

# Annual Implementation Statement

## Millennium & Copthorne Pension Plan - DC Section

6 April 2022 to 5 April 2023 (the “Plan Year”)

### Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles (“SIP”) produced by the Trustee, has been followed during the year from 6 April 2022 to 5 April 2023 (the “Plan Year”). This statement has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2019 and the guidance published by the Pensions Regulator.

The table later in the document sets out how, and the extent to which, the policies in Millennium & Copthorne DC Section Plan (the “Plan”) SIP have been followed.

The statement also describes the voting behaviour carried out by the Plan’s investment managers on the Trustee’s behalf during the Plan Year (including the most significant votes cast by the Trustee or on its behalf) and describes any use of the services of a proxy voter during the Plan Year.

A copy of this implementation statement is available via the link below:

<https://www.millenniumhotels.com/en/corporate/uk-pension-plan/>

The Statement flows directly from and should be read in conjunction with the Plan’s SIP which is also available via the link above.

### Investment Objectives of the Plan

The Trustee believes it is important to consider the policies in place in the context of the investment objectives it has set. The objectives of the Plan included in the SIP are set out below, along with actions taken by the Trustee to meet each objective:

Objective	Action over the Plan Year to meet objective
To provide members with an investment strategy aligned to their needs that will optimise the return on investments in order to build up a savings pot, which will be used in retirement.	No changes to the investments used in the default have been implemented during the Plan Year. However, the triennial investment strategy review took place from the end of

The Trustee is mindful of its responsibility to provide members with an appropriate range of investment funds and a suitable default strategy.	2022 into 2023. Any resultant changes to the default investment strategy and self-select fund range are due to be implemented during 2023. The current investment strategy remains consistent with the current investment policy in the SIP.
The Trustee will review the investment approach from time to time, and make changes as and when it is considered to be appropriate.	
The Trustee recognises that in a defined contribution arrangement, members assume the investment risks themselves. The Trustee further recognises that members are exposed to different types of risk at different stages of their working lifetimes. The Trustee has determined its investment policy in such a way as to address the identified risks.	The Trustee has considered risk and return analysis when reviewing the Plan's default investment strategy during 2022/23. The Trustee continues to use a lifestyle approach for the default arrangement, whereby investments are moved into less risky funds as retirement approaches

The policies set out in the SIP are intended to help meet the overall investment objectives of the Plan. Detail on the Trustee's objectives with respect to the default investment strategy and the self-select fund range are outlined in the SIP.

### Review of the SIP

The Trustee last formally reviewed the SIP on 3 December 2020 and updated it to reflect requirements under The Occupational Pension Scheme (Investment and Disclosure) (Amendment) Regulations 2019. Over the Plan Year, no changes were made to the SIP, however as part of the investment strategy review noted above, it is being reviewed during 2023.

### Investment Strategy Review

The default investment strategy was last reviewed by the Trustee along with its investment consultant, with the current strategy being implemented with effect from 8 November 2020. The default investment strategy and the SIP should be reviewed at least every three years or as soon as any significant developments in investment policy or the demographic profile of relevant members take place. In line with these requirements, a default strategy review has been undertaken by the Trustee with support from its investment advisors in the final quarter of 2022, which continued into 2023. Further detail regarding any resultant changes implemented will be set out in next year's Implementation Statement.

### Assessment of how the policies in the SIP have been followed for the year to 5 April 2023

The information provided in the following table highlights the work undertaken by the Trustee during the year, and longer term where relevant, and sets out how this work followed the Trustee's policies in the SIP. The Trustee considers that, following the review carried out as part of preparing this statement, it has adhered to all of its policies as set out in the SIP over the course of the Plan Year. We explain in the statement the Trustee's reasoning for this conclusion. The Trustee did not materially deviate from any of the SIP's policies over the Plan Year.

	<b>Requirement</b>	<b>Summary of Trustee Policy</b>	<b>Summary description and evaluation of work undertaken to 5 April 2023</b>
1	Securing compliance with the legal requirements about choosing investments	<p><i>This Statement of Investment Principles (“the Statement”) has been prepared by the Trustee of the Millennium &amp; Cophorne DC Pension Plan (“the Plan”) in accordance with Section 35 of the Pensions Act 1995, as amended, and its attendant Regulations.</i></p> <p><i>In preparing the Statement, the Trustee has obtained and considered written advice from a suitably qualified individual, employed by its investment consultants, Mercer Limited, whom it believes to have a degree of knowledge and experience that is appropriate for the management of the Plan’s investments; and consulted with the Principal Employer, although the Trustee affirms that no aspect of this strategy is restricted by any requirement to obtain the consent of the Sponsoring Employer.</i></p> <p><i>SIP Section 1</i></p>	The Trustee receives formal advice from their investment adviser in relation to the Scheme’s investment strategy. In line with regulation, an investment strategy review commenced during the Plan Year. Any resultant changes are due to be implemented during 2023.
2	Kinds of investments to be held	<i>The Trustee is permitted to invest across a wide range of asset classes, both active and passive.</i>	The Trustee continues to offer a range of self-select fund options to members which cover both actively and passively managed funds across a range of asset classes. The details of the types of investment referenced in the SIP remains consistent with the fund range offered

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		<p><i>Actively managed funds will only be included to the extent that the Trustee has a high level of confidence in the investment manager achieving its performance objectives, net of active investment management fees.</i></p> <p><i>SIP Section 3</i></p>	<p>to members. No changes to the type of investments used in the default have been made over the Plan Year and the strategy remains consistent with this policy in the SIP.</p> <p>The Trustee will review the investment approach from time to time, and make changes as and when it is considered appropriate. The fund range and default investment strategy are reviewed on at least a triennial basis. The most recent review commenced during the final quarter of 2022.</p>
3	The balance between different kinds of investments	<p><i>To balance the investment needs of members, the Trustee offers a range of self-select funds alongside the default investment strategy. Members can opt out of the default strategy as they have the option to invest in self-select funds. The range of investment options cover multiple asset classes and this balance will determine the expected return on members' assets and should be related to the members' own risk appetites and tolerances.</i></p> <p><i>SIP Section 3</i></p>	<p>The Trustee receives a quarterly monitoring report that monitors the risk and return of all investment options within the Plan.</p> <p>The asset allocation of the default investment strategy is reviewed on a triennial basis. As outlined in the SIP, the Trustee's main objective is to provide members with an investment strategy aligned to the needs of the Plan's members that will optimise the return on investments in order to build up a savings pot which will be used in retirement.</p> <p>The Trustee is satisfied with the range of funds available, and the investment managers' policies on investing in individual securities within each asset type or fund, provides adequate diversification of investments. The balance between different kinds of investments remains consistent with the SIP.</p>
4	Risks, including the ways in which risks are to be measured and managed	<p><i>The Trustee recognises that in a defined contribution arrangement, members assume the investment risks themselves. The Trustee further recognises that members are exposed to different types of risk at different stages of their working lifetimes. Broadly speaking, seven main types of financially significant</i></p>	<p>As detailed in Section 3.1 of the SIP, the Trustee considers both quantitative and qualitative measures of risk as well as how best to manage the various risks facing DC members. The Trustee provides a range of investment options which enables members to reflect in their selection of funds the level of risk they wish to take in light of their own individual circumstances.</p>

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		<p><i>investment risk can be identified: Investment Return Risk, Volatility risk, Market Switching Risk, Environmental, social and governance (ESG) risks, Inflation Risk, Liquidity Risk and Pension Conversion Risk.</i></p> <p><i>SIP Section 3</i></p>	<p>For example, the Trustee keeps a risk register which is reviewed at each quarterly Trustee meeting.</p> <p>To help manage these investment risks, the Trustee has made a default lifestyle strategy available which targets long term growth while diversifying risks; and offered a range of self-select funds across various asset classes to give members more investment options if they choose to invest elsewhere.</p> <p>Other risks like market volatility risk of asset classes fluctuating substantially over the investment term is considered by the Trustee as part of its formal investment strategy review (the most recent of which commenced during the final quarter of 2022). The Trustee takes specialist investment advice and monitors performance, fund ratings and manager updates on a quarterly basis.</p> <p>The Trustee regularly monitors these risks and other risks and the appropriateness of the investments in light of the risks described on Section 6 of the SIP.</p>
5	Expected return on investments	<p><i>When deciding on the investment options available to members, the Trustee took into account the expected return on such investments and was mindful to offer a range of funds with varying levels of expected returns for members to choose from.</i></p> <p><i>In designing the default, the Trustee has explicitly considered the trade-off between risk and expected returns.</i></p>	<p>The investment performance report is reviewed by the Trustee on a quarterly basis; this includes performance figures for the default investment strategy and additional self-select fund choices. The investment performance report sets out how each investment manager is delivering against its specific benchmark and target.</p> <p>The trade-off between risk and return was considered as part of the triennial investment strategy review over 2022/23 and is an ongoing consideration for the Trustee.</p>

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		<i>SIP Sections 3 and 4</i>	
6	Realisation of investments	<p><i>When it comes to realisation of investments, the Trustee considers the impact of transaction costs before making any changes.</i></p> <p><i>All funds are daily-priced pooled investment arrangements, with assets invested in regulated markets, therefore should be realisable at short notice, based on members' demand.</i></p> <p><i>SIP Sections 3 and 4</i></p>	All the funds used by the DC Section of the Plan continue to be daily dealt pooled investment vehicles. The Trustee is therefore confident that these assets are realisable at short notice as required and do not have any major concerns surrounding the liquidity of the Plan's investments.
7	Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments	<p><i>The Trustee recognises that ESG factors, including climate change as financially material considerations. The Trustee's view is that considerations such as these can influence the investment performance of the Plan's portfolio and it is therefore in members' and the Plan's best interests that these factors are taken into account within the investment process and that ESG risks are identified and avoided or mitigated as best as possible.</i></p> <p><i>The Trustee believes that investing with a manager who approaches investments in a responsible way and takes account of ESG-related risks will lead to better risk-adjusted performance as omitting these</i></p>	<p>The investment performance report is reviewed by the Trustee on a quarterly basis; this includes the fund ratings from the Investment Consultant, including ESG fund ratings, and how each manager is delivering against their specific mandates</p> <p>The ESG ratings of managers are formally reviewed at least annually. Where managers were not highly rated from an ESG perspective the Trustee continues to monitor these managers. All funds are at least rated ESG p2 (the second highest rating) denoting a strong or market leading approach across ESG topics. When implementing a new manager the Trustee considers the ESG rating of the manager.</p> <p>The SIP includes the Trustee's policy on ESG factors, stewardship and climate change. This policy sets out the Trustee's beliefs on ESG, including climate change, and the processes followed by the Trustee in relation to voting rights and stewardship. The Trustee keeps its policies under regular review with the SIP subject to review at least</p>



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		<p><i>risks in investment analysis could skew the results and underestimate the level of overall risk being taken.</i></p> <p><i>SIP Section 5</i></p>	<p>triennially. The SIP is being reviewed as part of the triennial investment strategy review over 2022/23.</p>
8	<p>The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments</p>	<p><i>Non-financial matters are not taken into account in the selection, retention and realisation of investments.</i></p> <p><i>SIP Section 5</i></p>	<p>Over the Plan Year, non-financial considerations were not reconsidered in the selection, retention and realisation of investments, in line with the SIP. The Plan continues to offer investments in Ethical and ESG rated funds.</p>
9	<p>The exercise of the rights (including voting rights) attaching to the investments</p>	<p><i>The Trustee expects the Plan's investment managers to use their influence as major institutional investors to pursue the Trustee's rights and duties as an investor in the pooled fund including voting, along with – where relevant and appropriate – engaging with underlying investee companies to promote good governance, accountability, and positive change.</i></p> <p><i>Where the Trustee is specifically invited to vote on a matter relating to corporate policy, the Trustee (having sought advice) will exercise its right in accordance with what it believes to be the best interests of the majority of the Plan's membership.</i></p>	<p>The Trustee has delegated the exercise of voting rights to the underlying investment managers, on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value. Legal and General Investment Management (“LGIM”) is the only investment manager for the Plan, and they provide this information on their website along with annual reports on voting activity:</p> <p><a href="https://www.lgim.com/uk/en/capabilities/investment-stewardship/">https://www.lgim.com/uk/en/capabilities/investment-stewardship/</a></p> <p>Voting activity carried out over the Plan Year on behalf of the Trustee is shown in the Appendix of this Statement. The voting activity disclosed reflects stewardship areas the Trustee views as significant for the Plan, as described in the Appendix. Over the period covered by this Statement, the Trustee has not directly challenged managers on voting activity.</p>

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		<i>SIP Section 5</i>	The Trustee reviews the exercising of voting rights annually as part of the process of preparing this statement.
10	Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, Trustee would monitor and engage with relevant persons about relevant matters)	<p><i>The Trustee delegates primary responsibility for its corporate engagement activities to its investment managers. The Trustee believes that the investment managers are best placed to engage with investee companies on their performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, social and environmental impact and corporate governance. But on occasions, the Trustee may deem it necessary to engage directly with companies on particular ESG-related issues.</i></p> <p><i>There may be occasions when engagement topics identified by the Trustee overlap with engagement efforts of their investment managers, in which case the Trustee will seek to undertake joint engagement with their investment managers.</i></p> <p><i>SIP Sections 5</i></p>	<p>As the Plan invests in pooled funds, the Trustee expects its investment managers to engage with the investee companies on their behalf.</p> <p>The Trustee wishes to encourage best practice in terms of corporate activism. It therefore encourages its investment managers to discharge their responsibilities in respect of investee companies in accordance with relevant legislation and codes.</p> <p>Over the Plan Year, the Trustee did not carry out any engagement activities with its investment managers or underlying investee companies.</p>
11	How the arrangement with the asset manager incentivises the asset manager to align its investment strategy	<i>Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk</i>	The Trustee believes that the appointments with its investment managers are consistent with their long-term objectives based on the information provided in the investment reports. No manager changes were made during the reporting period. The Trustee is comfortable that the contractual arrangements in place with investment manager



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	<p>and decisions with the Trustee's policies required under sub-paragraph (b) of Regulation 2(3) of the Occupational Pension Schemes (Investment) Regulations 2005</p>	<p><i>characteristics required for asset classes being selected.</i></p> <p><i>The Trustee incentivises its investment managers to align their investment strategies with the Trustee's policies mentioned in this SIP.</i></p> <p><i>The fees paid to the investment managers, and the possibility of their mandate being terminated, ensure they are incentivised to provide a high quality service that meets the Trustee's policies.</i></p> <p><i>SIP Section 2</i></p>	<p>incentivises the managers as no performance fees are awarded and the investment managers are aware they can be replaced if performance is consistently below expectations.</p>
<p>12</p>	<p>How the arrangement incentivises the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.</p>	<p><i>The Trustee is a long-term investor. Accordingly, the Trustee does not seek to change the investment arrangements on a frequent basis.</i></p> <p><i>The Trustee's focus is on long-term performance but may put a manager 'on watch' if there are short-term performance concerns</i></p> <p><i>SIP Section 6</i></p>	<p>The Trustee receives quarterly information from the Plan's investment managers to assess whether the Plan's investments are performing in line with expectations. These reports present performance information over 3 months, 1 year and 3 years. The reports show the absolute performance, performance against the managers' stated target performance (over the relevant time period) on a net of fees basis. It also provides returns of market indices so that these can also be used to help inform the assessment of the underlying managers' performance.</p> <p>The Trustee's responsibilities include assessing the quality of the performance and processes of the investment managers by means of regular reviews of investment returns and other relevant information, in consultation with the Investment Consultant.</p> <p>No investment managers were terminated during the Plan Year.</p>

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13	<p>How the method (and time horizon) of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the Trustee's policies required under sub-paragraph (b) of Regulation 2(3) of the Occupational Pension Schemes (Investment) Regulations 2005 [concerning the matters described in rows 2-8 of this Statement].</p>	<p><i>The investment manager is remunerated by ad valorem charges based on the value of the assets that it manages on behalf of the Plan. None of the underlying managers in which the Plan's assets are invested have performance-based fees which could encourage the manager to make short term investment decisions to hit their targets.</i></p> <p><i>The Trustee therefore considers the method of remunerating fund managers to be consistent with incentivising them to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity. By encouraging a medium to long-term view, it will in turn encourage the investment managers to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.</i></p> <p><i>SIP Sections 2</i></p>	<p>The Trustee has considered the long term investment performance of the investment managers on a quarterly basis, as well as its Investment Consultant's views of the investment manager, and is comfortable that the longer term performance and forward-looking capabilities remain suitable.</p> <p>The Trustee is satisfied that the investment managers are not unduly incentivised to achieve short term performance targets at the expense of long term performance. In particular, none of the funds have performance fees in place, which could encourage managers to make short term investment decisions to hit their short term profit targets at the expense of longer term performance.</p>
14	<p>How the Trustee monitors portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted</p>	<p><i>The Trustee does not currently monitor portfolio turnover costs for the funds in which the Plan is invested, although notes that the performance monitoring which it receives is net of all charges, including such costs.</i></p>	<p>Over the Plan Year covered by this Statement, the Trustee considered the levels of transaction costs as part of its annual Chair's Statement and value for member's assessment. The Trustee found that the transaction costs reported were reasonable, but note the challenges in assessing these costs due to the lack of an industry-wide benchmarks for such transaction costs.</p>

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	portfolio turnover or turnover range.	<p><i>Given that the Plan invests in a range of pooled funds, many of which invest across a wide range of asset classes, the Trustee does not have an overall portfolio turnover target for the Plan.</i></p> <p><i>SIP Section 6</i></p>	<p>Given the Plan invests in a range of pooled funds, many of which invest across a wide range of asset classes, the Trustee does not have an overall portfolio turnover target for the Plan.</p>
15	The duration of the arrangement with the asset manager.	<p><i>The Trustee is a long-term investor and is not looking to change the investment arrangements on a frequent basis; therefore, there is no set duration for the manager appointments. The Trustee will retain an investment manager unless: there is a strategic change to the overall strategy that no longer requires exposure to that asset class or manager; the manager appointment has been reviewed and the Trustee has decided to terminate.</i></p> <p><i>SIP Section 2.3</i></p>	<p>The investment performance of all funds over the reporting period were reviewed by the Trustee on a quarterly basis; this includes how each investment fund manager is delivering against their specific targets.</p> <p>The Trustee continues to believe LGIM is suitable in its role as the sole investment manager of the Plan.</p>

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### Appendix: Investment Manager Voting Summary

The Plan is invested solely in pooled investment vehicles and therefore the Trustee cannot directly exercise its voting rights. The Trustee has therefore delegated the exercising of voting rights to its investment managers.

As stated in the SIP: “The Trustee expects the Plan's investment managers to use their influence as major institutional investors to pursue the Trustee's rights and duties as an investor in the pooled fund including voting, along with – where relevant and appropriate – engaging with underlying investee companies to promote good governance, accountability, and positive change. Where the Trustee is specifically invited to vote on a matter relating to corporate policy, the Trustee (having sought advice) will exercise its right in accordance with what it believes to be in the best interests of the majority of the Plan’s membership”.

To ensure voting behaviour is consistent with the Plan’s investment objectives and stewardship policies, the Trustee has classified ‘significant votes’ as those which consider any one of the following factors with relevant (but not exhaustive) examples:

- **Climate:** Climate change; net zero greenhouse gas emissions; low-carbon transition; physical damages resilience
- **Human rights:** Modern slavery; pay and safety in the workforce and supply chains; abuses in conflict zones
- **Diversity, Equality and Inclusion (“DEI”):** Board composition; inclusive and diverse decision making

The following funds hold equities and were available to members of the Plan (either as self-select funds or within the default) over the Plan Year:

- LGIM Diversified Fund
- LGIM Ethical UK Equity Index Fund
- LGIM World Emerging Markets Equity Index Fund
- LGIM All World Equity Index Fund

The Trustee is comfortable that the stewardship and engagement carried out on behalf of the Plan over the Plan Year was sufficient and exercised in line with their beliefs and policy on voting.

### Overview of Legal & General Investment Management’s (LGIM) approach to voting and engagement (provided by the manager)

#### 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 our clients. Our voting policies are reviewed annually and take into account feedback from our clients.

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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 process for deciding how to vote

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.

### Use of proxy voting services

LGIM's Investment Stewardship team uses Institutional Shareholder Services, Inc. (ISS) 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, LGIM have put in place a custom voting policy with specific voting instructions.

### Processes for determining the most significant votes

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

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

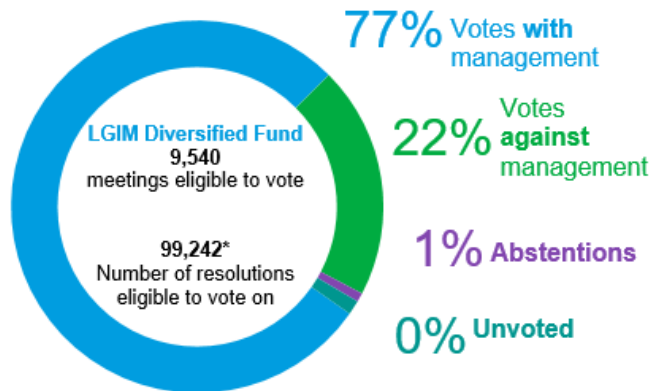
The Trustee believes its own understanding of a "most significant" vote is aligned with the information provided by LGIM.



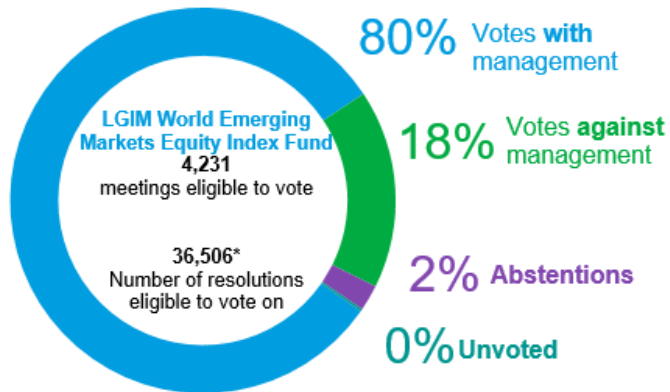
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## Voting Activity during the Plan Year

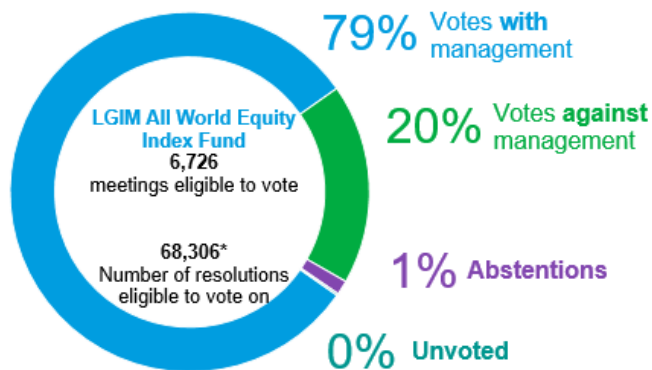
Set out below is a summary of voting activity for this reporting period relating to the relevant strategies in the DC Section of the Plan. **Votes “for/against management and not voted/abstain”** assess how active managers are in voting against management and seeks to obtain the rationale behind voting activities, particularly in cases where split votes may occur.



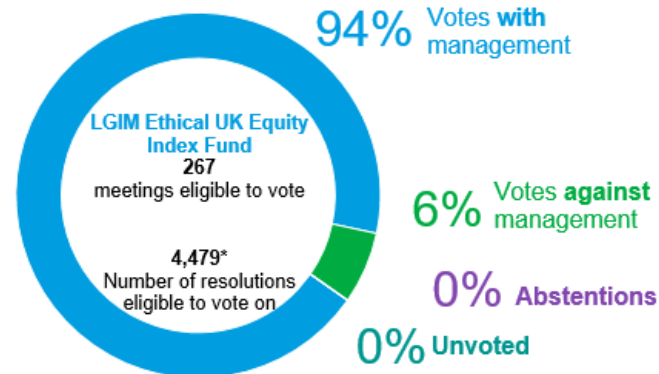
\*99.8% of resolutions voted on



\*99.9% of resolutions voted on



\*99.9% of resolutions voted on



\*100% of resolutions voted on



## Sample of Significant Votes

Managers have provided detailed information on their voting and the Trustee has considered this and disclosed the votes that they deem to be most significant across the funds previously noted as containing equity. It is not possible to disclose all the information received in this statement. Therefore, examples of voting activity to include in this statement were included focusing on areas including climate change/carbon emissions, separation of the role of CEO/Board Chairman and board diversity. The final outcome column below represents the result of the Resolution after all the votings: Passed (✓) or Failed.

Fund	Most significant vote example (description)	Trustee's significant voting area	Final outcome	Next Steps
LGIM Diversified Fund	<p><b>Company:</b> Royal Dutch Shell Plc  <b>Date:</b> 2022-05-24  <b>Summary of resolution:</b> Resolution 20 - Approve the Shell Energy Transition Progress Update  <b>On which criteria have you assessed this vote to be "most significant"? Does the vote relate to a stewardship priority/theme, and if so, which one:</b> Trustee considers this vote significant as it is an escalation of LGIM's climate-related engagement activity and their public call for high quality and credible transition plans to be subject to a shareholder vote.  <b>Rationale for vote decision:</b> Climate change: A vote against is applied, though not without reservations. LGIM 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, LGIM 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.  <b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio):</b>0.3%  <b>Investment Manager Vote:</b>Against (in line with management)  <b>Where you voted against management, did you communicate your intent to the company ahead of the vote:</b> n/a</p>	Climate	FAIL (in line with LGIM vote)	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.

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<p>LGIM Ethical UK Equity Index Fund</p>	<p><b>Company:</b> Rio Tinto Plc  <b>Date:</b> 2022-04-08  <b>Summary of resolution:</b> Resolution 17 - Approve Climate Action Plan  <b>On which criteria have you assessed this vote to be "most significant"? Does the vote relate to a stewardship priority/ theme, and if so, which one:</b> Trustee considers this vote significant as it is an escalation of LGIM's climate-related engagement activity and their public call for high quality and credible transition plans to be subject to a shareholder vote.  <b>Rationale for vote decision:</b> Climate change: LGIM 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 LGIM acknowledge the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, LGIM 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.  <b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio):</b> 3.7%  <b>Investment Manager Vote:</b> Against  <b>Where you voted against management, did you communicate your intent to the company ahead of the vote:</b> 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.</p>	<p>Climate</p>	<p>FAIL(in line with LGIM vote)</p>	<p>LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.</p>
<p>LGIM World Emerging Markets Equity Index Fund</p>	<p><b>Vote example</b>  <b>Company:</b> Meituan  <b>Date:</b> 2022-05-18  <b>Summary of resolution:</b> Resolution 2 - Elect Wang Xing as Director  <b>On which criteria have you assessed this vote to be "most significant"? Does the vote relate to a stewardship priority/ theme, and if so, which one:</b> Trustee views diversity as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf. LGIM also considers this vote to be significant as it is</p>	<p>Governance</p>	<p>✓</p>	<p>LGIM will continue to engage with our investee companies, publicly advocate our position on this issue</p>

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in application of an escalation of their 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 LGIM have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 LGIM have voted against all combined board chair/CEO roles.

**Rationale for vote decision:** Diversity: A vote against is applied as LGIM expects a company to have at least one female on the board. Joint Chair/CEO: A vote against is applied as LGIM expects the roles of Chair and CEO to be separate. These two roles are substantially different and a division of responsibilities ensures there is a proper balance of authority and responsibility on the board. A vote AGAINST the election of Xing Wang and Rongjun Mu is warranted given that their failure to ensure the company's compliance with relevant rules and regulations raise serious concerns on their ability to fulfill fiduciary duties in the company.

**Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio):** 1.3%

**Investment Manager Vote:** Against the appointment  
**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 their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics..

and monitor company and market-level progress.

<p>LGIM All World Equity Index Fund</p>	<p><b>Company:</b> Amazon.com, Inc.  <b>Date:</b> 2022-05-25  <b>Summary of resolution:</b> Resolution 1f - Elect Director Daniel P. Huttenlocher  <b>On which criteria have you assessed this vote to be "most significant"? Does the vote relate to a stewardship priority/ theme, and if so, which one:</b> LGIM pre-declared its vote intention for this resolution, demonstrating its significance.  <b>Rationale for vote decision:</b> Human rights: A vote against is applied as the director is a long-standing member of the Leadership Development &amp; Compensation Committee which is accountable for human capital management failings.  <b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio):</b> 1.974533%<b>holding as at the date of the vote (as % of portfolio):</b> 1.155966%  <b>Investment Manager Vote:</b> Against the election</p>	<p>Governance</p>	<p>FAIL (in line with LGIM vote)</p>	<p>LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.</p>
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**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 LGIM 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.

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