Implementation Statement, covering the Scheme Year from 31 January 2020 to 31 January 2021

The Trustees of the Stephenson Harwood Pension Scheme (the "Scheme") are required to produce a yearly statement to set out how, and the extent to which, the Trustees have followed the voting and engagement policies in their Statement of Investment Principles ("SIP") during the Scheme Year. This is provided in Section 1 below.

The Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, trustees (including the most significant votes cast by trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 3 below.

1. Introduction

No changes were made to the voting and engagement policies in the SIP during the Scheme Year. The last time these policies were formally reviewed was in September 2019.

The Trustees have, in their opinion, followed the Scheme's voting and engagement policies during the Scheme Year, by continuing to delegate to their investment managers the exercise of rights and engagement activities in relation to investments, as well as seeking to appoint managers that have strong stewardship policies and processes. The Trustees took a number of steps to review the Scheme's existing managers and funds over the period, as described in Section 2 (Voting and engagement) below.

2. Voting and engagement

As part of its advice on the selection and ongoing review of the investment managers, the Scheme's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to voting and engagement.

Along with LCP's continuous monitoring of the investment managers at research meetings, LCP also carry out a responsible investment survey every 2 years on behalf of its clients. LCP's responsible investment (RI) survey scores managers and funds, along with LCP's qualitative RI assessments for each fund and red flags for any managers of concern. These scores cover the approach to ESG factors, voting and engagement. As part of the 2020 survey, none of the Scheme's managers were assigned red flags or assessed by LCP to be managers of concern. LCP attended a Trustee meeting in June 2020 and confirmed they remained comfortable with the Scheme's investment managers (informed by LCP's regular investment research and RI survey).

3. Description of voting behaviour during the Scheme Year

All of the Trustees' holdings in listed equities are within pooled funds and the Trustees have delegated to their investment managers the exercise of voting rights. Therefore, the Trustees are not able to direct how votes are exercised and the Trustees themselves have not used proxy voting services over the Scheme Year.

In this section we have sought to include voting data on the Scheme's funds that hold equities as follows:

- LGIM UK Equity Index Fund
- LGIM Global Equity Fixed Weights (50:50) Index Fund
- LGIM World Emerging Markets Equity Index Fund
- Pyrford Global Total Returns Fund
- Aberdeen Standard Investments Diversified Growth Fund

The Trustees have sought to obtain the relevant voting data for Sections 3.2 and 3.3, from all the investment managers listed above, however LGIM was not able to provide voting information over the period 31 January 2020 to 31 January 2021 and instead provided data for the calendar year 2020.

The Trustees will continue to work with their advisers and investment managers with the aim of providing fuller voting information in future implementation statements.

In addition to the above, the Trustees contacted the Scheme's other asset managers that don't hold listed equities, to ask if any of the assets held by the Scheme had voting opportunities over the period. No votes were disclosed by these managers.

3.1 Description of the voting processes

Each of the managers were asked to provide an overview of the process for deciding how to vote. The managers' responses are detailed in sections 3.1.1-3.1.3 below.

3.1.1 Legal & General

"All decisions are made by LGIM's Investment Stewardship team and in accordance with our 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 our 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."

3.1.2 Pyrford International

"Pyrford's policy is to consider every resolution individually and to cast a proxy on each issue with. The sole criterion for reaching these voting decisions is being in the best interests of the client. This is part of Pyrford's broader fiduciary responsibility to its clients."

3.1.3 Aberdeen Standard Investments

"In our view, good governance and stewardship are vital to safeguard the way in which a company is managed and to ensure that it operates responsibly in relation to its customers, employees, shareholders, and the wider community. We also believe that markets and companies which adopt best practices in corporate governance and risk management – including the management of environmental and social risks – are more likely to deliver sustainable, long-term investment performance." Further details can be found at:
https://vds.issgovernance.com/repo/2024/policies/Listed_Company_Stewardship_Guidelines.pdf

3.2 Summary of voting behaviour over the Scheme Year

A summary of voting behaviour over the period is provided in the table below.

	Fund 1	Fund 2	Fund 3	Fund 4	Fund 5
Manager name	Legal & General Investment Manager	Legal & General Investment Manager	Legal & General Investment Manager	Pyrford International	Aberdeen Standard Investments
Fund name	Global Equity Fixed Weights (50:50) Index Fund	UK Equity Index Fund	World Emerging Markets Equity Index Fund	Global Total Returns Fund	ASI Diversified Growth Fund
Reporting period year end	31 Dec 2020	31 Dec 2020	31 Dec 2020	31 Jan 2021	31 Jan 2021
Total size of fund at end of reporting period	£4,093m	£21,852m	£7,672m	£2,208m	Not provided
Value of Scheme assets at 31 Jan 2021, £ (% of total Scheme assets)	£20.4m (33%)	£2.3m (4.0%)	£2.8m (5.0%)	£8.6m (14%)	£8.6m (14%)
Number of equity holdings at end of reporting period	2,830	597	1,856	59	Not provided
Number of meetings eligible to vote	3,533	894	3,778	60	359
Number of resolutions eligible to vote	43,630	12,468	34,537	873	4,058
% of resolutions voted	99.97%	100.00%	99.87%	90.15%	97.51%
Of the resolutions on which voted, % voted with management	83.72%	93.12%	85.53%	94.92%	85.75%
Of the resolutions on which voted, % voted against management	16.19%	6.87%	12.99%	5.08%	14.25%
Of the resolutions on which voted, % abstained from voting	0.10%	0.01%	1.48%	0.00%	2.02%
Of the meetings in which the manager voted, % with at least one vote against management	5.44%	3.24%	4.90%	45.00%	49.86%*
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	0.41%	0.77%	0.02%	3.18%	2.88%

Figures may not sum due to rounding. * Number of meetings with at least 1 vote Against, Withhold or Abstain

3.3 Most significant votes over the Scheme Year

Commentary on the most significant votes over the period, from the Scheme's asset managers who hold listed equities, is set out below. We have asked the managers to comment on votes that they believe to be significant.

3.3.1 LGIM UK Equity Index Fund

LGIM stated: "*As regulation on vote reporting has recently evolved with the introduction of the concept of 'significant vote' by the EU Shareholder Rights Directive II, LGIM wants to ensure we continue to help our clients in fulfilling their reporting obligations. We also believe public transparency of our vote activity is critical for our clients and interested parties to hold us to account.*

For many years, LGIM has regularly produced case studies and/ or summaries of LGIM's vote positions to clients for what we deemed were 'material votes'. We are evolving our approach in line with the new regulation and are committed to provide our clients access to 'significant vote' information.

In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association consultation (PLSA). This includes but is not limited to:

- *High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;*

- *Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;*

- *Sanction vote as a result of a direct or collaborative engagement.*

- *Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.*

We provide information on significant votes in the format of detailed case studies in our quarterly ESG impact and annual active ownership publications.

We will provide information on significant votes in the format of detailed case studies in our quarterly ESG impact report and annual active ownership publications.

If you have any additional questions on specific votes, please note that we publicly disclose our votes for the major markets on our website. The reports are published in a timely manner, at the end of each month and can be used by clients for their external reporting requirements. The voting disclosures can be found by selecting 'Voting Report' on the following page:

https://www.lgim.com/uk/en/capabilities/corporate-governance/policies-and-voting-disclosures-uk-en/"

Company name	International Consolidated Airlines Group
Date of vote	07-Sep-20
Summary of the resolution	Resolution 8: Approve Remuneration Report' was proposed at the company's annual shareholder meeting held on 7 September 2020.
How you voted	We voted against the resolution.
Rationale for the voting decision	‘The COVID-19 crisis and its consequences on international transport have negatively impacted this airline company's financial performance and business model. At the end of March 2020, LGIM addressed a private letter to the company to state our support during the pandemic. We also encouraged the board to demonstrate restraint and discretion with its executive remuneration. As a result of the crisis, the company took up support under various government schemes. The company also announced a 30% cut to its workforce. On the capital allocation front, the company decided to withdraw its dividend for 2020 and sought shareholder approval for a rights issue of €2.75 billion at its 2020 AGM in order to strengthen its balance sheet. The remuneration report for the financial year to 31 December 2019 was also submitted to a shareholder vote. We were concerned about the level of bonus payments, which are 80% to 90% of their salary for current executives and 100% of their salary for the departing CEO. We noted that the executive directors took a 20% reduction to their basic salary from 1 April 2020. However, whilst the bonuses were determined at the end of February 2020 and paid in respect of the financial year end to December 2019, LGIM would have expected the remuneration committee to exercise greater discretion in light of the financial situation of the company, and also to reflect the stakeholder experience (employees and shareholders). Over the past few years, we have been closely engaging with the company, including on the topic of the succession of the CEO and the board chair, who were long-tenured. This engagement took place privately in meetings with the board chair and the senior independent director. This eventually led to a success, as the appointment of a new CEO to replace the long-standing CEO was announced in January 2020. A new board chair: an independent non-executive director, was also recently appointed by the board. He will be starting his new role in January 2021.’

Company name	Pearson
Date of vote	18-Sep-20
Summary of the resolutions	'Resolution 1: Amend remuneration policy' was proposed at the company's special shareholder meeting, held on 18 September 2020.
How you voted	LGIM voted against the amendment to the remuneration policy.
Rationale for the voting decision	‘Pearson issued a series of profit warnings under its previous CEO. Yet shareholders have been continuously supportive of the company, believing that there is much value to be gained from new leadership and a fresh approach to their strategy. However, the company decided to put forward an all-or-nothing proposal in the form of an amendment to the company's remuneration policy. This resolution at the extraordinary general meeting (EGM) was seeking shareholder approval for the grant of a co-investment award, an unusual step for a UK company, yet if this resolution was not passed the company confirmed that the proposed new CEO would not take up the CEO role. This is an unusual approach and many shareholders felt backed into a corner, whereby they were keen for the company to appoint a new CEO, but were not happy with the plan being proposed. However, shareholders were not able to vote separately on the two distinctly different items, and felt forced to accept a less-than-ideal remuneration structure for the new CEO. LGIM spoke with the chair of the board earlier this year, on the board's succession plans and progress for the new CEO. We also discussed the shortcomings of the company's current remuneration policy. We also spoke with the chair directly before the EGM, and relayed our concerns that the performance conditions were weak and should be re-visited, to strengthen the financial underpinning of the new CEO's award. We also asked that the post-exit shareholding requirements were reviewed to be brought into line with our expectations for UK companies. In the absence of any changes, LGIM took the decision to vote against the amendment to the remuneration policy.’

Company name	SIG plc.
Date of vote	09-Jul-20
Summary of the resolution	'Resolution 5: Approve one-off payment to Steve Francis' proposed at the company's special shareholder meeting held on 9 July 2020.
How you voted	We voted against the resolution.
Rationale for the voting decision	‘The company wanted to grant their interim CEO a one-off award of £375,000 for work carried out over a two-month period (February - April). The CEO agreed to invest £150,000 of this payment in acquiring shares in the business, and the remaining £225,000 would be a cash payment. The additional payment was subject to successfully completing a capital-raising exercise to improve the liquidity of the business. The one-off payment was outside the scope of their remuneration policy and on top of his existing remuneration, and therefore needed shareholder support for its payment. LGIM does not generally support one-off payments. We believe that the remuneration committee should ensure that executive directors have a remuneration policy in place that is appropriate for their role and level of responsibility. This should negate the need for additional one-off payments. In this instance, there were other factors that were taken into consideration. The size of the additional payment was a concern because it was for work carried over a two-month period, yet was equivalent to 65% of his full-time annual salary. £225,000 was to be paid in cash at a time when the company's liquidity position was so poor that it risked breaching covenants of a revolving credit facility and therefore needed to raise additional funding through a highly dilutive share issue.’

Company name	Barclays
Date of vote	07-May-20
Summary of the resolutions	Resolution 29 - Approve Barclays' Commitment in Tackling Climate Change Resolution 30 - Approve ShareAction Requisitioned Resolution
How you voted	LGIM voted for resolution 29, proposed by Barclays and for resolution 30, proposed by ShareAction.
Rationale for the voting decision	‘The resolution proposed by Barclays sets out its long-term plans and has the backing of ShareAction and co-filers. We are particularly grateful to the Investor Forum for the significant role it played in coordinating this outcome.’

Company name	Rank Group
Date of vote	11-Nov-20
Summary of the resolutions	Resolution 2 Approve the remuneration report; and resolution 3 Approve remuneration policy.
How you voted	LGIM supported both resolutions.
Rationale for the voting decision	‘The company and its stakeholders have been impacted by the COVID crisis. As an active owner and responsible investor, LGIM wants to ensure this is reflected in the executive remuneration package paid for this year. In addition, in 2018 the company granted 'block awards' long-term incentives (LTI) to the executives and committed not to grant any LTI awards until financial year 2022. After review of the remuneration policy, the remuneration committee asked shareholders to adopt a new LTI structure with the first award under this plan to be made in the 2021 financial year. We decided to support the remuneration report, which looks back at the remuneration earned during the financial year. We noted the remuneration committee's decision to apply a 20% deduction and cancel the planned increase of salaries of the executives and fees of the board members. No annual bonus was granted, given the performance of the company. LGIM was comfortable that the impact of COVID-19 had been appropriately reflected in the remuneration of the executives and therefore decided to support the remuneration report. Regarding the remuneration policy, our direct engagement with the company allowed us to better understand the rationale for the proposed changes to the LTIP. We took into account their concerns around retention, and the fact that there would be a substantial gap in the vesting of any long-term incentives if this plan was not approved. Notably, that the structure of the proposed LTIP was in line with LGIM's remuneration principles.’

Company name	Plus500 ltd.
Date of vote	16-Sep-20
Summary of the resolution	'Resolution 17: Approve Special Bonus Payment to CFO Elad Even-Chen' at the company's special shareholder meeting held on 16 September 2020.
How you voted	We voted against the special bonus based on the belief that such transaction bonuses do not align with the achievement of pre-set targets. Separately, LGIM also voted against an amendment to the company's remuneration policy, which continues to allow for the flexibility to make one-off awards and offers long-term incentives that remain outside best market practice in terms of long-term performance alignment.
Rationale for the voting decision	'At its AGM on 16 September 2020, Plus500 proposed a number of pay-related proposals for shareholder approval. Amongst these, the board recommended the approval of a substantial discretionary bonus offered to the CFO of around ₪4.2 million (around $1.2 million), for his successful work with Israeli tax authorities over a number of years, resulting in a significant tax-saving for shareholders. The bonus is in addition to his annual variable pay and outside the normal bonus structure. LGIM does not support one-off discretionary bonuses (or transaction bonuses) as these are not within the approved policy to reward the achievement of pre-set targets. Moreover, discussions with tax authorities and the obtaining of preferential tax structures for the company are seen as part of a CFO's day-to-day job and should not be remunerated separately. Instead, a preferential tax treatment will benefit future performance and will therefore be rewarded within annual bonus and long-term incentives in future performance years.'

3.3.2 LGIM Global Equity Fixed Weight (50:50) Index Fund

LGIM's process for determining the most significant votes is the same as for the LGIM UK Equity Index Fund, as per Section 12.3.1 above.

All holdings in the LGIM UK Equity Index Fund are also held in the LGIM in the Global Equity Fixed Weight (50:50) Index Fund. Significant votes pertaining to the UK holdings in the Global Equity Fixed Weight (50:50) Index Fund are detailed in Section 12.3.1 above.

Company name	Qantas Airways Limited
Date of vote	23-Oct-20
Summary of the resolutions	Resolution 3 Approve participation of Alan Joyce in the Long-Term Incentive Plan Resolution 4 Approve Remuneration Report.
How you voted	LGIM voted against resolution 3 and supported resolution 4.
Rationale for the voting decision	The COVID crisis has had an impact on the Australian airline company's financials. In light of this, the company raised significant capital to be able to execute its recovery plan. It also cancelled dividends, terminated employees and accepted government assistance. The circumstances triggered extra scrutiny from LGIM as we wanted to ensure the impact of the COVID crisis on the company's stakeholders was appropriately reflected in the executive pay package. In collaboration with our Active Equities team, LGIM's Investment Stewardship team engaged with the Head of Investor Relations of the company to express our concerns and understand the company's views. The voting decision ultimately sat with the Investment Stewardship team. We supported the remuneration report (resolution 4) given the executive salary cuts, short-term incentive cancellations and the CEO's voluntary decision to defer the vesting of the long-term incentive plan (LTIP), in light of the pandemic. However, our concerns as to the quantum of the 2021 LTIP grant remained, especially given the share price at the date of the grant and the remuneration committee not being able to exercise discretion on LTIPs, which is against best practice. We voted against resolution 3 to signal our concerns.

Company name	Whitehaven Coal
Date of vote	22-Oct-20
Summary of the resolutions	Resolution 6 - Approve capital protection. Shareholders are asking the company for a report on the potential wind-down of the company's coal operations, with the potential to return increasing amounts of capital to shareholders.
How you voted	LGIM voted for the resolution.
Rationale for the voting decision	‘The role of coal in the future energy mix is increasingly uncertain, due to the competitiveness of renewable energy, as well as increased regulation: in Q4 2020 alone three of Australia's main export markets for coal - Japan, South Korea and China - have announced targets for carbon neutrality around 2050. LGIM has publicly advocated for a 'managed decline' for fossil fuel companies, in line with global climate targets, with capital being returned to shareholders instead of spent on diversification and growth projects that risk becoming stranded assets. As the most polluting fossil fuel, the phase-out of coal will be key to reaching these global targets.’

Company name	Lagardere
Date of vote	05-May-20
Summary of the resolution	Shareholder resolutions A to P. Activist Amber Capital, which owned 16% of the share capital at the time of engagement, proposed 8 new directors to the Supervisory Board (SB) of Lagardere, as well as to remove all the incumbent directors (apart from two 2019 appointments).
How you voted	LGIM voted in favour of five of the Amber-proposed candidates (resolutions H,J,K,L,M) and voted off five of the incumbent Lagardere SB directors (resolutions B,C,E,F,G).
Rationale for the voting decision	‘Proposals by Amber were due to the opinion that the company strategy was not creating value for shareholders, that the board members were not sufficiently challenging management on strategic decisions, and for various governance failures. The company continues to have a commandite structure; a limited partnership, which means that the managing partner has a tight grip on the company, despite only having 7 % share capital and 11% voting rights. LGIM engages with companies on their strategies, any lack of challenge to these, and with governance concerns. The company strategy had not been value-enhancing and the governance structure of the company was not allowing the SB to challenge management on this. Where there is a proxy contest, LGIM engages with both the activist and the company to understand both perspectives. LGIM engaged with both Amber Capital, where we were able to speak to the proposed new SB Chair, and also Lagardere, where we spoke to the incumbent SB Chair. This allowed us to gain direct perspectives from the individual charged with ensuring their board includes the right individuals to challenge management.’

Company name	Medtronic plc
Date of vote	11-Dec-20
Summary of the resolution	Resolution 3 - Advisory Vote to Ratify Named Executive Officers' Compensation.
How you voted	LGIM voted against the resolution.
Rationale for the voting decision	‘Following the end of the financial year, executive directors were granted a special, one-off award of stock options to compensate for no bonus being paid out during the financial year. LGIM voted against the one-off payment as we are not supportive of one-off awards in general and in particular when these are awarded to compensate for a payment for which the performance criterion/criteria were not met. Prior to the AGM we engaged with the company and clearly communicated our concerns over one-off payments.’

Company name	Olympus Corporation
Date of vote	30-Jul-20
Summary of the resolution	'Resolution 3.1: Elect Director Takeuchi, Yasuo' at the company's annual shareholder meeting held on 30 July 2020.
How you voted	We voted against the resolution.
Rationale for the voting decision	‘Japanese companies in general have trailed behind European and US companies, as well as companies in other countries, in ensuring more women are appointed to their boards. The lack of women is also a concern below board level. LGIM have for many years promoted and supported an increase of women on boards, at the executive level and below. On a global level we consider that every board should have at least one female director. We deem this a de minimis standard. Globally, we aspire to all boards comprising 30% women. Last year in February we sent letters to the largest companies in the MSCI Japan which did not have any women on their boards or at executive level, indicating that we expect to see at least one woman on the board. One of the companies targeted was Olympus Corporation. In the beginning of 2020, we announced that we would commence voting against the chair of the nomination committee or the most senior board member (depending on the type of board structure in place) for those companies included in the TOPIX100. We opposed the election of this director in his capacity as a member of the nomination committee and the most senior member of the board, in order to signal that the company needed to take action on this issue.’

Company name	Fast Retailing Co. Limited.
Date of vote	26-Nov-20
Summary of the resolution	Resolution 2.1: Elect Director Yanai Tadashi.
How you voted	LGIM voted against the resolution.
Rationale for the voting decision	‘Japanese companies in general have trailed behind European and US companies, as well as companies in other countries in ensuring more women are appointed to their boards. A lack of women employed is also a concern below board level. LGIM has for many years promoted and supported an increase of appointing more women on boards, at the executive level and below. On a global level we consider that every board should have at least one female director. We deem this a de minimis standard. Globally, we aspire to all boards comprising 30% women. In the beginning of 2020, we announced that we would vote against the chair of the nomination committee or the most senior board member (depending on the type of board structure in place) for companies included in the TOPIX100 where these standards were not upheld. We opposed the election of this director in his capacity as a member of the nomination committee and the most senior member of the board, in order to signal that the company needed to act on this issue.’

Company name	Amazon
Date of vote	27-May-20
Summary of the resolution	Shareholder resolutions 5 to 16
How you voted	Of 12 shareholder proposals, we voted to support 10. We looked into the individual merits of each individual proposal, and there are two main areas which drove our decision-making: disclosure to encourage a better understanding of process and performance of material issues (resolutions 5, 6, 7, 8, 10, 13, 15 and 16) and governance structures that benefit long-term shareholders (resolutions 9 and 14).
Rationale for the voting decision	'In addition to facing a full slate of proxy proposals, in the two months leading up to the annual meeting, Amazon was on the front lines of a pandemic response. The company was already on the back foot owing to the harsh workplace practices alleged by the author of a seminal article in the New York Times published in 2015, which depicted a bruising culture. The news of a string of workers catching COVID-19, the company's response, and subsequent details, have all become major news and an important topic for our engagements leading up to the proxy vote. Our team has had multiple engagements with Amazon over the past 12 months. The topics of our engagements touched most aspects of ESG, with an emphasis on social topics: Governance: Separation of CEO and board chair roles, plus the desire for directors to participate in engagement meetings Environment: Details about the data transparency committed to in their 'Climate Pledge' Social: Establishment of workplace culture, employee health and safety The allegations from current and former employees are worrying. Amazon employees have consistently reported not feeling safe at work, that paid sick leave is not adequate, and that the company only provides an incentive of $2 per hour to work during the pandemic. Also cited is an ongoing culture of retaliation, censorship, and fear. We discussed with Amazon the lengths the company is going to in adapting their working environment, with claims of industry leading safety protocols, increased pay, and adjusted absentee policies. However, some of their responses seemed to have backfired. For example, a policy to inform all workers in a facility if COVID-19 is detected has definitely caused increased media attention.'

Company name	Cardinal Health
Date of vote	04-Nov-20
Summary of the resolution	Resolution 3, Advisory Vote to Ratify Named Executive Officers' Compensation.
How you voted	LGIM voted against the resolution.
Rationale for the voting decision	'The company paid out an above target bonus to the CEO, the same year it recorded a total pre-tax charge of $5.63 billion ($5.14 billion after tax) for expected opioid settlement costs during the fiscal year ended 30 June 2020. The Compensation Committee excluded the settlement costs from the earnings calculations which resulted in executive pay being boosted. Further, the current CEO was head of pharma globally during the worst years of the opioid crisis. Accountability would therefore have been expected. LGIM has in previous years voted against executives' pay packages due to concerns over the remuneration structure not comprising a sufficient proportion of awards assessed against the company's performance. We voted against the resolution to signal our concern over the bonus payment to the CEO in the same year the company recorded the charge for expected opioid settlement.'

Company name	ExxonMobil
Date of vote	27-May-20
Summary of the resolution	Resolution 1.10 Elect Director Darren W. Woods
How you voted	Against
Rationale for the voting decision	'In June 2019, under our annual 'Climate Impact Pledge' ranking of corporate climate leaders and laggards, we announced that we will be removing ExxonMobil from our Future World fund range, and will be voting against the chair of the board. Ahead of the company's annual general meeting in May 2020, we also announced we will be supporting shareholder proposals for an independent chair and a report on the company's political lobbying. Due to recurring shareholder concerns, our voting policy also sanctioned the reappointment of the directors responsible for nominations and remuneration.'

Company name	The Procter & Gamble Company (P&G)
Date of vote	13-Oct-20
Summary of the resolution	Resolution 5 Report on effort to eliminate deforestation.
How you voted	LGIM voted in favour of the resolution.
Rationale for the voting decision	'P&G uses both forest pulp and palm oil as raw materials within its household goods products. The company has only obtained certification from the Roundtable on Sustainable Palm Oil for one third of its palm oil supply, despite setting a goal for 100% certification by 2020. Two of their Tier 1 suppliers of palm oil were linked to illegal deforestation. Finally, the company uses mainly Programme for the Endorsement of Forest Certification (PEFC) wood pulp rather than Forestry Stewardship Council (FSC) certified wood pulp. Palm oil and Forest Pulp are both considered leading drivers of deforestation and forest degradation, which is responsible for approximately 12.5% of greenhouse gas emissions that contribute to climate change. The fact that Tier 1 suppliers have been found to have links with deforestation calls into question due diligence and supplier audits. Only FSC certification offers guidance on land tenure, workers', communities and indigenous people's rights and the maintenance of high conservation value forests. LGIM engaged with P&G to hear its response to the concerns raised and the requests raised in the resolution. We spoke to representatives from the proponent of the resolution, Green Century. In addition, we engaged with the Natural Resource Defence Council to fully understand the issues and concerns. Following a round of extensive engagement on the issue, LGIM decided to support the resolution. Although P&G has introduced a number of objectives and targets to ensure their business does not impact deforestation, we felt it was not doing as much as it could. The company has not responded to CDP Forest disclosure; this was a red flag to LGIM in terms of its level of commitment. Deforestation is one of the key drivers of climate change. Therefore, a key priority issue for LGIM is to ensure that companies we invest our clients' assets in are not contributing to deforestation. LGIM has asked P&G to respond to the CDP Forests Disclosure and continue to engage on the topic and push other companies to ensure more of their pulp and wood is from FSC certified sources.'

3.3.3 LGIM World Emerging Markets Equity Index Fund

LGIM's process for determining the most significant votes is the same as for the LGIM UK Equity Index Fund, as per Section 12.3.1 above.

LGIM have confirmed that there were no significant votes made in relation to the securities held by this fund during the reporting period.

3.3.4 Pyrford Global Total Returns Fund

Pyrford stated *"At Pyrford we believe that all proxy votes are important and aim to vote all ballots received on behalf of our clients. All proxy votes are reviewed by our ESG Forum on a quarterly basis. Those deemed to be "significant" are where we believe the outcome could have a meaningful impact on shareholder returns over our five-year investment horizon. These could include management and board appointments and compensation, decisions affecting capital structure as well as company responses to social, environmental or competitive pressures."*

Company name	SGS SA
Date of vote	24-March-2020
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.23%
Summary of the resolution	Elect Driector -Reelect Paul Desmarais as Director
How you voted	Against Management
Rationale for the voting decision	'A Vote AGAINST is warranted for any nominee who attended less than 75% of the board and committee meetings that they were scheduled to attend during the previous fiscal year.'

Company name	Essity B
Date of vote	02-April-2020
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.35%
Summary of the resolution	Reelect Par Boman as Director
How you voted	Against Management
Rationale for the voting decision	'A vote AGAINST candidate Par Boman (Item12b) is warranted as he sits on excessive number of outside boards.'

Company name	Atlas Copco
Date of vote	23-April-2020
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.26%
Summary of the resolution	Reelect Staffan Bohman, Tina Donikowski, Johan Forssell, Sabine Neuss, Mats Rahmstrom, Hans Straberg and Peter Wallenberg Jr as Directors; Elect AnnaOhlsson-Leijon and Gordon Riske as New Directors
How you voted	Against Management
Rationale for the voting decision	'A vote AGAINST this proposal is warranted due insufficient independence among the board members and the audit committee, as well as the presence of director serving on an excessive number of outside public companies.'

Company name	Sanofi
Date of vote	28-April-2020
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.56%
Summary of the resolution	Approve Compensation of Olivier Brandicourt, CEO Until Aug. 31, 2019
How you voted	Against Management
Rationale for the voting decision	'A vote AGAINST this remuneration report is warranted for a number of reasons including the deemed ten-year service under the defined-benefit pension scheme granted to new CEO upon his arrival at the company was a practice lying well below market standards in France with insufficient information provided for shareholders to enable assessment of the reasonableness of the award. '

Company name	British American Tobacco plc
Date of vote	30-April-2020
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	2.10%
Summary of the resolution	Approve Remuneration Report
How you voted	Against Management
Rationale for the voting decision	'A vote AGAINST the remuneration report is considered warranted on account of the following: - CEO Jack Bowles was granted a 9.5% salary increase for FY2020. - From FY2020, the new CFO's LTIP award has been increased to 400% of salary, up from 350% of salary previously (albeit on a lower salary rate than his predecessor).'

Company name	Assa Abloy AB
Date of vote	29-April-2020
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.26%
Summary of the resolution	Approve Performance Share Matching Plan LTI 2020
How you voted	Against Management
Rationale for the voting decision	‘A vote AGAINST this item is warranted as the proposed annual performance period falls below the guidelines and the performance targets of the plan have not been disclosed.’

Company name	Woodside Petroleum Ltd.
Date of vote	30-April-20
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	1.30%
Summary of the resolution	Approve Paris Goals and Targets
How you voted	Against Management
Rationale for the voting decision	‘A vote FOR this resolution is warranted. The company's current level of disclosure regarding its capital expenditure strategy and GHG emissions do not appear to align with Paris goals under reasonable assumptions.’

Company name	China Mobile Limited
Date of vote	20-May-2020
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.72%
Summary of the resolution	Adopt Share Option Scheme and Related Transactions
How you voted	Against Management
Rationale for the voting decision	‘A vote AGAINST this resolution is warranted because:- The company could be considered a mature company, and the limit under the proposed scheme exceeds 5 percent of the company's issued capital.- The company did not disclose sufficient information on the performance conditions attached to the vesting of options granted under the scheme.- The directors eligible to receive options under the scheme are involved in the administration of the scheme.’

Company name	Vodafone Group Plc
Date of vote	28-July-2020
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	1.55%
Summary of the resolution	Re-elect David Thodey as Director
How you voted	Against Management
Rationale for the voting decision	‘A vote AGAINST the re-election of David Thodey is considered warranted:- In addition to his role as a NED of Vodafone, he holds board positions at three other publicly listed companies, including two board chair roles. This is a significant number of outside time commitments and may raise questions regarding his ability to devote sufficient time to his role at Vodafone.’

Company name	PT Bank Rakyat Indonesia (Persero) Tbk
Date of vote	21-Jan-2021
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.42%
Summary of the resolution	Approve Transfer of Treasury Stock
How you voted	Against Management
Rationale for the voting decision	'A vote AGAINST this resolution is warranted given the lack of information to make an informed voting decision.'

3.3.5 ASI Diversified Growth Fund

ASI stated:

"We have defined significant votes as follows:

- *Selected Shareholder resolutions which we believe are of public interest include some relating to political lobbying, sexual harassment policies, drug pricing and human rights*

- *Resolutions where we have made a voting decision different from our custom policy."*

Company name	AbbVie Inc.
Date of vote	8-May-2020
Summary of the resolution	Proposal 5: Report on Lobbying Payments and Policy Proposal 7: Report on Integrating Risks Related to Drug Pricing into Senior Executive Compensation
How you voted	Proposal 5: Against management Proposal 7: Against management
Rationale for the voting decision	Proposal 5: 'The company discloses the significant spend on direct federal lobbying, but not the spend at the state-level. Importantly, it does not disclose a complete list of its memberships in trade associations or other advocacy groups and how much of its dues paid goes toward lobbying'. Proposal 7: 'We would encourage comprehensive disclosure describing how risks related to concern over drug pricing increases are taken into consideration in executive compensation programs'.

Company name	Delta Air Lines, Inc.
Date of vote	18-June-2020
Summary of the resolution	Proposal 5: Report on Climate Lobbying Proposal 6: Report on Political Contributions Proposal 7: Report on Sexual Harassment Policy
How you voted	Proposal 5: Against management Proposal 6: Against management Proposal 7: Against management
Rationale for the voting decision	Proposal 5: 'Companies making strong commitments to reduce carbon emissions need to ensure that there are appropriate governance arrangements in place so that the climate lobbying activities of its key industry associations are aligned with the company's climate strategy. We believe Delta Air Lines' disclosure on its direct and indirect climate lobbying and advocacy activities could be more transparent and complete. Additional disclosure will improve transparency and facilitate assessment of whether the company's lobbying activities are an effective use of funds, aligned with the climate strategy, shareholder and stakeholder expectations, and a long-term view.' Proposal 6: 'The company does not provide consolidated information about political contributions or context as to the rationale for these payments. Furthermore, the company does not disclose a comprehensive list of trade association memberships and associated fees. The proposed report would enhance transparency and facilitate assessment of whether the company's political contributions are an effective use of funds, aligned with shareholder and stakeholder expectations.' Proposal 7: 'Sexual harassment is a serious issue with potential reputational and financial risks. We support the resolution and agree that enhanced disclosures about oversight by the board and its committees, including the frequency of reporting, and remediation processes for sexual harassment allegations would help investors to understand the effectiveness of the company's existing approach. We want to highlight however that this does not mean that Board oversight and compensation arrangements should be limited to sexual harassment. We would like to see strong oversight and leadership at Board and executive level that seeks to prevent all types of harassment and discrimination.'

Company name	The Kroger Co.
Date of vote	25-June-2020
Summary of the resolution	Proposal 4: Assess Environmental Impact of Non-Recyclable Packaging Proposal 5: Report on Human Rights Due Diligence Process in Operations and Supply Chain
How you voted	Proposal 4: Against management Proposal 5: Against management
Rationale for the voting decision	Proposal 4: 'Kroger's existing targets are largely absolute measures which make it difficult to determine the company's environmental impact and scale of improvement. The company's disclosures on plastics and recycling would be improved by setting more relative targets and disclosing progress towards achievement of all targets. The company is lagging behind its peers and the proposal is broad in scope as it addresses all packaging, not just plastics. The requested report would improve shareholder understanding of the efficacy of the company's approach and its ability to adapt to the demands of public pressure and possible legislative change in this area.' Proposal 5: 'Kroger appears to take its human rights impact and associated risks seriously – it conducts targeted social audits of suppliers and has adopted various policies, codes, standards and oversight mechanisms concerned with human rights. However, it does not disclose information that could be used to assess the effectiveness of its human rights due diligence measures. The requested report should not be unduly onerous considering Kroger's existing measures and will encourage it to drive improvement and transparency. Greater transparency in this area will help shareholders understand how effectively the Company is identifying and managing human rights risks.'

Company name	The Procter & Gamble Company
Date of vote	13-October-2020
Summary of the resolution	Proposal 5: Report on Efforts to Eliminate Deforestation Proposal 6: Publish Annually a Report Assessing Diversity and Inclusion Efforts
How you voted	Proposal 5: Against management Proposal 6: Against management
Rationale for the voting decision	Proposal 5: 'The company has significant exposure to high risk materials, including operational exposure to palm oil via a JV [joint venture] with FGV [FGV Holdings Berhad]. P&G has strong commitments to avoiding deforestation but independent assessments raise concerns, e.g. over SFI certifications and its biggest supplier and JV operator's (FGV) lack of certification. Given the company's work so far, it should not be overly onerous to deliver on this resolution and provide additional clarity for shareholders.' Proposal 6: 'P&G makes a number of strong commitments and seems to have achieved a good balance of gender diversity at exec and management level. That said, it's approach to diversity and inclusion more broadly (including ethnicity) are not as well supported with effectiveness measures and disclosures. Support for the resolution is therefore warranted, as effective diversity and inclusion can support long-term value creation and mitigate labour management risks.'

Company name	L'Oreal SA
Date of vote	30-June-2020
Summary of the resolution	Approve Compensation of Jean-Paul Agon, Chairman and CEO
How you voted	Against management
Rationale for the voting decision	'While we note improvements in disclosure, we are of the view that retrospective disclosure of long term incentive targets should be provided. On balance, we consider an abstention to be appropriate and we will engage to seek further improvement.'

Company name	Prosus NV
Date of vote	18-August-2020
Summary of the resolution	Approve Remuneration Report
How you voted	Against management
Rationale for the voting decision	'We considered an abstention to be appropriate to balance the improvements made to remuneration – particularly the increased weighting of Performance Share Units – with ongoing concerns regarding structure and disclosure. We will continue to engage to seek improvement on the areas of concern.'

Company name	Burford Capital Ltd.
Date of vote	13-May-2020
Summary of the resolution	Proposal 11: Approve Long Term Incentive Plan Proposal 14: Adopt New Articles of Association
How you voted	Proposal 11: With management Proposal 14: With management
Rationale for the voting decision	Proposal 11: 'BUR have removed the contentious section of the proposed LTIP (no specified maximum limit for exceptional awards) and therefore no changes shall be made to the existing LTIP approach in this regard. We therefore we feel a vote FOR this resolution is warranted.' Proposal 14: 'BUR have responded to ISS's concerns highlighting the benefits of the new articles (eliminating its staggered Board and moving to annual elections of all directors), and pushing back on the 4 points of contention raised by ISS. These arguments put forward by BUR seem broadly reasonable. To avoid risking the US listing, and to see the benefit of annual elections, we would like to now vote FOR the adoption of the new articles.'

Company name	Foresight Solar Fund Ltd.
Date of vote	16-July-2020
Summary of the resolution	Accept Financial Statements and Statutory Reports
How you voted	With management
Rationale for the voting decision	'Given the direction of travel on board diversity – with the recent appointment of Monique O'Keefe – we would be supportive of voting in favour. We also note the statement in the Annual Report the board are "actively pursuing a fifth director appointment to promote further diversity.'

Company name	National Australia Bank Limited
Date of vote	18-December-2020
Summary of the resolution	Elect Simon McKeon as Director
How you voted	Against management
Rationale for the voting decision	'Election of Simon McKeon given concerns around prior role at AMP where he serves as NED for 1 year and as Chair for 2 years over a time where there were material failures in governance and risk oversight. We also note that the female representation following his appointment will drop from 44 percent to 33 percent. Given our 40 percent target we would expect to see the Board appoint a female Director in the next 12-24 months as the renewal process takes place.'