

Implementation Statement for the LEO Pharma Retirement Benefits Plan

Covering 1 January 2022 to 31 December 2022

1. Background

The Trustees of the LEO Pharma Retirement Benefits Plan (the “Plan”) are required to produce a yearly statement to set out how, and the extent to which, the Trustees have followed the Fund’s Statement of Investment Principles (“SIP”) during the previous Fund year, in relation to engagement and voting behaviour, either by or on behalf of the Trustees, or if a proxy voter was used.

This statement should be read in conjunction with the SIP and has been produced in accordance with **The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018** and the subsequent amendment in **The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019**.

A copy of the most recent SIP can be found: <https://www.leo-pharma.co.uk/our-responsibility/position-and-views>

2. Voting and Engagement

The Trustees are keen that their managers are signatories to the UK Stewardship Code, which they are.

All the Trustees’ holdings 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 have not used proxy voting services over the year.

The Plan is invested in the following funds:

ABRDN:

- abrdn Standard Life Global Absolute Return Strategies Fund

BlackRock:

- BlackRock BIBF Over 10 Year Corporate Bond Fund

BNY Mellon:

- BNY Mellon Real Return Fund

Legal & General Investment Management:

- LGIM UK Equity Index Fund
- LGIM North America Equity Index
- LGIM Europe (ex UK) Equity Index Fund
- LGIM Japan Equity Index Fund
- LGIM Asia Pacific (ex-Japan) Developed Equity Index Fund
- LGIM Over 5 Year Index-Linked Gilt Index Fund

The underlined funds are predominantly fixed income and do not hold physical equities and hence there are no voting rights and voting data for the Trustees to report on.

3a. Description of ABRDN Investment Manager's voting processes

ABRDN describe their voting process as following:

“Our listed company stewardship guidelines provide a framework for investment analysis, engagement and proxy voting for companies worldwide. As global investors, we are particularly aware that the structures and frameworks for governance vary across regions.

As defined in our Stewardship Principles we seek to integrate and appraise environmental, social and governance factors in our investment process. Our aim is to generate the best long-term outcomes for our clients and we will actively take steps as stewards and owners to protect and enhance the value of our clients' assets. Stewardship is a reflection of this bespoke approach to good governance and risk management. We seek to understand each company's specific approach to governance, how value is created through business success and how investors' interests are protected through the management of risks that materially impact business success. This requires us to play our part in the governance process by being active stewards of companies, dynamically involved in dialogue with management and non-executive directors, fully understanding the material risks and opportunities – including those relating to environmental and social factors and helping to shape the future success of the business.

We will:

- take into consideration, in our investment process, the policies and practices on environmental, social and governance matters of the companies in which we invest
- seek to enhance long-term shareholder value through constructive engagement with the companies in which we invest
- seek to exercise shareholder rights on behalf of our clients and engage with companies on their behalf in a manner consistent with their long-term best interests
- seek to influence the development of high standards of corporate governance and corporate responsibility in relation to environmental and social factors
- communicate our Listed Company Stewardship Principles to clients, companies and other interested parties
- be accountable to clients within the constraints of professional confidentiality and legislative and regulatory requirements
- be transparent in reporting our engagement and voting activities.

ASI is committed to exercising responsible ownership with a conviction that companies adopting improving practices in corporate governance and risk management will be more successful in their core activities and deliver enhanced returns to shareholders. As owners of companies, the process of stewardship is a natural part of our investment approach as we seek to benefit from their long-term success on our clients' behalf. Our fund managers and analysts regularly meet with the management and non-executive directors of companies in which we invest.”

https://vds.issgovernance.com/repo/2024/policies/Listed_Company_Stewardship_Guidelines.pdf”

3b. Summary of voting behaviour over the year

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

	Summary Info
Manager name	ABRDN
Fund name	Global Absolute Return Strategies Fund
Approximate value of Trustees' assets	c.£5.9m as at 31 Dec 2022
Number of meetings eligible to vote	14
Number of resolutions eligible to vote	183
% of resolutions voted	72.13%
% of resolutions voted with management	79.55%
% of resolutions voted against management	20.45%
% of resolutions abstained	0.00%
In what % of meetings, for which you did vote, did you vote at least once against management?	88.89%
% of resolutions voted contrary to the proxy adviser recommendation	17.42%

3c. Most significant votes over the year

ABRDN state for determining significant votes that:

“At Abrdn we view all votes as significant and vote all shares globally for which we have voting authority, unless there are significant voting obstacles such as share blocking. In line with PLSA requirements we identify and record what we deem to be the most significant votes across all our holdings. We have identified five categories of votes we consider as significant and have ordered these based our view of their importance. This enables us to provide a specified number of votes across a client’s portfolio upon request. Members of our Central ESG Investment Function carry out a monthly review to identify and categorise significant votes. These categories and details of the underlying votes captured are as follows:

Significant Vote Category 1 ('SV1'): High Profile Votes

- Focus on votes which received public and press interest with a focus on our large, active holdings
- Focus on votes which reflect significant governance concerns regarding the company
- Resolutions proposed by Abrdn

Significant Vote Category 2 ('SV2'): Shareholder and Environmental & Social (E&S) Resolutions

- Votes on shareholder E&S proposals where we have engaged with the proponent or company on the resolution
- Votes on management-presented E&S proposals
- Focus on shareholder proposals where we have voted contrary to management recommendations

Significant Vote Category 3 ('SV3'): Engagement

- Focus on resolutions where we have engaged with the company on a resolution
- Focus on resolutions where post-engagement we voted contrary to our custom policy

Significant Vote Category 4 ('SV4'): Corporate Transactions

- Focus on selected votes which have a financial impact on the investment with a focus on acquisitions

Significant Vote Category 5 ('SV5'): Votes contrary to custom policy

- Focus on large active holdings where we have voted contrary to custom policy following analysis

In addition, our voting policy can also be found on our website:

https://vds.issgovernance.com/repo/2024/policies/Listed_Company_Stewardship_Guidelines.pdf

4a. Description of BNY Mellon Investment Manager's voting processes

BNY Mellon (Newton) describe their voting process as follows:

Newton has established overarching stewardship principles which guide our ultimate voting decision, based on guidance established by internationally recognized governance principles including the OECD Corporate Governance Principles, the ICGN Global Governance Principles, the UK Investment Association's Principles of Remuneration and the UK Corporate Governance Code, in addition to other local governance codes. All voting decisions are taken on a case-by-case basis, reflecting our investment rationale, engagement activity and the company's approach to relevant codes, market practices and regulations. These are applied to the company's unique situation, while also taking into account any explanations offered for why the company has adopted a certain position or policy. It is only in the event that we recognise a material conflict of interest that we apply the vote recommendations of our third-party voting administrator.

Newton seeks to make proxy voting decisions that are in the best long-term financial interests of its clients and which seek to support investor value by promoting sound economic, environmental, social and governance policies, procedures and practices through the support of proposals that are consistent with following four key objectives:

- To support the alignment of the interests of a company's management and board of directors with those of the company's investors;
- To promote the accountability of a company's management to its board of directors, as well as the accountability of the board of directors to the company's investors;
- To uphold the rights of a company's investors to effect change by voting on those matters submitted for approval; and
- To promote adequate disclosure about a company's business operations and financial performance in a timely manner.

In general, voting decisions are taken consistently across all Newton's clients that are invested in the same underlying company. This is in line with Newton's investment process that focuses on the long-term success of the investee company. Further, it is Newton's intention to exercise voting rights in all circumstances where it retains voting authority.

All voting opportunities are communicated to Newton by way of an electronic voting platform.

The Responsible Investment team reviews all resolutions for matters of concern. Any such contentious issues identified may be referred to the appropriate global fundamental equity analyst or portfolio manager for comment. Where an issue remains contentious, Newton may also decide to confer or engage with the company or other relevant stakeholders.

An electronic voting service is employed to submit voting decisions. Each voting decision is submitted via the electronic voting service by a member of the Responsible Investment team but can

only be executed by way of an alternate member of the team approving the vote within the same system.

Members of certain BNY Mellon operations teams responsible for administrative elements surrounding the exercise of voting rights by ensuring the right to exercise clients' votes is available and that these votes are exercised.

Where we plan to vote against management on an issue, we may seek to engage with the company on a best-effort basis and depending on the significance of our holding, to share our concerns and to provide an opportunity for our concerns to be allayed. In such situations, we only communicate our voting intentions ahead of the meeting direct to the company and not to third parties. In some cases, depending on the materiality of our holding and the issue of concern, we alert a company via email regarding an action we have taken at its annual general meeting (AGM) to explain our thought process. We may then hold a call with the board/investor relations teams to gain a better understanding of the situation and communicate further. This can often be in tandem with the global equity analyst.

Where Newton acts as a proxy for its clients, a conflict could arise between Newton (including BNY Mellon funds or affiliate funds), the investee company and/or a client when exercising voting rights. Newton has in place procedures for ensuring potential material conflicts of interests are mitigated, while its clients' voting rights are exercised in their best interests. Newton seeks to avoid potential material conflicts of interest through:

- I. the establishment of these proxy voting guidelines;
- II. the Responsible Investment team;
- III. internal oversight groups; and
- IV. the application of the proxy voting guidelines in an objective and consistent manner across client accounts, based on, as applicable, internal and external research and recommendations provided by third party proxy advisory services and without consideration of any Newton or BNY Mellon client relationship factors.

Where a potential material conflict of interest exists between Newton, BNY Mellon, the underlying company and/or a client, the voting recommendations of an independent third-party proxy service provider will be applied.

A potential material conflict of interest could exist in the following situations, among others:

- Where a shareholder meeting is convened by Newton's parent company, BNY Mellon;
- Where a shareholder meeting is convened by a company for which the CEO of BNY Mellon serves as a Board Member;
- Where a shareholder meeting is convened by a company that is a current client of BNY Mellon and contributed more than 5% of BNY Mellon's revenue as of the end of the last fiscal quarter;
- Where a shareholder meeting involves an issue that is being publicly challenged or promoted (e.g., a proxy contest) by (i) a BNY Mellon Board member or (ii) a company for which a BNY Mellon Board member serves as Chairman of the Board of Directors, CEO, President, CFO or COO (or functional equivalent); and
- Where a shareholder meeting is convened by a pooled vehicle with agenda items relating to services provided by (or fees paid to) a BNY Mellon affiliate (e.g., Investment Management Agreement, Custody Agreement, etc);
- Where an employee, office or director of BNYM or one of its affiliated companies has a personal interest in the outcome of a particular proxy proposal); and

- Where the proxy relates to a security where Newton has invested in two or more companies that are subject to the same merger or acquisition.

All instances where a potential material conflict of interest has been recognised and Newton engages its proxy voting service provider are reported separately in Newton’s publicly available Responsible Investment Quarterly Reports*.

Newton employees are required to identify any potential or actual conflicts of interest and take appropriate action to avoid or manage these and report them to Newton’s Conflicts of Interest Committee for review, further information can be found in Newton’s Conflicts of Interest Policy** .

* <https://www.newtonim.com/us-institutional/responsible-investment/>

** <https://www.newtonim.com/global/special-document/conflict-of-interest-policy/#:~:text=This%20Conflicts%20of%20Interest%20Policy,controls%20adopted%20to%20manage%20suc>”

4b. Summary of voting behaviour over the year

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

	Summary Info
Manager name	BNY Mellon (Newton)
Fund name	Real Return Fund
Approximate value of Trustees’ assets	c.£7.4m as at 31 Dec 2022
Number of equity holdings in the fund	66
Number of meetings eligible to vote	75
Number of resolutions eligible to vote	1,270
% of resolutions voted	100.0%
% of resolutions voted with management	89.1%
% of resolutions voted against management	10.9%
% of resolutions abstained	0.0%
In what % of meetings, for which you did vote, did you vote at least once against management?	45.0%
% of resolutions voted contrary to the proxy adviser recommendation	7.1%

4c. Most significant votes over the year

BNY Mellon (Newton) state for determining significant votes that:

“Newton’s significant holdings universe is determined based on the proportion of a shares of investee companies held, as well as the size of the investment based on its value above certain thresholds. The significant votes will be drawn from this universe and are defined as votes that are likely to generate significant scrutiny from end clients or other stakeholders. They may relate to resolutions that receive a particularly high proportion of dissent from investors or involve a corporate transaction or resolutions raised by shareholders.”

5a. Description of Legal & General Investment Management (LGIM Investment Manager's voting processes

LGIM describe their voting process as follows:

“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.

LGIM’s voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as we continue to develop our voting and engagement policies and define strategic priorities in the years ahead. We also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

LGIM’s Investment Stewardship team uses ISS’s ‘ProxyExchange’ electronic voting platform to electronically vote clients’ shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that we receive from ISS for UK companies when making specific voting decisions.

To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice.

LGIM retain the ability in all markets to override any vote decisions, which are based on our custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows LGIM to apply a qualitative overlay to our voting judgement. LGIM have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform LGIM of rejected votes which require further action.”

5b. Summary of voting behaviour over the year

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

	Summary Info
Manager name	Legal & General Investment Management
Fund name	UK Equity Index Fund
Approximate value of Trustees' assets	c.£14.5m as at 31 Dec 2022
Number of equity holdings in the fund	561
Number of meetings eligible to vote	759
Number of resolutions eligible to vote	10,854
% of resolutions voted	99.93%
% of resolutions voted with management	94.52%
% of resolutions voted against management	5.48%
% of resolutions abstained	0.00%
% of resolutions voted contrary to the proxy adviser recommendation	4.29%

	Summary Info
Manager name	Legal & General Investment Management
Fund name	North America Equity Index Fund
Approximate value of Trustees' assets	c.£4.8m as at 31 Dec 2022
Number of equity holdings in the fund	638
Number of meetings eligible to vote	668
Number of resolutions eligible to vote	8,416
% of resolutions voted	99.41%
% of resolutions voted with management	65.16%
% of resolutions voted against management	34.78%
% of resolutions abstained	0.06%
% of resolutions voted contrary to the proxy adviser recommendation	26.60%

	Summary Info
Manager name	Legal & General Investment Management
Fund name	Europe (ex UK) Equity Index Fund
Approximate value of Trustees' assets	c.£4.9m as at 31 Dec 2022
Number of equity holdings in the fund	502
Number of meetings eligible to vote	605
Number of resolutions eligible to vote	10,296
% of resolutions voted	99.77%
% of resolutions voted with management	81.43%
% of resolutions voted against management	18.10%
% of resolutions abstained	0.48%
% of resolutions voted contrary to the proxy adviser recommendation	9.49%

	Summary Info
Manager name	Legal & General Investment Management
Fund name	Japan Equity Index Fund
Approximate value of Trustees' assets	c.£2.5m as at 31 Dec 2022
Number of equity holdings in the fund	508
Number of meetings eligible to vote	503
Number of resolutions eligible to vote	6,255
% of resolutions voted	100%
% of resolutions voted with management	88.49%
% of resolutions voted against management	11.49%
% of resolutions abstained	0.02%
% of resolutions voted contrary to the proxy adviser recommendation	9.19%

	Summary Info
Manager name	Legal & General Investment Management
Fund name	Asia Pacific ex Japan Dev Equity Index Fund
Approximate value of Trustees' assets	c.£2.4m as at 31 Dec 2022
Number of equity holdings in the fund	395
Number of meetings eligible to vote	503
Number of resolutions eligible to vote	3,592
% of resolutions voted	100%
% of resolutions voted with management	71.58%
% of resolutions voted against management	28.40%
% of resolutions abstained	0.03%
% of resolutions voted contrary to the proxy adviser recommendation	17.79%

5c. Most significant votes over the year

Legal & General Investment Management (LGIM) state for determining significant votes that:

“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 they continue to help their clients in fulfilling their reporting obligations. LGIM also believe public transparency of their vote activity is critical for their clients and interested parties to hold LGIM to account.

For many years, LGIM has regularly produced case studies and/or summaries of LGIM’s vote positions to clients for what they deemed were ‘material votes’. LGIM are evolving their approach in line with the new regulation and are committed to provide their 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 LGIM 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.

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

Given the similar holdings within each of the funds with their respective currency hedged version of the funds, significant votes cast in each fund were the same for both unhedged and hedged fund versions.

It is vital that the proxy voting service are regularly monitored and LGIM do this through quarterly due diligence meetings with ISS. Representatives from a range of departments attend these meetings, including the client relationship manager, research manager and custom voting manager. The meetings have a standing agenda, which includes setting out LGIM expectations, an analysis of any issues they have experienced when voting during the previous quarter, the quality of the ISS research delivered, general service level, personnel changes, the management of any potential conflicts of interest and a review of the effectiveness of the monitoring process and voting statistics. The meetings will also review any action points arising from the previous quarterly meeting.

LGIM has its own internal Risk Management System (RMS) to provide effective oversight of key processes. This includes LGIM's voting activities and related client reporting. If an item is not confirmed as completed on RMS, the issue is escalated to line managers and senior directors within the organisation. On a weekly basis, senior members of the Investment Stewardship team confirm on LGIM's internal RMS that votes have been cast correctly on the voting platform and record any issues experienced. This is then reviewed by the Director of Investment Stewardship who confirms the votes have been cast correctly on a monthly basis. Annually, as part of LGIM formal RMS processes the Director of Investment Stewardship confirms that a formal review of LGIM's proxy provider has been conducted and that they have the capacity and competency to analyse proxy issues and make impartial recommendations."

6. Appendix

Most significant votes over the year by Fund

Below are examples of the significant votes made by the relevant managers over the period to December 2022.

ABRDN

abrdn Global Absolute Return Strategies Fund

	VOTE 1
Company name	The Kroger Co.
Date of vote	23-Jun-22
Summary of the resolution	Recycling
How you voted	For (management recommendation was to vote against)
Where you voted against management, did you communicate your intent to the company ahead of the vote?	Not disclosed
Rationale for the voting decision	We commend the steps made so far in reducing plastic packaging and increasing the recyclability of own brand packaging. However we believe that better disclosure of metrics and baselines will allow shareholders to more fully understand company's management of this issue.
Outcome of the vote	Not disclosed
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	N/A
On which criteria have you assessed this vote to be "most significant"?	SV2: Environmental & Social (E&S) Resolution

BNY Mellon

BNY Real Return Fund

	VOTE 1	VOTE 2
Company name	Booking Holdings Inc.	Bayer AG
Date of vote	09-Jun-22	29-Apr-22
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.95%	1.14%
Summary of the resolution	Elect Director X4, Advisory Vote to Ratify Named Executive Officers' Compensation, Amend Articles/Bylaws/Charter - Call Special Meetings.	Advisory Vote to Ratify Named Executive Officers' Compensation
How you voted	AGAINST management and FOR the shareholder proposals	AGAINST
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No	No
Rationale for the voting decision	<p>We voted against the executive pay and withheld votes against the incumbent members of the compensation committee. While the bonus pool is based on set performance goals, individual payouts are subjective in nature, and determined by the compensation committee on a discretionary basis.</p> <p>We supported a shareholder resolution requesting to lower the threshold to call for special meetings from 25% to 10% of the share capital, which is considered as an enhancement to shareholders' rights.</p>	<p>We voted against the company's executive remuneration arrangements. The supervisory board exercised discretion for STIPs resulting in payouts that are not aligned with the company's performance. The management continues to be rewarded for underperformance where 40% of long-term awards vested despite share price lagging the benchmark.</p>
Outcome of the vote	9.2%, 4.6%, 5.8% and 2.8% AGAINST Elect Directors, 68.2% AGAINST Advisory Vote to Ratify Named Executive Officers' Compensation, 49% FOR Amend Articles/Bylaws/Charter - Call Special Meetings	75.89% AGAINST Remuneration Report
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	<p>The vote outcome is a clear indication of shareholder dissatisfaction with pay practices at the company. The dissent recorded is significantly large and is likely to push the company to reach out to shareholders for feedback. It supports Newton's viewpoint of enhanced scrutiny in U.S markets around executive pay.</p> <p>The company should also take note of the near-majority support by institutional investors for the shareholder resolution. The vote outcome is an indication that efforts are required to reduce the threshold in line with market practice to enhance minority shareholder rights.</p>	<p>The vote outcome demonstrates the dissatisfaction of the shareholders regarding the pay practices of the company. Such overwhelming dissent cannot be ignored and we expect the company to reach out to shareholders for feedback to be able to effectively allay their concerns.</p>
On which criteria have you assessed this vote to be "most significant"?	Shareholder proposed resolutions rarely achieve such high levels of support, hence this vote was considered significant. Company is well regarded by investors as requiring improvements.	This is determined to be a significant vote given that a majority of shareholders voted against the company's remuneration policy.

Legal & General Investment Management (LGIM)

UK Equity Index Fund

	VOTE 1	VOTE 2
Company name	Royal Dutch Shell Plc	BP Plc
Date of vote	2022-05-24	2022-05-12
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	6.70%	3.03%
Summary of the resolution	Resolution 20 - Approve the Shell Energy Transition Progress Update	Resolution 3 - Approve Net Zero - From Ambition to Action Report
How you voted	Against	For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	Voted in line with management	Voted in line with management
Rationale for the voting decision	Climate change: A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030, as well as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, we remain concerned of the disclosed plans for oil and gas production, and would benefit from further disclosure of targets associated with the upstream and downstream businesses.	Climate change: A vote FOR is applied, though not without reservations. While we note the inherent challenges in the decarbonization efforts of the Oil & Gas sector, LGIM expects companies to set a credible transition strategy, consistent with the Paris goals of limiting the global average temperature increase to 1.5 C. It is our view that the company has taken significant steps to progress towards a net zero pathway, as demonstrated by its most recent strategic update where key outstanding elements were strengthened. Nevertheless, we remain committed to continuing our constructive engagements with the company on its net zero strategy and implementation, with particular focus on its downstream ambition and approach to exploration.
Outcome of the vote	79.9%	0.885
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to 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.
On which criteria (as explained in the cover email) have you assessed this vote to be "most significant"?	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our 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 our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.

North America Equity Index Fund

	VOTE 1	VOTE 2
Company name	Apple Inc.	Amazon.com, Inc.
Date of vote	2022-03-04	2022-05-25
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	6.22%	2.76%
Summary of the resolution	Resolution 9 - Report on Civil Rights Audit	Resolution 1f - Elect Director Daniel P. Huttenlocher
How you voted	For	Against
Where you voted against management, did you communicate your 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.
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.	Human rights: A vote against is applied as the director is a long-standing member of the Leadership Development & Compensation Committee which is accountable for human capital management failings.
Outcome of the vote	53.6%	93.3%
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to 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.
On which criteria (as explained in the cover email) have you assessed this vote 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.	LGIM pre-declared its vote intention for this resolution, demonstrating its significance.

Europe (ex UK) Equity Index Fund

	VOTE 1	VOTE 2
Company name	LVMH Moet Hennessy Louis Vuitton SE	TotalEnergies SE
Date of vote	2022-04-21	2022-05-25
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.21%	1.56%
Summary of the resolution	Resolution 5 - Reelect Bernard Arnault as Director	Resolution 16 - Approve Company's Sustainability and Climate Transition Plan
How you voted	Against	Against
Where you voted against management, did you communicate your 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.
Rationale for the voting decision	Joint Chair/CEO: A vote against is applied as LGIM expects companies not to combine the roles of Board Chair and CEO. These two roles are substantially different and a division of responsibilities ensures there is a proper balance of authority and responsibility on the board.	Climate change: A vote against is applied. We recognize the progress the company has made with respect to its net zero commitment, specifically around the level of investments in low carbon solutions and by strengthening its disclosure. However, we remain concerned of the company's planned upstream production growth in the short term, and the absence of further details on how such plans are consistent with the 1.5C trajectory.
Outcome of the vote	0.92	0.889
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to 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.
On which criteria (as explained in the cover email) have you assessed this vote 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 has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 we have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 we have voted against all combined board chair/CEO roles.	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.

Japan Equity Index Fund

	VOTE 1	VOTE 2
Company name	Shin-Etsu Chemical Co., Ltd.	Mitsubishi Corp.
Date of vote	2022-06-29	2022-06-24
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.47%	1.07%
Summary of the resolution	Resolution 3.1 - Elect Director Kanagawa, Chihiro	Resolution 5 - Amend Articles to Disclose Greenhouse Gas Emission Reduction Targets Aligned with Goals of Paris Agreement
How you voted	Against	For
Where you voted against management, did you communicate your 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.
Rationale for the voting decision	Diversity: A vote against is applied due to the lack of meaningful diversity on the board. Accountability: A vote against has been applied as the Company has not provided disclosure surrounding the use of former CEO as Advisor to the Board. Independence: A vote against is applied due to the lack of independent directors on the board. Independent directors bring an external perspective to the board. Bringing relevant and suitably diverse mix of skills and perspectives is critical to the quality of the board and the strategic direction of the company. We would like to see all companies have a third of the board comprising truly independent outside directors.	Shareholder Resolution - Climate change: A vote in favour is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.
Outcome of the vote	N/A	20.2%
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to 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.
On which criteria (as explained in the cover email) have you assessed this vote to be "most significant"?	LGIM views diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.

Asia Pacific ex Japan Dev Equity Index Fund

	VOTE 1	VOTE 2
Company name	Rio Tinto Limited	Oversea-Chinese Banking Corporation Limited
Date of vote	2022-05-05	2022-04-22
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	94.80%	91.32%
Summary of the resolution	Resolution 17 - Approve Climate Action Plan	Resolution 2a - Elect Ooi Sang Kuang as Director
How you voted	Against	Against
Where you voted against management, did you communicate your 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.
Rationale for the voting decision	Climate change: We recognise the considerable progress the company has made in strengthening its operational emissions reduction targets by 2030, together with the commitment for substantial capital allocation linked to the company's decarbonisation efforts. However, while we acknowledge the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, we remain concerned with the absence of quantifiable targets for such a material component of the company's overall emissions profile, as well as the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.	Climate change: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management. Audit Committee: A vote against is applied as LGIM expects the Committee to be comprised of independent directors. Remuneration Committee: A vote against has been applied because LGIM expects the Committee to comprise independent directors. Lead Independent Director: A vote AGAINST the elections of Sang Kuang Ooi, Kwee Fong Hon (Christina Ong), and Joo Yeow Wee is warranted given that they serve on the nominating committee and the company, under the leadership of a non-independent chairman, is not considered to have appointed an independent lead director (LID). Beng Seng Koh, the company's lead independent director, is not considered independent.
Outcome of the vote	0.843	0.748
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to 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.
On which criteria (as explained in the cover email) have you assessed this vote to be "most significant"?	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our 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 our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.