

Annual Implementation Statement – for scheme year ending 5 April 2025

C&J Clark Pension Fund

1. Introduction

This document is the Annual Implementation Statement (“the statement”) prepared by the Trustee of the C&J Clark Pension Fund (“the Fund”) covering Plan 35, Plan E, the Flexible Section, Plan 18, and AVCs for the year to 5 April 2025. The purpose of this statement is to:

- Set out the extent to which, in the opinion of the Trustee, the Funds Statement of Investment Principles (“SIP”) required under section 35 of the Pensions Act 1995 has been followed during the year
- Detail any reviews of the SIP the Trustee has undertaken, and any changes made to the SIP over the year as a result of the review
- Describe the voting behaviour by, or on behalf of, the Trustee over the year.

A copy of this implementation statement is available on the following website: <https://www.clarkspensions.co.uk/>. The previous version can also be found [here](#).

2. Review of, and changes to the SIP

The SIP was reviewed and updated twice during the Fund year. A revised version was published in May 2024 and again in November 2024 following the purchase of a bulk annuity to cover the liabilities for Plan 35 and Plan E (CJC Section) and Flexible Section. .

During the scheme year, the policies in the SIP were reviewed to reflect the updated strategy. The key updates include:

- Revised Fund objectives to reflect the updated investment strategy for the CJC Section and Flexible Section.
- Updated investment manager section, following the Fund’s full disinvestment from the majority of its previous managers.
- Revisions to the associated risks to reflect the Fund’s new objectives and strategy..

3. Adherence to the SIP

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

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

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

Fund Objectives

The Trustee summarises its objectives in the SIP as follows:

The objective of the Fund is to limit the risk of assets failing to meet the liabilities. To achieve this the investment strategy makes use of two key types of investments:

- (i) Investments that provide a better match to changes in liability values (insurance policies). The Fund holds two insurance policies with Pension Insurance Corporation plc, entered in May 2022 and November 2024, in respect of all of the Fund's CJC and Flexible Section liabilities.
- (ii) A portfolio of low-risk, residual assets (a combination of liability contingent reserves and remaining reserves) held for the CJC and Flexible sections, to meet ongoing expenses. This includes UK government bonds and cash.

Following data verification, the Trustee's ultimate objective is to convert the two insurance policies into a full "buy-out" contract, expected within c.2 years.

Investment Strategy

During 2024, the investment strategy was de-risked with the aim of purchasing a bulk annuity during the Fund year. In November 2024, the Trustee entered into an additional insurance policy with Pension Insurance Corporation Plc (first policy was purchased in May 2022). Subject to any adjustments following data verification and as a result of GMP equalisation, this results in full insurance of the Fund's Plan 35, Plan E (CJC Section) and Flexible Section liabilities.

During the year, the Fund completed the sale of its Secure Income Asset (SIA), Alternative Credit mandates and the Buy and Maintain credit portfolio preparing for the annuity purchase. The residual assets held by the Fund are invested in gilts.

Investment Managers

The Trustee is not involved in the investment managers' day-to-day method of operation and does not directly seek to influence attainment of their performance targets. The

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

Prior to purchasing the bulk annuity the Trustee delegated the detailed monitoring of the Fund's investment managers to its Investment Consultant and reviewed the investment performance of its investment managers on a six-monthly basis. The Trustee received bi-yearly monitoring reports provided by the Investment Consultant with the last one produced for the CJC Section and Flexible Section dated 31 March 2024.

Fees are monitored throughout the year, and the Trustee also receives details on costs and charges from the fund managers to assist in their governance responsibilities. The Trustee engaged with its investment managers to assess the appropriateness of portfolio turnover costs during 2024 for the year ending 2023. The turnover within the funds has been confirmed to be within expectations.

The Trustee currently employs BlackRock Investment Management (UK) Limited and Legal & General Asset Management Limited (“LGIM”) to manage the Fund’s residual assets. These assets are held in pooled funds with the investment managers.

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

Responsible Investment

The Trustee believes long-term sustainability to be an important and relevant issue to consider throughout the investment process. The Trustee recognises that, following the execution of the two insurance policies of the CJC and Flexible Section liabilities, there is limited scope for the Trustee and investment managers (managing the residual assets invested in Cash and Gilts) to materially influence the sustainable investment credentials of the Fund (including Climate Risk) given the limited assets held by the Fund and the rights attached to these types of assets.

However, during 2024 the Trustee expects the Fund’s investment managers, where appropriate, to have integrated ESG factors as part of their investment analysis and decision-making process and reviewed managers in this regard. Managers were reviewed during the year, through annual meetings in which each manager was reviewed. As part of this process, sustainable investment and ESG principles were considered and challenged by a sub-group of the Trustee. This sub-group has since been merged with the Trustee board who will pick up ongoing monitoring.

During the Fund year, the six-monthly monitoring reports provided by the Investment Consultant included ratings of all managers. These ratings included an embedded assessment of an investment manager’s culture and attitude towards sustainability. Socially responsible investment is built into the Investment Consultant’s research process, which informed the Trustee’s selection and retention process. The final monitoring report was produced for March 2024.

Other matters

The Trustee considers risk from a number of perspectives:

- Solvency risk and mismatching
- Liquidity Risk
- Insurer risk
- Political Risk
- Sponsor Risk
- Manager Risk
- Custodian Risk
- Sustainability and Corporate Governance

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

- Through the ongoing monitoring of expected cash flows into and out of the Fund over each quarterly cycle.
- Through the monitoring of the Fund’s LDI manager including an updating to the liability proxy benchmark to reflect the latest valuation to maintain the target hedge of interest rates and inflation.
- Through ongoing conversations with the Sponsor and their representatives to understand the impact of market conditions.
- Through the six-monthly monitoring reports from the investment consultant. The reports received during the Plan year indicated that the level of risk in the fund was

appropriate and consistent with its objectives. The reports also include ongoing monitoring of the fund managers.

- Received advice from Hymans Robertson Limited on the appropriateness of PIC as an appropriate Insurer.
- Advice from Penfida Limited on the strength of the Sponsor.

Plan 18 and AVC Section

Investment objective

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

To achieve this objective the investment strategy looks to :

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

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

Investment Risk

The SIP outlines a number of different risks that members may face as an investor in the Fund, and how these are managed through the provision of the lifestyle option and the additional funds. These risks were considered as part of the investment review completed in 2022, and the Trustee was comfortable that all risks are being managed appropriately. These risks will also be considered periodically as deemed appropriate.

Type of Fund used

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

The Trustee received a quarterly monitoring report produced by the Investment Manager to help monitor performance of the funds in the strategy. The Trustee met the manager on an annual basis to discuss performance of the funds and approach to Sustainable Investment and Stewardship.

The Trustee assesses the level of costs and charges borne by members annually and reports on this through the Annual Governance Statement. This includes reporting on

transaction costs (including costs incurred through portfolio turnover). Overall, the Trustee is comfortable that the level of costs and charges remains competitive. In addition, given the passive nature of the majority of the funds, actual portfolio turnover levels for the funds have been relatively low during the Plan year, and within expected levels overall.

Responsible Investment

The use of standard pooled funds means the Trustee cannot adopt an approach to managing financially material considerations specific to the Fund. However, the Trustee expects its investment manager to take all financially material factors into account where relevant. As the majority of the funds are passively managed, the portfolio manager has minimal discretion to take account of factors that may be deemed to be financially material, such as ESG and climate change. During the year, a subcommittee of the Trustee met with the manager for the Plan 18 where their approach to ESG was discussed.

Stewardship

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

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

4. Voting and engagement

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

The following tables outline the most significant votes cast by the respective investment managers on the Trustee's behalf for each of the funds outlined above. A "Significant Vote" is defined as one that is related to the Plan's beliefs and stewardship priorities, and/or it is significant because of the size of the Plan's holdings portfolio. The Trustee identified the following criteria to determine the most significant votes, where at least one needs to apply:

- Aligned to stewardship priorities for the Fund which relate to Climate Change, and Human Rights
- High profile vote, including not supporting company management.
- The top holdings of the underlying funds invested in the Plan's default investment strategy which has equity exposure (i.e.Uk Equity index, Global emerging markets

equity index, Diversified fund, World (ex UK) equity index fund, Ethical global equity, All World equity index fund and Retirement income Multi-Asset Fund).

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What is LGIM's policy on consulting with clients before voting?

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

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

How, if at all, have you made use of proxy voting services over the year to 31 March 2025

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

To ensure LGIM's proxy provider votes in accordance with its position on ESG, it has put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what it considers are minimum best practice standards which it believes all companies globally should observe, irrespective of local regulation or practice.

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

Please provide an overview of your process for deciding how to vote.

All decisions are made by LGIM's Investment Stewardship team and in accordance with its relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures LGIM's stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

Is LGIM currently affected by any of the five conflicts listed by the PLSA or any other conflicts across any of its holdings?

Please refer to the LGIM investment stewardship conflict of interest document at the following link:

<https://cms.lgim.com/globalassets/lgim/document-library/capabilities/lgim-conflicts-of-interest.pdf>

Please include here any additional comments which you believe are relevant to your voting activities or processes

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

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

LGIM – UK Equity Index Fund

Voting activity	Number of resolutions eligible to cast vote: 10,134 Percentage of eligible votes cast: 100% Percentage of votes with management: 93.79% Percentage of votes against management: 6.21% Percentage of votes abstained from: 0.0%			
Most significant votes cast	Company	Unilever Plc	SSE Plc	Howden Joinery Group Plc
	Size of holdings	4.22%	0.81%	0.19%
	Resolution	Resolution 4: Approve Climate Transition Action Plan	Resolution 18: Approve Net Zero Transition Report	Resolution 10: Re-elect Peter Ventress as Director
	Decision /Vote	For (With management recommendation)	For (With management recommendation)	Against (Against Management recommendation)
	Rationale for decision	Climate change: A vote FOR the CTAP is applied as LGIM understands it to meet LGIM's minimum expectations. This includes the disclosure of scope 1, 2, and material scope 3 GHG emissions and short, medium and long-term GHG emissions reduction targets consistent with a 1.5°C Paris goal. Despite the SBTi recently removing their approval of the company's long-term scope 3 target, they note that the company has recently submitted near-term 1.5 degree aligned scope 3 targets to the SBTi for validation and therefore, at this stage, believe the company's ambition level to be adequate. LGIM therefore remains supportive of the net zero trajectory of the company at this stage.	Climate Change: LGIM is voting in favour of the SSE Net Zero Transition Report. LGIM commends the company's efforts in committing to net-zero emissions across all scopes by 2050 and setting short and medium-term targets, in particular absolute scope 3 targets over the mid-term.	Deforestation Policy: A vote against is applied as the company is deemed to not meet minimum standards with regard to LGIM's deforestation policy. Diversity: A vote against is applied because of a lack of progress on ethnic diversity on the board. LGIM expects the boards of the largest UK companies to include a minimum of one ethnically diverse director.

	Rationale for classifying as significant	Thematic - Climate: LGIM is publicly supportive of so-called "Say on Climate" votes. LGIM expects transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5 °C scenario. Given the high-profile nature of such votes, LGIM deems such votes to be significant, particularly when LGIM votes against the transition plan.	Thematic - Climate: LGIM is publicly supportive of so-called "Say on Climate" votes. LGIM expects transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5 °C scenario. Given the high-profile nature of such votes, LGIM deems such votes to be significant, particularly when LGIM votes against the transition plan..	Thematic - Diversity: LGIM views diversity as a financially material issue for our clients, with implications for the assets they manage on their behalf. Thematic - Nature: LGIM considers this vote to be significant as it is applied under LGIM's engagement program on deforestation, targeting companies in high-risk sectors.
	Outcome of vote (% voting in favour)	Pass (97.6% for)	Pass (98.2% for)	Pass (85.8% for)

LGIM - Global Emerging Markets Equity Index Fund

Voting activity	Number of resolutions eligible to cast a vote: 40,573 Percentage of eligible votes cast: 99.95% Percentage of votes with management: 79.61% Percentage of votes against management: 17.68% Percentage of votes abstained from: 2.71%			
Most significant votes cast	Company	PDD Holdings Inc.	Postal Savings Bank of China Co., Ltd.	Yankuang Energy Group Company Limited
	Size of holdings	0.75%	0.04%	0.54%
	Resolution	Resolution 6: Elect Director George Yong-Boon Yeo	Resolution 1: Elect Zheng Guoyu as Director	Resolution 3: Approve Audited Financial Statements
	Decision /Vote	Against (With Management recommendation)	Against (Against Management recommendation)	Against (With Management recommendation)
	Rationale for the decision	Diversity: A vote against is applied as LGIM expects a company to have at least one-third of women on the board.	Climate Impact Pledge: A vote against is applied as the company is deemed not to meet minimum standards regarding climate risk management as set out in LGIM's public Climate Impact Pledge ratings.	Climate Impact Pledge: A vote against is applied as the company is deemed not to meet minimum standards with regard to climate risk management. Future World Protection List: A vote against is applied as the company meets the criteria for inclusion in LGIM's Future World Protection List. Companies are incorporated into the List if they fail to meet minimum standards of globally accepted business practices. This includes companies involved in the manufacture and production of controversial weapons; perennial violators of the United Nations Global Compact (UNGC); and companies involved in thermal coal and oil sands.

	Rationale for classifying as significant	Thematic - Diversity: LGIM views gender diversity as a financially material issue for its clients, with implications for the assets it manages on their behalf.	Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, its flagship engagement programme targeting companies in climate-critical sectors. More information on LGIM's Climate Impact Pledge can be found here: https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/	Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, its flagship engagement programme targeting companies in climate-critical sectors. More information on LGIM's Climate Impact Pledge can be found here: https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/
	Outcome of vote (% voting in favour)	Pass (94.1% for)	Pass (99.6% for)	Pass (99.8% for)

LGIM – Diversified Fund

Voting activity	Number of resolutions eligible to cast a vote: 106,975 Percentage of eligible votes cast: 99.77% Percentage of votes with management: 76.53% Percentage of votes against management: 22.37% Percentage of votes abstained from: 1.10%			
Most significant votes cast	Company	National Grid Plc	Unilever Plc	Canadian Pacific Kansas City Limited
	Size of holdings	0.23%	0.18%	0.16%
	Resolution	Resolution 17: Approve Climate Transition Plan	Resolution 4: Approve Climate Transition Action Plan	Resolution 3: Management Advisory Vote on Climate Change
	Decision /Vote	For (With Management recommendation)	For (With Management recommendation)	For With Management recommendation)

	Rationale for the decision	<p>Climate Change: LGIM is voting in favour of the National Grid Climate Transition plan. LGIM commends the company's efforts in committing to net-zero emissions across all scopes by 2050 and setting 1.5C-aligned near-term science-based targets. LGIM also appreciates the clarity provided in the 'Delivering for 2035 report' and look forward to seeing the results of National Grid's engagement with SBTi regarding the decarbonisation of heating.</p>	<p>Climate change: A vote FOR the CTAP is applied as LGIM understands it to meet LGIM's minimum expectations. This includes the disclosure of scope 1, 2, and material scope 3 GHG emissions and short, medium and long-term GHG emissions reduction targets consistent with a 1.5Â°C Paris goal. Despite the SBTi recently removing their approval of the company's long-term scope 3 target, LGIM notes that the company has recently submitted near-term 1.5°C aligned scope 3 targets to the SBTi for validation and therefore at this stage believes the company's ambition level to be adequate. LGIM therefore remains supportive of the net zero trajectory of the company at this stage.</p>	<p>Climate change: A vote FOR is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5Â°C. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5Â°C goal. As CPKC set targets validated by Science Based Target initiative, LGIM welcome the company's efforts to reduce its GHG emissions and expects to see a clear transition plan.</p>
	Rationale for classifying as significant	<p>Thematic - Climate: LGIM is publicly supportive of so-called "Say on Climate" votes. It expects transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5°C scenario. Given the high-profile nature of such votes, LGIM deems such votes to be significant, particularly when LGIM votes against the transition plan.</p>	<p>Thematic - Climate: LGIM is publicly supportive of so-called "Say on Climate" votes. It expects transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5 °C . Given the high-profile nature of such votes, LGIM deems such votes to be significant, particularly when LGIM votes against the transition plan.</p>	<p>Thematic - Climate: LGIM is publicly supportive of so-called "Say on Climate" votes. LGIM expects transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5 °C scenario. Given the high-profile nature of such votes, LGIM deems such votes to be significant, particularly when LGIM votes against the transition plan.</p>
	Outcome of vote (% voting in favour)	<p>Pass (98.9% for)</p>	<p>Pass (97.6% for)</p>	<p>Pass (91.7% for)</p>

LGIM - World (ex UK) Equity Index Fund

Voting activity	Number of resolutions eligible to cast a vote: 33,434 Percentage of eligible votes cast: 99.72% Percentage of votes with management: 77.92% Percentage of votes against management: 21.78% Percentage of votes abstained from: 0.31%			
Most significant votes cast	Company	Alphabet Inc.	Broadcom Inc.	Wells Fargo & Company
	Size of holdings	1.55%	0.87%	0.33%
	Resolution	Resolution 1d: Elect Director John L. Hennessy	Resolution 1g: Elect Director Henry Samueli	Resolution 7: Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining Rights
	Decision /Vote	Against (Against management recommendation)	Against (Against management recommendation)	For (Against management recommendation)
	Rationale for the decision	Average board tenure: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board. Independence: A vote against is applied as LGIM expects the Chair of the Committee to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background. Independence: A vote against is applied as LGIM expects the Chair of the Board to have served on the board for no more than 15 years and the board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Shareholder rights: A vote against is applied because LGIM supports the equitable structure of one-share-one-vote. LGIM expect companies to move to a one-share-one-vote structure or provide shareholders a regular vote on the continuation of an unequal capital structure.	Climate Impact Pledge: A vote against is applied as the company is deemed not to meet minimum standards about climate risk management.	Shareholder Resolution - Labour rights: A vote in favour is applied as LGIM supports proposals that are set to improve human rights standards and employee policies because it considers this issue to be a material risk to companies.

	Rationale for classifying as significant	Thematic - Diversity: LGIM views gender diversity as a financially material issue for its clients, with implications for the assets it manages on their behalf. Thematic - One Share One Vote: LGIM considers this vote to be significant as LGIM supports the principle of one share one vote.	Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, LGIM's flagship engagement programme targeting companies in climate-critical sectors. More information on LGIM's Climate Impact Pledge can be found here: https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.
	Outcome of vote (% voting in favour)	Pass (83.0% for)	Pass (98.0% for)	Fail (30.20% for)

LGIM - Ethical Global Equity (FTSE4Good Developed Equity) Index Fund

Voting activity	Number of resolutions eligible to cast a vote: 16,792 Percentage of eligible votes cast: 99.57% Percentage of votes with management: 82.14% Percentage of votes against management: 17.52% Percentage of votes abstained from: 0.34%			
Most significant votes cast	Company	Unilever Plc	The TJX Companies, Inc.	FedEx Corporation
	Size of holdings	0.30%	0.28%	0.15%
	Resolution	Resolution 4: Approve Climate Transition Action Plan	Resolution 1h: Elect Director Carol Meyrowitz	Resolution 1k: Elect Director Frederick W. Smith
	Decision /Vote	For (With Management recommendation)	Against (Against Management recommendation)	For (With Management recommendation)

	Rationale for decision	<p>Climate change: A vote FOR the CTAP is applied as LGIM understand it to meet LGIM's minimum expectations. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short, medium and long-term GHG emissions reduction targets consistent with a 1.5°C Paris goal. Despite the SBTi recently removing their approval of the company's long-term scope 3 target, LGIM notes that the company has recently submitted near term 1.5 degree aligned scope 3 targets to the SBTi for validation and therefore at this stage believe the company's ambition level to be adequate. LGIM therefore remains supportive of the net zero trajectory of the company at this stage.</p>	<p>Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management.</p>	<p>Climate Impact Pledge: A vote for is applied as the company is deemed to meet minimum standards with regard to climate risk management.</p>
	Rationale for classifying as significant	<p>Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. LGIM expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, LGIM deems such votes to be significant, particularly when LGIM votes against the transition plan.</p>	<p>Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, its flagship engagement programme targeting companies in climate-critical sectors. More information on LGIM's Climate Impact Pledge can be found here: https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/</p>	<p>Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, its flagship engagement programme targeting companies in climate-critical sectors. More information on LGIM's Climate Impact Pledge can be found here: https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/</p>
	Outcome of vote (% voting in favour)	Pass (97.6% for)	Pass (94.9% for)	Pass (97.6% for)

All World Equity Index Fund

Voting activity	Number of resolutions eligible to cast a vote: 63,678 Percentage of eligible votes cast: 99.82% Percentage of votes with management: 79.48% Percentage of votes against management: 19.00% Percentage of votes abstained from: 1.52%			
Most significant votes cast	Company	Broadcom Inc.	Shell Plc	The Goldman Sachs Group, Inc.
	Size of holdings	0.79%	0.32%	0.18%
	Resolution	Resolution 1g: Elect Director Henry Samuelli	Resolution 22: Approve the Shell Energy Transition Strategy	Resolution 8: Report on Clean Energy Supply Financing Ratio
	Decision /Vote	Against (Against Management Recommendation)	Against (Against Management Recommendation)	For (Against Management Recommendation)
	Rationale for decision	Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management.	Climate change: A vote against is applied. LGIM acknowledge the substantive progress the company has made in respect of climate related disclosure over recent years, and LGIM view positively the commitments made to reduce emissions from operated assets and oil products, the strong position taken on tackling methane emissions, as well as the pledge of not pursuing frontier exploration activities beyond 2025. Nevertheless, in light of the revisions made to the Net Carbon Intensity (NCI) targets, coupled with the ambition to grow its gas and LNG business this decade, LGIM expect the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050. In essence, LGIM seek more clarity regarding the expected lifespan of the assets Shell is looking to further develop, the level of flexibility in revising production levels against a range of scenarios and tangible actions taken across the value chain to deliver customer decarbonisation. Additionally, we would	Shareholder Resolution - Climate change: A vote in favour of this proposal is applied. LGIM believe that banks and financial institutions have a significant role to play in shifting financing away from a brown to funding the transition to a green . LGIM expects the company to be undertaking appropriate analysis and reporting on climate change matters, as LGIM consider this issue to be a material risk to companies.

			benefit from further transparency regarding lobbying activities in regions where hydrocarbon production is expected to play a significant role, guidance on capex allocated to low carbon beyond 2025 and the application of responsible divestment principles involved in asset sales, given portfolio changes form a material lever in Shellâ€™s decarbonization strategy.	
	Rationale for classifying as significant	Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, its flagship engagement programme targeting companies in climate-critical sectors. More information on LGIM's Climate Impact Pledge can be found here: https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/	Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. LGIM expects transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5°C scenario. Given the high-profile nature of such votes, LGIM deems them to be significant, particularly when it votes against the transition plan..	Pre-declaration and High-Profile Meeting: This shareholder resolution is considered significant as LGIM believes that banks and financial institutions have a significant role to play in shifting financing away from 'brown' to funding the transition to 'green'. LGIM expects companies to be undertaking appropriate analysis and reporting on climate change matters, as it considers this issue to be a material risk to companies.
	Outcome of vote (% voting in favour)	Pass (98.0% for)	Pass (78.0% for)	Fail (28.5% for)

Retirement Income Multi-Asset Fund

Voting activity	Number of resolutions eligible to cast a vote: 105,590 Percentage of eligible votes cast: 99.78% Percentage of votes with management: 77.24% Percentage of votes against management: 21.97% Percentage of votes abstained from: 0.79%			
Most significant votes cast	Company	Tencent Holdings Limited	Shell Plc	Simon Property Group, Inc.
	Size of holdings	0.13%	0.51%	0.12%
	Resolution	Resolution 3a: Elect Charles St Leger Searle as Director	Resolution 25 - Approve the Shell Energy Transition Progress	Resolution 1A: Elect Director Glyn F. Aeppel
	Decision /Vote	Against (With Management Recommendation)	Against (Against Management Recommendation)	Against (Against Management Recommendation)
	Rationale for decision	<p>Audit Committee: A vote against is applied as LGIM expects the Committee to be comprised of independent directors. Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management.</p>	<p>A vote against is applied. LGIM acknowledges the substantive progress the company has made in respect of climate-related disclosure over recent years and views positively the commitments made to reduce emissions from operated assets and oil products, the strong position taken on tackling methane emissions, as well as the pledge of not pursuing frontier exploration activities beyond 2025. Nevertheless, in light of the revisions made to the Net Carbon Intensity (NCI) targets, coupled with the ambition to grow its gas and LNG business this decade, LGIM expects the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050.</p> <p>In essence, LGIM seeks more clarity regarding the expected lifespan of the assets the company is looking to further develop, the level of flexibility in revising production levels against a range of scenarios, and tangible actions taken across the value chain to deliver customer decarbonisation.</p>	<p>Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board. Average board tenure: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.</p>

			<p>Additionally, LGIM would benefit from further transparency regarding lobbying activities in regions where hydrocarbon production is expected to play a significant role, guidance on capex allocated to low carbon beyond 2025, and the application of responsible divestment principles involved in asset sales, given portfolio changes form a material lever in the company's decarbonisation strategy.</p>	
	<p>Rationale for classifying as significant</p>	<p>Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, its flagship engagement programme targeting companies in climate-critical sectors. More information on LGIM's Climate Impact Pledge can be found here: https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/</p>	<p>Thematic - Climate: LGIM is publicly supportive of so-called "Say on Climate" votes. It expects transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5°C scenario. Given the high-profile nature of such votes, LGIM deems them to be significant, particularly when it votes against the transition plan.</p>	<p>Thematic - Diversity: LGIM views gender diversity as a financially material issue for its clients, with implications for the assets it manages on their behalf.</p>
	<p>Outcome of vote (% voting in favour)</p>	<p>Pass (85.1% for)</p>	<p>Pass (80.0% for)</p>	<p>Pass (62.9% for)</p>