Elect Director Jeffrey P. Bezos
How the fund manager voted	For	Against	Against
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	Diversity: A vote in favour is applied as LGIM supports proposals related to diversity and inclusion policies as we consider these issues to be a material risk to companies.	LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight	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 are voting 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.
Outcome of the vote	53.6% of shareholders supported the resolution.	94.7% of shareholders supported the resolution.	95.1% of shareholders supported the resolution.
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.	LGIM will continue to vote against combined Chairs and CEOs and will consider whether vote pre-declaration would be an appropriate escalation tool.	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
Criteria on which the vote is assessed to be "most significant"	LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.	A vote linked to an LGIM engagement campaign, in line with the Investment Stewardship team's five-year ESG priority engagement themes	LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).

LGIM FTSE Developed Core Infrastructure Index Fund	**Vote 1**	**Vote 2**	**Vote 3**
Company name	NextEra Energy, Inc.	Union Pacific Corporation	American Tower Corporation
Date of Vote	2021-05-20	2021-05-13	2021-05-26
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	6.4	6.3	4.8
Summary of the resolution	Resolution 1h Elect Director James L. Robo	Resolution 1d Elect Director Lance M. Fritz	Resolution1i Elect Director Pamela D.A. Reeve
How the fund manager voted	Against	Against	Against
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	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 are voting	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 are voting	The company is deemed to not meet minimum standards with regards to climate risk management and disclosure.

	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.	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.	
Outcome of the vote	88.1% of shareholders supported the resolution.	90.5% of shareholders supported the resolution.	94.7% of shareholder supported the resolution.
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.	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.	LGIM will continue to engage with the company and monitor progress.
Criteria on which the vote is assessed to be "most significant"	LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).	LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).	LGIM 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.

LGIM Retirement Income Multi-Asset Fund	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Microsoft Corporation	Apple Inc.	Barrick Gold Corporation
Date of Vote	2021-11-30	2022-03-04	2021-05-04
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.3	0.2	0.2
Summary of the resolution	Elect Director Satya Nadella	Resolution 9 - Report on Civil Rights Audit	Resolution 1.2 Elect Director Gustavo A. Cisneros
How the fund manager voted	Against	For	Withhold
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight	Diversity: A vote in favour is applied as LGIM supports proposals related to diversity and inclusion policies as we consider these issues to be a material risk to companies.	LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf. For 10 years, we have been using our position to engage with companies on this issue. As part of our efforts to influence our investee companies on having greater gender balance, in 2020, LGIM increased its expectations on

			gender diversity on the board by placing a vote against the largest 100 companies in the S&P500 and the S&P/TSX where there is less than 25% women on the board. In 2021, we expanded the scope of our vote policy to include all companies in the S&P 500 and the S&P/TSX. Our expectation is for all companies in this market to reach a minimum of 30% women on the board and at senior management level by 2023.
Outcome of the vote	94.7% of shareholders supported the resolution.	53.6% of shareholders supported the resolution.	93.0% of shareholders supported the resolution.
Implications of the outcome	LGIM will continue to vote against combined Chairs and CEOs and will consider whether vote pre-declaration would be an appropriate escalation tool.	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
Criteria on which the vote is assessed to be “most significant”	A vote linked to an LGIM engagement campaign, in line with the Investment Stewardship team's five-year ESG priority engagement themes	LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.	LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

LGIM Diversified Fund	**Vote 1**	**Vote 2**	**Vote 3**
Company name	NextEra Energy, Inc.	Union Pacific Corporation	Apple Inc.
Date of Vote	2021-05-20	2021-05-13	2022-03-04
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.4	0.4	0.4
Summary of the resolution	Resolution 1h Elect Director James L. Robo	Resolution 1d Elect Director Lance M. Fritz	Resolution 9 - Report on Civil Rights Audit
How the fund manager voted	Against	Against	For
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	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 are voting against all combined board chair/CEO	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 are voting against all combined board chair/CEO	Diversity: A vote in favour is applied as LGIM supports proposals related to diversity and inclusion policies as we consider these issues to be a material risk to companies.

	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.	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.	
Outcome of the vote	88.1% of shareholders supported the resolution.	90.5% of shareholders supported the resolution.	53.6% of shareholders supported the resolution.
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.		
Criteria on which the vote is assessed to be "most significant"	LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).	LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).	LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

LGIM Global Real Estate Equity Index Fund	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Prologis, Inc.	Simon Property Group, Inc.	Equity Residential
Date of Vote	2021-04-29	2021-05-12	2021-06-17
Approximate size of fund's holding as at	4.7	2.3	1.6

the date of the vote (as % of portfolio)			
Summary of the resolution	Resolution 1.a Elect Director Hamid R. Moghadam	Resolution 1c Elect Director Karen N. Horn	Resolution 1.12 Elect Director Samuel Zell
How the fund manager voted	Against	Against	Withhold
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	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 are voting against all combined board chair/CEO roles. Furthermore, we have published a guide for boards on the separation of the	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 are voting against all combined board chair/CEO roles. Furthermore, we have published a guide for boards on the separation of the	The company is deemed to not meet minimum standards with regards to climate risk management and disclosure.

	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.	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.	
Outcome of the vote	93.5% of shareholders supported the resolution.	84.8% of shareholders supported the resolution.	83.0% of shareholder supported the resolution.
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.	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.	LGIM will continue to engage with the company and monitor progress.
Criteria on which the vote is assessed to be “most significant”	LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).	LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).	LGIM 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.

BlackRock Aquila Connect Emerging Markets Fund	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Adani Ports & Special Economic Zone Limited	AIA Group Limited	Albemarle Corporation

Date of Vote	06/04/2021	20/05/2021	04/05/2021
Approximate size of fund’s holding as at the date of the vote (as % of portfolio)	Not provided	Not provided	Not provided
Summary of the resolution	Approve Issuance of Equity Shares to Windy Lakeside Investment Ltd on Preferential Basis	Accept Financial Statements and Statutory Reports	Advisory Vote to Ratify Named Executive Officers' Compensation
How the fund manager voted	For	For	For
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	Not provided	Not provided	Not provided
Rationale for the voting decision	Not provided	Not provided	Not provided
Outcome of the vote	For	For	For
Implications of the outcome	Not provided	Not provided	Not provided
Criteria on which the vote is assessed to be “most significant”	Not provided	Not provided	Not provided

Nordea Diversified Return Fund	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Johnson & Johnson	Oracle	Nike
Date of Vote	22-Apr-21	10-Nov-21	06-Oct-21
Approximate size of fund’s holding as at	2.5	0.5	1.4

the date of the vote (as % of portfolio)			
Summary of the resolution	Report on government financial support and access to COVID-19 vaccines and therapeutics (shareholder proposal).	Advisory Vote to Ratify Named Executive Officers' Compensation.	Report on Gender Pay Gap (shareholder proposal).
How the fund manager voted	FOR	AGAINST	FOR
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	No	No	No
Rationale for the voting decision	We think reporting on the impact of public funding on the company's pricing and access plans would allow shareholders to better assess the company's management of related risks.	We think that bonuses and share based incentives only should be paid when management reach clearly defined and relevant targets which are aligned with the interest of the shareholders. For a majority of executive officers targets are lacking and for some the levels are extremely high. We also voted against re-election of the proposed board members in the Compensation Committee.	At the Nike AGM, we supported a number of shareholder proposals, besides Report on Gender pay Gap, such as Report on Political Contributions Disclosure, Report on Human Rights Impact Assessment and Report on Diversity and Inclusion Efforts. Management voting recommendation was against on all these proposals, but all got substantial support from shareholders at the AGM. None of these proposals was approved. We think shareholders would benefit from additional information, allowing

			them to better assess these issues.
Outcome of the vote	AGAINST	FOR	AGAINST
Implications of the outcome	We will continue to support shareholder proposals on this issue as long as it is needed.	We see less and less support at many AGMs for renumeration packages, and we will continue to be critical of badly structured renumeration programs with large proportions of time-based variable compensation.	We will continue to support shareholder proposals on this issue as long as the company is not showing substantial improvements.
Criteria on which the vote is assessed to be "most significant"	Significant votes are those that are severely against our principles, and where we feel we need to enact change in the company.		

Information on the most significant engagement case studies for LGIM as a company for the funds containing public equities or bonds as at 31 December 2021 (latest available) is shown below:

LGIM - Firm-level	**Case Study 1**	**Case Study 2**	**Case Study 3**
Name of entity engaged with	BP	McDonalds	Experian
Topic	Climate Transition	Antimicrobial resistance	Financial Inclusion
Rationale	Our work with the Institutional Investor Group on Climate Change (IIGCC) is a crucial part of our approach to climate engagement. IIGCC is a founding partner and steering committee member of Climate Action 100+ (CA100+), a global investor engagement	The overuse of antimicrobials (including antibiotics) in human and veterinary medicine, animal agriculture and aquaculture, as well as discharges from pharmaceutical production facilities, is often associated with an uncontrolled release and disposal	Pay equality and fairness has been a priority for LGIM for several years. We ask all companies to help reduce global poverty by paying at least the living wage, or the real living wage for UK based employees. Income inequality is a material ESG theme for LGIM because we

	initiative with 671 global investor signatories representing $65 trillion in assets that aims to speak as a united voice to companies about their climate transition plans. We actively support the initiative by sitting on sub-working groups related to European engagement activities and proxy voting standards. We also co-lead several company engagements programmes, including at BP 5* (ESG score: 27; -11) and Fortum 5* (ESG score: 27; -11). UN SDG: 13 - Climate Action	of antimicrobial agents. Put simply, antibiotics end up in our water systems, including our clean water, wastewater, rivers and seas.38 This in turn potentially increases the prevalence of antibiotic-resistant bacteria and genes, leading to higher instances of difficult-to-treat infections. In autumn 2021, LGIM worked again with Investor Action on AMR and wrote to the G7 finance ministers, in response to their Statement on Actions to Support Antibiotic Development. The letter highlighted investors' views on AMR as a financial stability risk. • A member of our team was on the expert committee for the 2021 AMR Benchmark methodology. The benchmark, which was launched in November 2021, evaluates 17 of the world's largest pharmaceutical companies on their progress in the fight against AMR. We participated in a panel discussion on governance and	believe there is a real opportunity for companies to help employees feel more valued and lead healthier lives if they are paid fairly. These are important steps to help lift lower-paid employees out of in-work poverty. This should ultimately lead to better health, higher levels of productivity and result in a positive effect on communities. Global credit bureau Experian† (ESG score: 69; +9) has an important role to play as a responsible business for the delivery of greater social and financial inclusion. UN SDG 8 - Decent work and economic growth

		stewardship around AMR. UN SDG 3 - Good Health & Wellbeing	
What the investment manager has done	We engaged with BP's senior executives on six occasions in 2021 as they develop their climate transition strategy to ensure alignment with Paris goals.	During 2021, we voted on the issue of AMR. A shareholder proposal was filed at McDonald's† (ESG score: 62; +8) seeking a report on antibiotics and public health costs at the company. We supported the proposal as we believe the proposed study, with its particular focus on systemic implications, will inform shareholders and other stakeholders on the negative implications of sustained use of antibiotics by the company.	LGIM has engaged with the company on several occasions in 2021 and are pleased to see improvements made to its ESG strategy, encompassing new targets, greater reporting disclosure around societal and community investment, and an increasing allocation of capital aligned to transforming financial livelihoods.
Outcomes and next steps	Following constructive engagements with the company, we were pleased to learn about the recent strengthening of BP's climate targets, announced in a press release on 8 February 2022, together with the commitment to become a net-zero company by 2050 – an ambition we expect to be shared across the oil and gas sector as we aim to progress towards a low-carbon economy.	The hard work is just beginning. LGIM continues to believe that without coordinated action today, AMR may be the next global health event and the financial impact could be significant.	The latter includes the roll-out of Experian Boost, where positive data allows the consumer to improve their credit score, and Experian Go, which is hoped to enable access for more people. The company also launched the United for Financial Health project as part of its social innovation fund to help educate and drive action for those most vulnerable.

	More broadly, our detailed research on the EU coal phase-out earlier this year reinforced our view that investors should support utility companies in seeking to dispose of difficult-to-close coal operations, but only where the disposal is to socially responsible, well-capitalised buyers, supported and closely supervised by the state. In our engagement with multinational energy provider RWE's senior management, for example, we have called for the company to investigate such a transfer. We think transfers like this could make the remaining transition focused companies more investable for many of our funds and for the market more generally.

No information on the most significant engagement case studies has been provided for the BlackRock Aquila Connect Emerging Markets Fund.

Information on the most significant engagement case study for the Nordea Diversified Return Fund as at 31 March 2022 (latest available) is shown below:

Nordea Diversified Return Fund	**Case Study 1**
Name of entity engaged with	Waste Management Inc.

Topic	Environment/ Climate (NZAM Initiative)
Rationale	Overview Waste Management Inc. (“Waste Management”) provides services which include the collection, transfer, recycling, resource recovery and disposal of waste. Waste Management is one of the largest waste management companies in North America. The company has more than 26,000 garbage trucks, more than 50,000 employees and operates 268 landfill measures. Background Nordea Asset Management is a founding member and signatory of the Net Zero Asset Managers (“NZAM”) initiative, a global coalition of asset managers working for the achievement of net-zero greenhouse gas emissions by 2050, and adopted a historic set of climate targets to support this ambition. For companies in high carbon emitting sectors such as waste management Nordea Asset Management engages to understand their decarbonisation strategy, and we have been in dialogue with Waste Management since 2019."
What the investment manager has done	The waste management industry is one of the largest emitting sources of carbon dioxide and methane globally. When we initiated our dialogue with Waste Management in 2019 we were enquiring climate and environmental data reported according to TCFD. Waste Management was already reporting climate and environmental data to CDP Climate Change and has received the best grade (A) since 2017. In 2020, Waste Management disclosed their TCFD reporting publicly. This confirmed that the company is well aware of the environmental challenges and risks of its business model, measures them and will eventually set carbon emission targets. Nevertheless, our findings from it were that while they did set a carbon abatement target of x3 to x4 carbon emissions in their operations, in our view this does not demonstrate a clear decarbonisation strategy as it does not address absolute emission reduction aligned with the Paris Agreement target (below 2 degrees scenario) especially for GHG Scope 1 and 2. Nordea Asset Management met with Susan Robinson, Sustainability & Policy Director at Waste Management to discuss how the company is considering absolute carbon emission reduction targets including fugitive emissions, and when these will be approved by the Science-Based Target initiative (“SBTi”)."
Outcomes and next steps	In 2021 Waste Management realised that the climate expectations were changing and that their x4 target (abate x4 the amount they emit) was insufficient. Together with an external consultant they are now working to set a 1.5 degree aligned absolute reduction target,

	with the ambition of reducing absolute greenhouse gas emissions for scope 1 and 2 by as much as 42% by 2030 compared to the 2021 level. The target will be released mid-2022 and seek SBTi validation. We see this as a serious decarbonisation commitment demonstrating a 1.5 degree scenario alignment where Waste Management's focus is on better carbon emission measurement, capture and the use of biogas conversion as a source of renewable fuel for their collection fleet. Based on modelling Waste Management estimates that 80% of methane emissions are captured, and is working on improving its modelling capabilities related to fugitive emissions. Recycling ambitions will also be formulated together with the targets to be released later this year, which is a positive improvement we are looking forward to see. Once the targets are disclosed, we plan on following-up with the link between its management incentive programs and ESG metrics."

Information on the most significant engagement case studies for the M&G Total Return Credit Investment Fund as at 31 March 2022 (latest available) is shown below:

M&G Total Return Credit Investment Fund	**Case Study 1**	**Case Study 2**	**Case Study 3**
Name of entity engaged with	ARQIVA BROADCAST FINANCE PLC	AVANTOR SCIENCES	DEUTSCHE TELEKOM AG
Topic	Environment - Climate change	Supply chain	Environment - Pollution, Waste
Rationale	To increase disclosure and push for the company to set relevant ESG targets that currently do not exist.	Following a Bloomberg article which raised concerns over the potential misuse of acetic anhydride outside of the regulated supply chain, we wanted biopharma and healthcare provider Avantor to increase disclosure of the customer due diligence process, specifically focusing	To request improved disclosures from German telecommunications company Deutsche Telekom, concerning its copper network switch off.

		on high-risk jurisdictions.	
What the investment manager has done	M&G wrote to company management to explain our expectations.	M&G started the engagement by initially writing to the company, requesting a meeting on the issue. Subsequently M&G had a call with the head of Investor Relations.	M&G wrote to the company's Investor relations team requesting the increased disclosure, as well as a follow-up meeting.
Outcomes and next steps	There is currently no ESG documentation produced, but the company is working on it with 2022 a likely timeline. We await its response to a list of questions regarding various items where there was no disclosure and will follow up in due course.	Avantor have seized all acetic anhydride sales in Mexico following the distribution control issues. They have also seized sales in Africa, Asia and Latin America, which means the only distribution paths are now in the US and Europe. Whilst this is a positive step, we have concerns that there are a number of other 'high risk products' still being sold in Mexico, Asia and other countries that could have a similar issue arise from a number of other products. Avantor has just published its first ESG report and they were receptive in future iterations to include further due diligence (DD) on the audit of the distribution paths. It is clear that at present there is no clear additional steps	We see the copper switch-off as a solid environmental positive in terms of reduced energy consumption, as well as a solid financial and operational benefit via reduced opex/capex and a potential lump sum cash inflow(s) in relation to the sale of the redundant copper. We therefore requested improved disclosure on this topic in terms of: -Timeline to start and complete the copper switch off -Expected energy consumption reduction -Expected opex and capex savings -Expected weight of copper available for sale/recycling -Expected value of copper vs expected cost to close/extract

	taken for high-risk products specifically looking at high-risk regions. The company clearly are not doing as much as we hoped to prevent a similar situation in the future, so we will continue to monitor for additional DD and disclosure of this process.	We will engage further if we do not see change.