

# Sabre Pension Plan UK – Implementation Statement for the year ended 31 August 2022

## 1. Purpose

This Implementation Statement reports on how, and the extent to which, the policies as set out in the Plan’s Statement of Investment Principles (“SIP”) have been complied with during the year ending 31 August 2022. This has been reviewed with respect to the whole SIP and the relevant procedures. These include the exercise of rights (including voting) and undertaking of engagement activities in respect of the Plan’s investments. In addition, this Statement also provides a summary of the voting behaviour and most significant votes cast during the reporting year.

## 2. Background

Under the regulation now in force, Trustees of Occupational Pension Schemes are required to state their policy on the exercise of the rights attaching to the investments, and on undertaking engagement activities in respect of the investments. Trustees are also required to report on how and the extent to which they have followed this policy on significant votes.

This statement has been produced in accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 the Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 as amended and the guidance published by the Pensions Regulator.

This Statement has been prepared by the Trustees with the assistance of their Investment Consultant (Quantum Advisory).

References herein to the actions, review work or determinations of the Trustees refer to activity that has been carried out by either the Trustees or the Investment Consultant on the Trustees’ behalf.

## 3. Executive summary

Over the Plan year, the Trustees:

- Are of the opinion that they have adhered to the relevant policies and procedures as identified in the SIP.
- Through their Investment Consultant, reviewed the voting and engagement activity of the funds that invest in equities. The Trustees are generally content that the Plan’s investment managers have appropriately carried out their stewardship duties.

It should be noted that the funds that do not hold equities have not been reviewed, as these have fewer (if any) voting opportunities.

- Have remained aware of the relevant policies and procedures as identified in the SIP and received input from their Investment Consultant to aid ongoing compliance.

Further details on each of these matters is presented in the pages that follow.

## 4. Reviews of the SIP over the Scheme year

The SIP was last reviewed in July 2021.

The Trustees confirm that:

- There have been no amendments to the SIP over the year.
- The SIP will be reviewed in future, to ensure any amendments to investment policy resulting from a review of investment strategy that is ongoing are reflected. The Trustees will seek advice from the Investment Consultant on the SIP and the suitability of the investments.

## 5. Implementation of policies contained within the Plan’s SIP

This section sets out the various policies within the Plan’s SIP (that was in place as at 31 August 2022 – i.e. the end of the reporting period) and the actions that the Trustees have undertaken in respect of them over the year to this date. Relevant actions that were taken following the Plan’s year-end have been noted.

SIP policy	Comments
<b>1. Investment policies and governance structure</b>	
<p>It is the policy of the Trustees, after taking appropriate written advice from their investment advisers, and in consultation with the Sponsoring Employer, to set the investment strategy for the Plan, following a consideration of their objectives and other related matters. The Trustees review their objectives and investments at regular intervals and amend them accordingly.</p>	<p>Quantum Advisory (“Quantum”) is the Investment Consultant for the Plan and advises on investment matters. Quantum is able to provide professional advice to the Trustees because it has the necessary knowledge and experience. Strategic objectives were set for the Investment Consultant in December 2019.</p> <p>The Trustees’ key objective, of providing a range of investment strategies that are suitable for meeting members’ long- and short-term investment needs, did not change over the period.</p>
<p>When deciding whether or not to make any new investments, the Trustees will obtain written advice from the Plan’s investment adviser. Written advice considers the relevant regulatory requirements.</p>	<p>The Trustees reviewed and amended the investment strategy last Plan year, therefore there no was change to the investment strategy during the Plan year. The Plan invests in Target Date Fund (“TDFs”) managed by State Street Global Advisors (“SSGA”). Quantum notified the Trustees in writing of any changes made to the TDF glidepath as and when these were communicated by SSGA.</p>

<p>Prior to the appointment of an investment manager, the Trustees seek appropriate advice from their Investment Consultant, and may, in certain circumstances, feel it necessary to undertake a manager selection exercise to better inform any decision. The Trustees consider fees and charges associated with each investment before investing. In the Plan's SIP, the Trustees have also set out a list of initial criteria that must be met prior to the selection of an investment manager.</p> <p>A review of the investment managers is undertaken by the Trustees, in conjunction with Quantum, to ensure "value for members" is provided.</p> <p>The Trustees, via Quantum, monitor the performance of each investment strategy against its target or benchmark on a biannual basis. The bi-annual investment monitoring report, prepared by Quantum, reports on the performance of each investment manager and fund.</p> <p>The Trustees consider any potential and actual conflicts of interest (subject to reasonable levels of materiality) at the start of each Trustees' meeting and document these in the minutes. Investment managers report on potential and actual conflicts of interest annually.</p> <p>The Trustees receive an annual report from the investment managers setting out portfolio turnover and the associated costs. The Trustees have not set a specific portfolio turnover target for each investment manager and recognise that portfolio turnover and costs may vary with market conditions. Each manager has ultimate responsibility for the underlying holdings within their funds and they are expected to change these underlying holdings to the extent required to achieve their investment objectives. The Trustees will compare the annual turnover and associated costs for each fund with previous years to ensure each investment manager's process and philosophy remain consistent.</p>	<p>There were no new investments managers considered and/or selected during the Plan year.</p> <p>A value for members assessment, in terms of investment costs and charges, was undertaken during the Plan year. When compared to similar alternative funds within the fund universe, the Trustees were satisfied with current value in the chosen strategy.</p> <p>The Trustees continued to receive biannual performance reports from Quantum. Furthermore, the Trustees received a report outlining the performance of the default strategy relative to:</p> <ul style="list-style-type: none"> <li>(i) previous default strategies used and the newly recommended default strategy;</li> <li>and (ii) comparable default strategies used by other DC plans.</li> </ul> <p>At the start of each Trustees' meeting, conflicts of interest were declared and recorded in the minutes. These are set out in the annual Chair's Statement. The investment managers' conflicts are discussed in section 8 of this Statement.</p> <p>The Trustees have reviewed the transaction costs incurred over the reporting year in the annual Chair's Statement. The Chair's Statement incorporates annual reviews of: (i) transaction costs; (ii) conflicts of interest; (iii) investment management charges.</p>
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## 2. Responsible Investment

### Financially material considerations

With specific regard to ESG factors, the Trustees consider how these are integrated into the investment processes when: (i) appointing new investment managers; and (ii) monitoring existing investment managers. The Trustees periodically consider publicly available ESG related publications pertaining to the investment managers the Plan uses.

The Trustees expect the investment manager to vote and engage with the companies invested in on ESG matters. The appointed investment managers have full discretion concerning the evaluation of ESG factors.

### Stewardship

The Trustees consider how stewardship factors are integrated into the investment processes when: (i) appointing new investment managers; and (ii) reviewing existing investment managers. The appointed investment managers have full discretion concerning the stewardship of investments.

### Financially material considerations

Both investment managers are signatories to the UNPRI. LGIM and SSGA have a UNPRI rating of 5\* and 4\* for Investment and Stewardship Policy, respectively .

The Trustees considered the ESG policies of each of these investment managers, prior to their appointment. The Trustees will review the managers' ESG reports in future years.

During the course of the year, SSGA (who manage the Plan's TDFs) announced they would be incorporating ESG more strongly throughout the glidepath, as follows:

1. Introduced and allocated 50% of the developed equity exposure to a climate transition equity index fund – this allows the funds to gain exposure to companies transitioning to low-carbon economy; and
2. Changed the high yield exposure to a global high yield ESG screened fund – this allows the funds to exclude companies that violate the United Nations Global Compact and controversial weapons companies.

The Trustees welcomed the changes.

In addition, Quantum reported on the Plan's exposure to Russian equities following the invasion of Ukraine as this posed an additional risk to investment returns and increased volatility.

### Stewardship

The Trustees acknowledge that the voting practices of their investment managers will not necessarily reflect their views or those of the members and that they have limited scope to influence investment managers' voting practices. However, the Trustees will make their views known to the investment manager if it is felt appropriate to do so, and, in the event of frequent disagreement, will review the suitability of retaining the investment manager in question. The investment managers' voting activity has been reviewed in section 6 of this Statement.

<p><b><u>Non-financial matters</u></b></p> <p>Members are given the opportunity to express their views during member roadshow presentations, and one-to-one meetings with the Plan’s administrator. These comments are discussed during the Trustees’ meetings and considered when selecting, retaining and realising investments.</p>	<p><b><u>Non-financial matters</u></b></p> <p>No members expressed any views over the Plan year.</p>
<p><b>3. Risk management</b></p>	
<p>The Trustees have identified a range of risks within the SIP and have a policy to manage these using the following mechanisms on an ongoing basis:</p> <ul style="list-style-type: none"> <li>• Keeping the objectives of the Plan and its membership under review to ensure investment choices remain appropriate.</li> <li>• Taking regular investment advice encompassing both the appointment and monitoring phases.</li> <li>• Ensuring member communications are reviewed by an investment professional.</li> </ul>	<p>The Trustees reviewed the Plan’s objectives as part of the 2020/2021 investment strategy review. Investment advice on the suitability of investments was sought, both as part of the review, and on an ongoing basis at Trustees’ meetings.</p> <p>The Trustees understand the importance of communicating with members on an ongoing basis, as well as regarding any changes. The Trustees issued an annual newsletter in December 2021, to inform members of the latest developments.</p>

## 6. Trustees' and investment manager's voting and stewardship policies

### Trustees' voting and stewardship policies

The Trustees acknowledge the constraints that they face in terms of influencing change due to the size and nature of the Plan's investments. They do, however, acknowledge the need to be responsible stewards and exercise the rights associated with their investments in a responsible manner.

The Trustees consider how stewardship factors are integrated into the investment processes when: (i) appointing new investment managers; and (ii) monitoring existing investment managers.

The Trustees are unable to direct how votes are exercised and have not used a proxy voting services provider over the year. The Trustees have given the investment managers full discretion concerning voting and engagement decisions.

As part of this exercise, the Trustees have sought to review the voting activity of the investment managers where they can improve underlying companies' practices (namely equity funds) which were held as at Plan year-end. This is to ensure that investment managers engage in voting behaviour that is consistent with the Plan's stewardship priorities as set out in the SIP.

The following funds have been reviewed:

- SSGA Timewise Target Retirement Funds
- LGIM World (ex UK) Equity Index
- LGIM UK Equity Index
- LGIM North America Equity Index
- LGIM Future World Global Equity Index
- LGIM Dynamic Diversified

### Manager's voting and stewardship policies and procedures

Details of the managers voting and stewardship policies can be found in Appendix 1. In this review, the extent to which the investment managers make use of any proxy advisory and voting services was reviewed, in addition to the alignment to the Plan's stewardship priorities. The Trustees through their Investment Consultant, are satisfied that the voting and stewardship policies and procedures of the investment managers aligned with the Plan's stewardship priorities over the Plan year.

## 7. Voting eligibility and activity

The Trustees requested information on the managers' voting eligibility and activity over the 12-month period to 30 September 2022<sup>1</sup>. The following table sets out a high-level summary of this.

SSGA	SSGA Timewise Target Retirement 2020	SSGA Timewise Target Retirement 2025 – 2065 <sup>2</sup>	LGIM World (ex UK) Equity Index	LGIM UK Equity Index	LGIM North America Equity Index	LGIM Future World Global Equity Index	LGIM Dynamic Diversified
Number of equity holdings	3,792	4,390	2,528	564	649	3,133	6,646
Meetings eligible to vote at	6,329	7,068	3,031	765	670	4,862	9,496
Resolutions eligible to vote on	64,051	72,597	36,076	10,884	8,407	52,348	98,210
Proportion of eligible resolutions voted on (%)	98	98	>99	>99	99	>99	>99
Votes with management (%)	86	87	78	94	65	81	78
Votes against management (%)	14	13	22	6	35	19	22
Votes abstained from (%)	2	2	<1	0	<1	<1	<1
Meetings where at least one vote was against management (%)	53	53	77	38	98	63	72
Votes contrary to the recommendation of the proxy adviser (%)	7	7	15	5	26	11	13

Source: State Street Global Advisors and LGIM. Note: Totals may not sum due to rounding.

<sup>1</sup>SSGA and LGIM only provide voting data as at quarter-end. Information as at the closest date to Plan year-end has is shown.

<sup>2</sup>The voting eligibility and activity over the period covered for the SSGA Timewise Target Retirement funds dated 2025 to 2065 are all identical.

The Trustees have reviewed the information provided and are generally satisfied with the voting activity.



## Significant votes

The Trustees through their Investment Consultant, reviewed the significant votes cast by the investment managers and assessed these votes against the Plan's stewardship priorities. Where the managers significant votes do not align with the Plan's stewardship priorities the managers voting behaviour will be queried.

The Trustees interpreted "most significant votes" to mean their choices from an extended list of "most significant votes" provided by each of the investment managers following the PLSA guidance provided.

Where possible, the Trustees through their Investment Consultant, have selected significant votes which incorporate financially material ESG factors. Votes have also been selected, where possible, to include different ESG considerations. The Plan's classification of a significant vote generally aligned with the reviewed funds over the Plan year.

A cross section of the most significant votes cast is contained in Appendix 2.

## 8. Investment managers' conflicts of interest

This part of the statement assesses whether the investment managers are affected by the following conflicts of interest, and if so, how these are managed:

1. The asset management firm overall having an apparent client-relationship conflict e.g. the manager provides significant products or services to a company in which they also have an equity or bond holding
2. Senior staff at the asset management firm holding roles (e.g. as a member of the Board) at a company in which the asset management firm has equity or bond holdings
3. The asset management firm's stewardship staff having a personal relationship with relevant individuals (e.g. on the Board or the company secretariat) at a company in which the firm has an equity or bond holding
4. A situation where the interests of different clients diverge. An example of this could be a takeover, where one set of clients is exposed to the target and another set is exposed to the acquirer
5. Differences between the stewardship policies of managers and their clients
6. Any other conflicts across any of the holdings.

### SSGA

SSGA have refrained from directly commenting on which conflicts of interest, detailed above, it is impacted by. SSGA provided the following response:

*"SSGA have a fiduciary responsibility to ensure that all accounts are traded fairly and equitably. SSGA adhere to and execute trades based on an aggregation and allocation policy, which ensures pro-rata allocation and average price for allocation methods in their systems.*

*SSGA Trading does not prioritize trading of accounts. All orders sent to the trading desk accompany a trade instruction which is the primary factor for handling. A trade instruction is Market on Close, for example, which is then measured by the TCA (Transaction Cost Analytics) team. Regarding stewardship, SSGA do not currently offer split voting to clients invested in our pooled funds."*

SSGA also provided a copy of its conflicts of interest policy. This is available here:

<https://www.ssga.com/library-content/pdfs/ic/ssga-conflict-mitigation-guidelines.pdf>

### **LGIM**

LGIM have refrained from directly commenting on which of the conflicts of interest, detailed above, they are impacted by within the selected funds. This refusal for a direct comment on the selected funds was raised by trustees. In place of providing a direct response, LGIM referred Trustees to their conflicts of interest policy, which includes several examples of conflicts and how these might be managed.

This is available here:

<https://www.lgim.com/api/epi/documentlibrary/view?id=1116980ea5bf43fa9801c212be73f487&old=literature.html?cid=>

## Appendix 1 – Investment manager voting policies and process

### SSGA

In order to facilitate SSGA's proxy voting process, SSGA retains Institutional Shareholder Services Inc. ("ISS"), a firm with expertise in proxy voting and corporate governance. SSGA utilizes ISS's services in three ways. First, as SSGA's proxy voting agent, ISS provides SSGA with vote execution and administration services. Second, ISS applies SSGA's Proxy Voting Guidelines where appropriate. Lastly, ISS provides the highest level of research and analysis related to general corporate governance issues and specific proxy items.

The Stewardship team reviews its Proxy Voting Guidelines with ISS on an annual basis or on a case-by-case basis as needed. ISS affects the proxy votes in accordance with SSGA's Proxy Voting Guidelines. Voting matters that are nuanced or that require additional analysis are referred to and reviewed by members of the Stewardship team. Members of the Stewardship team evaluate the proxy solicitation to determine how to vote based on facts and circumstances consistent with SSGA's Proxy Voting Guidelines, which seek to maximize the value of our client accounts.

As an extra precaution, the Stewardship team will refer significant issues to the Proxy Review Committee for a determination of the proxy vote. In addition, other measures are put in place in terms of when and whether or not to refer a proxy vote to the PRC. For instance, the Stewardship team takes seriously whether a material conflict of interest exists between their client and those of SSGA or its affiliates. If such a case occurs, there are detailed guidelines for how to address this concern.

SSGA votes in all markets where it is feasible. However, when SSGA deems appropriate, it could refrain from voting meetings in cases as listed below:

1. Where power of attorney documentation is required,
2. Voting will have a material impact on their ability to trade the security,
3. Voting is not permissible due to sanctions affecting a company or individual, or
4. Issuer-specific special documentation is required or various market or issuer certifications are required.
5. SSGA is unable to vote proxies when certain custodians, used by their clients, do not offer proxy voting in a jurisdiction or when they charge a meeting specific fee in excess of the typical custody service agreement.

### LGIM

LGIM's Investment Stewardship team make all voting decisions, in accordance with LGIM's 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.

LGIM's Investment Stewardship team uses Institutional Shareholder Services' ("ISS") 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and strategic decisions are not outsourced. The use of ISS recommendations is purely to augment LGIM's own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of IVIS to supplement the research reports that are received from ISS for UK companies when making specific voting decisions.

To ensure the proxy provider votes in accordance with LGIM's position on ESG, LGIM have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets

globally and seek to uphold what LGIM consider are minimum best practice standards which LGIM believe all companies globally should observe, irrespective of local regulation or practice. LGIM retain the ability in all markets to override any voting decisions, which are based on their custom voting policy. This may happen where engagement with a specific company has provided additional information that allows LGIM to apply a qualitative overlay to their voting judgement. LGIM have strict monitoring controls to ensure their votes are fully and effectively executed in accordance with their voting policies by their service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform them of rejected votes which require further action.

## Appendix 2 – Most significant votes

The tables below set out a cross section of significant votes undertaken by the investment managers of the funds held by the Plan. Information on further significant votes undertaken by the Plan’s investment managers has been reviewed by the Trustees through their Investment Consultant.

### SSGA

State Street Global Advisors identifies “significant votes” for the purposes of Shareholder Rights Directive II as follows:

- All votes on environmental related shareholder proposals.
- All votes on compensation proposals where we voted against the company management’s recommendation.
- All against votes on the re-election of board members due to poor ESG performance of their companies.
- All against votes on the re-election of board members due to poor compliance with the local corporate governance score of their companies.
- All against votes on the re-election of board members due to a lack of gender diversity on board.

### Timewise Target Retirement Fund 2020

Company Name	Costco Wholesale Corporation	The Walt Disney Company
<b>Date of vote</b>	Jan-22	Mar-22
<b>Summary of the resolution</b>	Greenhouse Gas (“GHG”) emissions	Advisory vote to ratify named executive officers’ compensation
<b>Stewardship priority</b>	Environmental	Governance
<b>Size of the holding (% of portfolio)</b>	<1	<1
<b>How the firm voted</b>	Abstained from voting.	Voted against the resolution.
<b>Was the vote against management and was this communicated beforehand?</b>	SSGA does not publicly communicate its vote in advance.	SSGA does not publicly communicate its vote in advance.
<b>On which criteria has the vote been deemed as ‘significant’?</b>	All votes on environmental related shareholder proposals.	All votes on compensation proposals where we voted against the company management’s recommendation.
<b>Outcome of the vote</b>	For: 70.0% Against: 30.0%	For: 85.0% Against: 15.0%
<b>Does the asset manager intend to escalate stewardship efforts?</b>	Where appropriate SSGA will contact the company to explain	Where appropriate SSGA will contact the company to explain

	its voting rationale and conduct further engagement.	its voting rationale and conduct further engagement.
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Source: SSGA.

### Timewise Target Retirement Fund range 2025-2065

Company Name	D.R. Horton, Inc.	Hormel Food Corporation
<b>Date of vote</b>	Jan-22	Jan-22
<b>Summary of the resolution</b>	Advisory vote to ratify named executive officers' compensation	Product toxicity and safety
<b>Stewardship priority</b>	Governance	Environmental and Social
<b>Size of the holding (% of portfolio)</b>	<1	<1
<b>How the firm voted</b>	Voted against the resolution.	Voted against the resolution.
<b>Was the vote against management and was this communicated beforehand?</b>	SSGA does not publicly communicate its vote in advance.	SSGA does not publicly communicate its vote in advance.
<b>On which criteria has the vote been deemed as 'significant'?</b>	All votes on compensation proposals where SSGA voted against the company management's recommendation.	All votes on environmental & social related shareholder proposals.
<b>Outcome of the vote</b>	For: 27.0% Against: 73.0%	For: 7.0% Against: 93.0%
<b>Does the asset manager intend to escalate stewardship efforts?</b>	Where appropriate SSGA will contact the company to explain its voting rationale and conduct further engagement.	Where appropriate SSGA will contact the company to explain its voting rationale and conduct further engagement.

Source: SSGA.

### LGIM

In determining significant votes, LGIM's Investment Stewardship team consider 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 LGIM note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement; and
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

## World (ex UK) Equity Index Fund

Company Name	Microsoft Corporation	Meta Platforms, Inc.
Date of vote	Nov-21	May-22
Summary of the resolution	Elect Director Satya Nadella	Require Independent Board Chair
Stewardship priority	Governance	Governance
Size of the holding (% of portfolio)	4.0%	0.8%
How the firm voted	Voted against the proposal.	Voted in favour of the shareholder resolution (against management recommendation).
Was the vote against management and was this communicated beforehand?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its 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 LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.
On which criteria has the vote been deemed as 'significant'?	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 its vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).
Outcome of the vote	The vote passed.	The vote did not pass.
Does the asset manager intend to escalate stewardship efforts?	LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.	LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Source: LGIM.

## UK Equity Index Fund

Company Name	Royal Dutch Shell Plc	Rio Tinto Plc
Date of vote	May-22	Apr-22
Summary of the resolution	Approve the Shell Energy Transition Progress Update	Approve Climate Action Plan

<b>Stewardship priority</b>	Environment	Environment
<b>Size of the holding (% of portfolio)</b>	6.7	2.7
<b>How the firm voted</b>	Against	Against
<b>Was the vote against management and was this communicated beforehand?</b>	Voted in line with management.	Voted in line with management.
<b>On which criteria has the vote been deemed as 'significant'?</b>	LGIM considers this vote significant as it is an escalation of its climate-related engagement activity and its public call for high quality and credible transition plans to be subject to a shareholder vote.	LGIM considers this vote significant as it is an escalation of its climate-related engagement activity and its public call for high quality and credible transition plans to be subject to a shareholder vote.
<b>Outcome of the vote</b>	The vote passed.	The vote passed.
<b>Does the asset manager intend to escalate stewardship efforts?</b>	LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.	LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Source: LGIM.

### North America Equity Index Fund

<b>Company Name</b>	<b>Alphabet Inc.</b>	<b>NVIDIA Corporation</b>
<b>Date of vote</b>	Jun-22	June-22
<b>Summary of the resolution</b>	Report on Physical Risks of Climate Change	Elect Director Harvey C. Jones
<b>Stewardship priority</b>	Environment	Governance
<b>Size of the holding (% of portfolio)</b>	1.8	1.2
<b>How the firm voted</b>	For	Against
<b>Was the vote against management and was this communicated beforehand?</b>	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its



	engagement is not limited to shareholder meeting topics.	engagement is not limited to shareholder meeting topics.
<b>On which criteria has the vote been deemed as 'significant'?</b>	LGIM considers this vote significant as it is an escalation of its climate-related engagement activity and its public call for high quality and credible transition plans to be subject to a shareholder vote.	LGIM views diversity as a financially material issue for clients, with implications for the assets that LGIM manages on their behalf.
<b>Outcome of the vote</b>	The vote did not pass.	The vote passed.
<b>Does the asset manager intend to escalate stewardship efforts?</b>	LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.	LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Source: LGIM.

### Future World Global Equity Index

Company Name	JPMorgan Chase & Co.	Amazon.com, Inc.
<b>Date of vote</b>	May-22	May-22
<b>Summary of the resolution</b>	Elect Director Todd A. Combs	Elect Director Daniel P. Huttenlocher
<b>Stewardship priority</b>	Governance	Governance
<b>Size of the holding (% of portfolio)</b>	0.8	1.7
<b>How the firm voted</b>	Against	Against
<b>Was the vote against management and was this communicated beforehand?</b>	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its 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 LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.
<b>On which criteria has the vote been deemed as 'significant'?</b>	LGIM considers this vote to be significant and pre-declared its vote intention as an escalation of our concerns regarding remuneration. LGIM also considers this vote to be	LGIM pre-declared its vote intention for this resolution, demonstrating its significance.

	significant as it is in application of an escalation of its vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).	
<b>Outcome of the vote</b>	The vote passed.	The vote passed.
<b>Does the asset manager intend to escalate stewardship efforts?</b>	LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.	LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Source: LGIM.

### Dynamic Diversified

<b>Company Name</b>	<b>Prologis, Inc.</b>	<b>Consolidated Edison, Inc.</b>
<b>Date of vote</b>	May-22	May-22
<b>Summary of the resolution</b>	Elect Director Hamid R. Moghadam	Elect Director Michael W. Ranger
<b>Stewardship priority</b>	Governance	Governance
<b>Size of the holding (% of portfolio)</b>	0.3	0.2
<b>How the firm voted</b>	Against	Against
<b>Was the vote against management and was this communicated beforehand?</b>	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its 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 LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.
<b>On which criteria has the vote been deemed as 'significant'?</b>	LGIM considers this vote to be significant as it is in application of an escalation of its 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 its vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).
<b>Outcome of the vote</b>	The vote passed.	The vote passed.

<p><b>Does the asset manager intend to escalate stewardship efforts?</b></p>	<p>LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.</p>	<p>LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.</p>
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Source: LGIM.