

# Implementation Statement

## Travelers Pension Plan

### Purpose of this statement

This implementation statement has been produced by the Trustee of the Travelers Pension Plan (“the Plan”) to set out the following information over the year to 31 March 2024:

- how the Trustee’s policies on exercising rights (including voting rights) and engagement activities have been followed over the year.
- the voting activity undertaken by the Plan’s investment managers on behalf of the Trustee over the year, including information regarding the most significant votes; and
- A summary of any changes to the Statement of Investment Principles (SIP) over the period;
- A description of how the Trustee’s policies, included in their SIP, have been followed over the year.

### Stewardship policy

The Trustee’s Statement of Investment Principles (SIP) in force at 31 March 2024 describes the Trustee’s stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in October 2023 and has been made available online here: [Travelers Pension Plan SIP](#)

At this time, the Trustee has not set stewardship priorities / themes for the Plan but will be considering the extent that they wish to do this in due course, in line with other Plan risks.

### How voting and engagement/stewardship policies have been followed

Based on the information provided by the Plan’s investment managers, the Trustee believes that its policies on voting and engagement have been met in the following ways:

- The Plan invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Plan’s fund manager.
- Each year the Trustee receives voting and engagement information (via production of this Statement) from LGIM, which they review to ensure alignment with their own policies.
- The Trustee has reviewed the stewardship and engagement activities of LGIM during the year and were satisfied that their actions were reasonable in the context of the Trustees’ own policies and no remedial action was required during the period.
- Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the fund manager is in alignment with the Plan’s stewardship policies.

### How the SIP has been followed over the year

In the Trustee’s opinion, the Statement of Investment Principles has been followed over the year in the following ways:

- The Plan offers a suitable default strategy for members. This was reviewed in 2024 and potential changes will be made based on the membership profile of the Plan later in the year.
- The Plan offers a range of self-select fund options which give members a reasonable choice from which to select their own strategy. The self-select fund range was reviewed in 2024.
- The Trustee regularly monitors the performance of the manager funds over the year to ensure that the funds are meeting their stated objectives.
- The Trustee made no new manager appointments over the year.
- Barnett Waddingham's research team regularly meet with managers to rate their performance and feedback on any client issues. There have been no specific issues relating to this Plan over the year.

**Prepared by the Trustee of the Travelers Pension Plan  
July 2024**

## Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Plan's Growth Portfolio on behalf of the Trustee over the year to 31 March 2024. The gilts held with LGIM have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate.

The Plan held LGIM Index funds in two forms; currency hedged and non-currency hedged, both forms hold the same equity assets and voting rights.

Manager	LGIM					
<b>Fund name<sup>2</sup></b>	Asia Pacific (ex Japan) Developed Index <b>(DB)</b> ;	Europe (ex UK) Equity Index <b>(DB)</b> ;	Japan Equity Index <b>(DB)</b> ;	North America Equity Index <b>(DB)</b> ;	UK Equity Index <b>(DB)</b> ;	World Emerging Markets Equity Index Fund <b>(DB)</b>
	Asian Pacific (ex Japan) Developed Index – GBP Hedged <b>(DB)</b>	Europe (ex UK) Equity Index – GBP Hedged <b>(DB)</b>	Japan Equity Index – GBP Hedged <b>(DB)</b>	North America Equity Index GBP Hedged <b>(DB)</b>	UK Equity Index Fund <b>(DC)</b>	
<b>Structure</b>	Pooled					
<b>Ability to influence voting behaviour of manager</b>	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.					
<b>No. of eligible meetings</b>	461	542	514	645	709	4,238
<b>No. of eligible votes</b>	3,279	9,556	6,103	8,731	10,462	33,716
<b>% of resolutions voted</b>	100.0%	99.7%	100.0%	99.8%	99.8%	99.9%
<b>% of resolutions abstained</b>	0.0%	0.4%	0.0%	0.0%	0.0%	0.9%
<b>% of resolutions voted with management<sup>1</sup></b>	74.9%	80.6%	88.0%	65.4%	94.4%	80.1%
<b>% of resolutions voted against management<sup>1</sup></b>	25.1%	19.0%	12.0%	34.6%	5.6%	19.0%
<b>Proxy voting advisor employed<sup>1</sup></b>	ISS					
<b>% of resolutions voted against proxy voter recommendation</b>	16.1%	10.7%	9.8%	29.0%	4.6%	7.4%

Source: Legal and General Investment Management

<sup>1</sup> As a percentage of the total number of resolutions voted on

<sup>2</sup> DB refers to the Defined Benefit section and DC refers to the Defined Contribution section

Manager	LGIM					
Fund name <sup>2</sup>	World (ex UK) Equity Index Fund (DC)	Multi-Asset (formerly Consensus) Index Fund (DC)	Global Equity FW 50:50 Index Fund (DC)	Global Equity 70:30 Index Fund (DC)	All World Equity Index (DC)	Future World Global Equity Index (DC)
<b>Structure</b>	Pooled					
<b>Ability to influence voting behaviour of manager</b>	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.					
<b>No. of eligible meetings</b>	2,868	9,311	3,035	7,147	6,558	5,134
<b>No. of eligible votes</b>	34,653	94,134	39,303	72,082	64,076	52,212
<b>% of resolutions voted</b>	99.9%	99.9%	99.8%	99.9%	99.9%	99.9%
<b>% of resolutions abstained</b>	0.1%	0.3%	0.1%	0.5%	0.5%	0.3%
<b>% of resolutions voted with management<sup>1</sup></b>	77.9%	76.5%	81.8%	80.9%	79.3%	80.3%
<b>% of resolutions voted against management<sup>1</sup></b>	21.9%	23.2%	18.1%	18.6%	20.2%	19.5%
<b>Proxy voting advisor employed<sup>1</sup></b>	ISS					
<b>% of resolutions voted against proxy voter recommendation</b>	16.4%	14.4%	13.3%	10.7%	11.4%	11.1%

Source: Legal and General Investment Management

The proportion of resolutions that were voted on or abstained from may not sum to 100%. This can be due to how manager or local jurisdictions define abstentions or classify formal voting or abstentions as opposed to not returning a voting form or nominating a proxy.

We've not included funds offered to DC members, as part of the self-select option, that have no monies invested in them over the year to 31 March 2024.

<sup>1</sup> As a percentage of the total number of resolutions voted on

<sup>2</sup> DB refers to the Defined Benefit section and DC refers to the Defined Contribution section

## Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustee over the year to be set out. The guidance does not currently define what constitutes a “significant” vote. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme’s stewardship priorities / themes.

At this time, the Trustee has not set stewardship priorities / themes for the Plan. So, for this Implementation Statement, the Trustee has asked the investment managers to determine what they believe to be a “significant vote”. The Trustee has not communicated voting preferences to their investment managers over the period, as the Trustee has not developed a specific voting policy.

LGIM have provided a selection of votes which they believe to be significant. In the absence of agreed stewardship priorities / themes, the Trustee has selected 3 votes from LGIM, that cover a range of themes to represent what it considers the most significant votes cast on behalf of the Plan. To represent the most significant votes, the votes of the largest holdings relating to each topic are shown in **Appendix 1**.

## Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds. Engagement activities are limited for the Plan’s LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

An example of LGIM’s engagement is provided in **Appendix 2**.

Manager	LGIM						
<b>Fund name</b>	Asia Pacific (ex Japan) Developed Index <b>(DB)</b> ;	Europe (ex UK) Equity Index <b>(DB)</b> ;	Japan Equity Index <b>(DB)</b> ;	North America Equity Index <b>(DB)</b> ;	UK Equity Index <b>(DB)</b> ;	World Emerging Markets Equity Index Fund <b>(DB)</b>	Core Plus Fund <b>(DB)</b>
	Asia Pacific (ex Japan) Developed Index – GBP Hedged <b>(DB)</b>	Europe (ex UK) Equity Index – GBP Hedged <b>(DB)</b>	Japan Equity Index – GBP Hedged <b>(DB)</b>	North America Equity Index – GBP Hedged <b>(DB)</b>	UK Equity Index <b>(DC)</b>		
<b>Number of engagements undertaken on behalf of the holdings in this fund in the year</b>	115	87	68	234	313	205	97
<b>Number of engagements undertaken at a firm level in the year</b>	2,144						

Source: Legal and General Investment Management

<b>Manager</b>	<b>LGIM</b>					
<b>Fund name</b>	World (ex UK) Equity Index Fund <b>(DC)</b>	Multi-Asset (formerly Consensus) Index Fund <b>(DC)</b>	Global Equity FW 50:50 Index Fund <b>(DC)</b>	Global Equity 70:30 Index Fund <b>(DC)</b>	All World Equity Index <b>(DC)</b>	Future World Global Equity Index <b>(DC)</b>
<b>Number of engagements undertaken on behalf of the holdings in this fund in the year</b>	561	1642	830	998	816	795
<b>Number of engagements undertaken at a firm level in the year</b>				2,144		

Source: Legal and General Investment Management

## Appendix 1 – significant votes

### LGIM: Asia Pacific (ex Japan) Developed Index (DB) and Asia Pacific (ex Japan) Developed Index – GBP Hedged (DB)

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	National Australia Bank Limited	Westpac Banking Corp.	Woodside Energy Group Ltd.
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	2.1%	1.8%	1.5%
<b>Summary of the resolution</b>	Approve Transition Plan Assessments	Approve Westpac Climate Change Position Statement and Action Plan	Re-election of Mr Ian Macfarlane as a director
<b>How the manager voted</b>	For	Against	Against (Against Management Recommendation)
<b>Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote?</b>	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM 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.		LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.
<b>Rationale for the voting decision</b>	<p>Shareholder Resolution - Climate change: A vote in favour was applied as LGIM expects companies to be taking sufficient action on the key issue of climate change. While LGIM acknowledge the company's disclosures on sector policies and emissions reduction targets in this regard, they believe that additional reporting on how this is assessed in practice and any timelines associated with this in light of the company's existing commitments is considered beneficial to shareholders.</p>	<p>Climate change: A vote AGAINST this proposal was applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. While LGIM positively note the company's net-zero commitments and welcome the opportunity to voice their opinion on the bank's climate transition plan, they highlight some concerns with the scope of targets and disclosures.</p> <p>In particular:</p> <ul style="list-style-type: none"> <li>- The bank has not committed to establish science-based targets; and</li> <li>- The sector policies notably on certain fossil fuels (such as unconventional oil and gas) and existing business relationships remains limited in scope. More specifically, the company's position on power generation is quite high level and particularly narrow in scope.</li> </ul>	<p>The rationale for LGIM's vote against the most senior director up for re-election, Mr Ian Macfarlane, reflects their concerns around the company's lack of commitment to aligning with the Paris objectives and net zero, and the insufficient reaction to the significant proportion of shareholder votes against their climate report (49%) in the 2022 AGM.</p> <p>Following the completion of the BHP petroleum assets merger in 2022, LGIM note a number of gaps in the company's disclosure, around the overreliance on offsets for achieving climate goals. In 2023, LGIM met with the company and with the chair of the board. However, they still feel that actions taken are insufficient to restore investor confidence and that there is</p>

	Vote 1	Vote 2	Vote 3
			a lack of urgency around better aligning the company with the Paris objectives.
<b>Outcome of the vote</b>	Withdrawn	Pass	Pass
<b>Implications of the outcome</b>	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		LGIM will continue to engage with the company and monitor progress.
<b>Criteria on which the vote is considered "significant"</b>	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.	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 deem such votes to be significant, particularly when LGIM votes against the transition plan.	Pre-declaration and Thematic – Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, their flagship engagement programme targeting some of the world's largest companies on their strategic management of climate change.

### LGIM: Europe (ex UK) Equity Index (DB) and Europe (ex UK) Equity Index – GBP Hedged (DB)

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Novartis AG	TotalEnergies SE	Sanofi
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	2.1%	1.7%	1.4%
<b>Summary of the resolution</b>	Re-elect Joerg Reinhardt as Director and Board Chair	Approve the Company's Sustainable Development and Energy Transition Plan	Elect Frederic Oudea as Director
<b>How the manager voted</b>	For	Against (against management recommendation)	Against (against management recommendation)
<b>Where the fund manager voted against management, did they communicate their 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 LGIM's 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.	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM 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.	



	Vote 1	Vote 2	Vote 3
<b>Rationale for the voting decision</b>	A vote against was 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.	A vote against was applied as LGIM expects a company to have a diverse board, with at least one-third of board members being women. LGIM expect companies to increase female participation both on the board and in leadership positions over time.	LGIM recognise 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, LGIM 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.
<b>Outcome of the vote</b>	Diversity: a vote FOR is applied following engagement with the company.	Climate change: A vote against is applied. LGIM 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, they 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.	Diversity: A vote against is applied as LGIM expects a company to have a diverse board, with at least 40% of board members being women. LGIM expect companies to increase female participation both on the board and in leadership positions over time.
<b>Implications of the outcome</b>		Not provided	
<b>Criteria on which the vote is considered "significant"</b>	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress. LGIM filed a shareholder resolution at Glencore's 2023 AGM and engagement continues.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.

### LGIM: Japan Equity Index (DB) and Japan Equity Index – GBP Hedged (DB)

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Toyota Motor Corp.	Mitsubishi UFJ Financial Group, Inc.	Daiichi Sankyo Co., Ltd.
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	3.9%	1.8%	1.4%

	Vote 1	Vote 2	Vote 3
<b>Summary of the resolution</b>	Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement	To amend the articles of incorporation to publish a transition plan to align lending and investment portfolios with the Paris Agreement	Elect Director Manabe, Sunao
<b>How the manager voted</b>	For (Against Management Recommendation)	For (Against Management Recommendation)	Against (against management recommendation)
<b>Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote?</b>	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM's 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.
<b>Rationale for the voting decision</b>	LGIM views climate lobbying as a crucial part of enabling the transition to a net zero economy. LGIM believes a vote for this proposal was warranted as LGIM believes that companies should advocate for public policies that support global climate ambitions and not stall progress on a Paris-aligned regulatory environment. LGIM acknowledge the progress that Toyota Motor Corp has made in relation to its climate lobbying disclosure in recent years. However, they believe that additional transparency is necessary with regards to the process used by the company to assess how its direct and indirect lobbying activity aligns with its own climate ambitions, and what actions are taken when misalignment is identified.	LGIM continue to consider that decarbonisation of the banking sector and its clients is key to ensuring that the goals of the Paris Agreement are met. A group of climate-focused NGOs has been active in this area in the Asian market for a number of years, resulting in the first climate-related proposal of its type at Mizuho ahead of its 2020 AGM. LGIM since has supported previous resolutions at each of these Japanese banks at their AGMs since 2020, and they have found that these proposals and the ensuing shareholder dialogue has helped drive improved disclosures and tighter policies at the companies. LGIM supports this proposal to invigorate and encourage further strengthening of policies in line with science-based temperature-aligned pathways towards a net-zero-by-2050 world.	Diversity: A vote against is applied due to the lack of meaningful diversity on the board.
<b>Outcome of the vote</b>	Fail	N/A (Results not disclosed)	Not provided
<b>Implications of the outcome</b>	LGIM will continue to engage with the company and monitor progress.		

	Vote 1	Vote 2	Vote 3
<b>Criteria on which the vote is considered "significant"</b>	Pre-declaration and Thematic - Lobbying: LGIM believes that companies should use their influence positively and advocate for public policies that support broader improvements of ESG factors including, for example, climate accountability and public health. In addition, LGIM expect companies to be transparent in their disclosures of their lobbying activities and internal review processes involved.	Pre-declaration and Thematic – Climate: LGIM considers this vote to be significant as they pre-declared their intention to support. LGIM continue to consider that decarbonisation of the banking sector and its clients is key to ensuring that the goals of the Paris Agreement are met.	Thematic - Diversity: LGIM views gender diversity as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf.

### LGIM North America Equity Index (DB) and North America Equity Index – GBP Hedged (DB)

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Microsoft Corporation	Apple Inc.	Amazon.com, Inc.
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	6.2%	5.8%	2.3%
<b>Summary of the resolution</b>	Elect Director Satya Nadella	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy	Report on Median and Adjusted Gender/Racial Pay Gaps
<b>How the manager voted</b>	Against	Against	For (Against Management Recommendation)
<b>Where the fund manager voted against management, did they communicate their 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 LGIM's 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		LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.
<b>Rationale for the voting decision</b>	Joint Chair/CEO: A vote against was applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.	Shareholder Resolution - Environmental and Social: LGIM believe a vote against this proposal was warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and nondiscrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.	A vote in favour is applied as LGIM expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. This is an important disclosure so that investors can assess the progress of the company's diversity and inclusion initiatives. Board diversity is an engagement and voting issue, as LGIM believe cognitive diversity in business – the bringing together of people of different ages, experiences,

			genders, ethnicities, sexual orientations, and social and economic backgrounds – is a crucial step towards building a better company, economy and society.
<b>Outcome of the vote</b>	N/A	Fail	Fail
<b>Implications of the outcome</b>	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		LGIM will continue to engage with the company and monitor progress.
<b>Criteria on which the vote is considered “significant”</b>	Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO.	Thematic - Diversity: LGIM views diversity as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf.	Pre-declaration and Thematic – Diversity: LGIM views gender diversity as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf.

### LGIM: UK Equity Index (DB) and UK Equity Index (charges) (DC)

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Shell Plc	BP Plc	Glencore Plc
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	7.0%	3.8%	2.4%
<b>Summary of the resolution</b>	Approve the Shell Energy Transition Progress	Re-elect Helge Lund as Director	Shareholder resolution “Resolution in Respect of the Next Climate Action Transition Plan”
<b>How the manager voted</b>	Against (against management recommendation)	Against (against management recommendation)	For (Against Management Recommendation)
<b>Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote?</b>	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM’s 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.		LGIM co-filed this shareholder resolution and pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, there was regular communication with the company ahead of the meeting.
<b>Rationale for the voting decision</b>	Climate change: A vote against was applied, though not without reservations. LGIM acknowledge the substantial progress made by the company in meeting its 2021 climate commitments and welcome the company’s leadership in	Governance: A vote against was applied due to governance and board accountability concerns. Given the revision of the company’s oil production targets, shareholders expect to be given the opportunity to vote on the company’s	In 2021, Glencore made a public commitment to align its targets and ambition with the goals of the Paris Agreement. However, it remains unclear how the company’s planned thermal coal production aligns with global demand for thermal

	Vote 1	Vote 2	Vote 3
	<p>pursuing low carbon products. However, LGIM remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5C trajectory.</p>	<p>amended climate transition strategy at the 2023 AGM. Additionally, LGIM note concerns around the governance processes leading to the decision to implement such amendments.</p>	<p>coal under a 1.5°C scenario. Therefore, LGIM has co-filed this shareholder proposal (alongside Ethos Foundation) at Glencore's 2023 AGM, calling for disclosure on how the company's thermal coal production plans and capital allocation decisions are aligned with the Paris objectives. This proposal was filed as an organic escalation following LGIM's multi-year discussions with the company since 2016 on its approach to the energy transition.</p>
<b>Outcome of the vote</b>	Pass	Not provided	Fail
<b>Implications of the outcome</b>	<p>LGIM continues to undertake extensive engagement with Shell on its climate transition plans</p>	<p>LGIM will continue to engage with the company and monitor progress.</p>	<p>LGIM will continue to engage with the company and monitor progress.</p>
<b>Criteria on which the vote is considered "significant"</b>	<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 of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.</p>	<p>High Profile Meeting and Engagement: LGIM consider this vote to be significant given their long-standing engagement with the company on the issue of climate.</p>	<p>Pre-declaration and Engagement: LGIM considers this vote to be significant as LGIM co-filed this shareholder resolution as an escalation of LGIM's engagement activity, targeting some of the world's largest companies on their strategic management of climate change.</p>

### LGIM World Emerging Markets Equity Index (DB)

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Tencent Holdings Limited	Reliance Industries Ltd.	China Construction Bank Corporation
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	4.2%	1.6%	1.0%
<b>Summary of the resolution</b>	Elect Jacobus Petrus (Koos) Bekker as Director	Approve reappointment and remuneration of Mukesh D. Ambani as Managing Director	Elect Tian Guoli as Director
<b>How the manager voted</b>	Against (against management recommendation)	Against	Against (against management recommendation)

<b>Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote?</b>	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM's 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.		
<b>Rationale for the voting decision</b>	Climate Impact Pledge: A vote against was applied as the company is deemed to not meet minimum standards with regard to climate risk management. Remuneration Committee: A vote against has been applied because LGIM expects the Committee to comprise independent directors.	Joint Chair/CEO: A vote against was applied as LGIM expects the roles of Board 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.	Climate Impact Pledge: A vote against was applied as the company is deemed to not meet minimum standards with regard to climate risk management.
<b>Outcome of the vote</b>	Pass	Not provided	Not provided
<b>Implications of the outcome</b>	LGIM will continue to engage with the company and monitor progress.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to engage with the company and monitor progress.
<b>Criteria on which the vote is considered "significant"</b>	Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, their flagship engagement programme targeting companies in climate-critical sectors.	Thematic - Board Leadership: LGIM considers this vote to be significant as it is 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).	Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, their flagship engagement programme targeting companies in climate-critical sectors.

## LGIM World (ex UK) Equity Index (charges) (DC)

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Microsoft Corporation	Apple Inc.	Amazon.com, Inc.
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	4.7%	4.4%	1.7%
<b>Summary of the resolution</b>	Elect Director Satya Nadella	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy	Report on Median and Adjusted Gender/Racial Pay Gaps
<b>How the manager voted</b>	Against	Against	For (Against Management Recommendation)
<b>Where the fund manager voted against management, did they communicate their</b>	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM's policy not to engage with their investee		LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was

	Vote 1	Vote 2	Vote 3
<b>intent to the company ahead of the vote?</b>	companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		set to the company ahead of the meeting.
<b>Rationale for the voting decision</b>	Joint Chair/CEO: A vote against was applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.	Shareholder Resolution - Environmental and Social: LGIM believe a vote against this proposal was warranted, as the company appeared to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and non-discrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.	A vote in favour was applied as LGIM expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. This is an important disclosure so that investors can assess the progress of the company's diversity and inclusion initiatives. Board diversity is an engagement and voting issue, as LGIM believe cognitive diversity in business – the bringing together of people of different ages, experiences, genders, ethnicities, sexual orientations, and social and economic backgrounds – is a crucial step towards building a better company, economy and society.
<b>Outcome of the vote</b>	N/A	Fail	Fail
<b>Implications of the outcome</b>	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		LGIM will continue to engage with the company and monitor progress.
<b>Criteria on which the vote is considered "significant"</b>	Thematic - Board Leadership: 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.	Thematic - Diversity: LGIM views diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.	Pre-declaration and Thematic – Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

LGIM: Multi-Asset (formerly consensus fund) (DC), All World Equity Index (DC), Global Equity 50:50 Index (DC), Global Equity 70:30 Index, Future World Equity Index (DC)

The significant votes made in relation to securities held by these global funds are an amalgamation of some of the above regional votes.

## Appendix 2 - Examples of engagement activity undertaken over the year to 31 March 2024

### LGIM

The key engagement topics at a firm level over the year to 31 March 2024 included:

- Ethnic diversity
- Climate
- Water pollution
- Nutrition
- Deforestation

One example of LGIM's engagement is regarding diversity disclosures in the US. As part of the Midwest Investors Diversity Initiative (MIDI), LGIM is leading on engagement with three companies within the Russell 3000 that are not meeting expectations around diversity disclosure. They sent letters to three companies requesting to meet and discuss strengthening their policy regarding the consideration of women and people of colour as board candidates and adopting disclosure best practice regarding the demographic make-up of the companies' workforces.