



General Mills UK Pension Plan

Implementation Statement

July 2024

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Section 1: Introduction

This document is the annual Implementation Statement (“the Statement”) prepared by the Trustee of the General Mills UK Pension Plan (“the Plan”) covering the “Scheme Year” from 6 April 2023 to 5 April 2024.

The purpose of this Statement is to set out:

- The extent to which the Trustee has followed the Statement of Investment Principles (“the SIP”) during the Scheme Year, describing any statutory and/or other review and explaining any changes made and why; and
- Details of how and the extent to which, in the opinion of the Trustee, the Plan’s policy on engagement and voting (as set out in the SIP) has been followed during the Scheme Year; and
- A description of voting behaviour (including the “most significant” votes made on behalf of the Trustee) and any use of a proxy voter during the year.

A copy of this implementation statement has been made available on the following website <https://www.generalmills.co.uk/uk-pension-plan> and included in the Trustee’s annual report and scheme accounts for the year to 5 April 2024.

Section 2: SIP review / changes

No changes were made to the SIP during the year, although a full investment strategy review commenced towards the end of the year and will be completed in the subsequent period.

Section 3: Adherence to the SIP

The Trustee considers that all policies outlined in the SIP have been adhered to during the Scheme Year. The remainder of this Statement sets out details of how this has been achieved and these details relate to those parts of the SIP which set out the Trustee's policies, and not those which are statements of fact.

Policies specifically in relation to the Defined Benefit Section

Ongoing monitoring of funding position, collateral and cashflows

No strategic portfolio changes have occurred since the previous full investment strategy review was implemented in January 2022, as the Trustee previously agreed that considering the significant de-risking that has occurred in recent years, the current portfolio would be maintained until the Plan reached full funding on a gilts-flat basis. The Plan has now reached this desired funding level and an investment strategy review is underway and will be completed after the period end.

The Trustee monitored the portfolio over the year and rebalanced the portfolio in July 2023 and November 2023. This was necessary as a result of rising gilt yields that reduced the value of the Plan's LDI portfolio, resulting in the Plan becoming overweight in the Diversified Fund ('DGF') compared to its strategic target.

Over the period the Trustee has developed a collateral management policy to formally document its approach towards managing risks and monitoring the portfolio's available collateral and liquidity levels, in order to meet any collateral call relating from derivatives, most notably from the Plan's LDI portfolio.

Policies specifically in relation to the Defined Contribution Section

Transfer of assets to Master Trust

Further DC investment strategy reviews were not conducted during this Plan year as it had previously been agreed that the assets of the DC Section would be transferred to a separate master trust arrangement. In July 2023 this bulk transfer was implemented and the Plan no longer had members in the DC section at the end of the period.

Policies across both DB and DC Sections (before the DC section was transferred out in July 2023)

Assessment of performance of investment managers

The Trustee monitors the Plan's investment arrangements on a quarterly basis, which includes monitoring the performance of investment managers.

Assets in both the DB and DC sections are primarily passive investments and the majority of investments have broadly performed in line with benchmarks. The Trustee continues to monitor the performance of the DGF that has fallen behind its notional benchmark. The Trustee has discussed performance with the investment manager and will remain cognisant of the underperformance while a wider investment strategy review is undertaken, albeit underperformance for short periods does not necessarily dictate that a change to investment strategy is required as the Plan invests for the long term.

Engagement with investment managers

The Trustee's sole investment manager is currently Legal & General Investment Management (LGIM). The Trustee met with LGIM during the current Scheme Year on 19 June 2023, when they provided an update on performance of Plan assets, developments in the LDI market, their market outlook and their approach to Environmental, Social and Governance (ESG) matters.

Exercising of voting rights

Given the use of pooled investments the Trustee has delegated the voting and engagement activities to the underlying manager (Legal & General Investment Management), but they nevertheless expect effective activities in these areas to form part of their processes. The Trustee asked their investment adviser to review both the managers' voting and engagement policy while the Trustee reviewed a sample of voting information provided by the investment managers while preparing the Statement.

Sustainable Investments

Given the use of pooled investments the Trustee has delegated the consideration of ESG issues, where these have a financial implication, to the investment manager. However, the Trustee understands the impact of ESG on investments and the options the Trustee has readily available given the small size of the Plan to increase its ESG influence. The Trustee also discussed LGIM's approach towards ESG at their meeting in June 2023.

The previous triennial investment strategy review of the DC Section resulted in the introduction of an ESG fund option available for selection by members.

Risk management

The Trustee manages risk at an aggregate level through a risk register.

Section 4: Voting and engagement

The Trustee's policies on voting and engagement, as stated in the SIP, are as follows:

- The responsibility of exercising and directing voting rights acquired through Fund investments is delegated to the Manager, as the equity assets are invested in pooled funds. The Manager shall provide a copy of the Manager's voting rights policy, and any amendments thereto, to the Trustee.
- The Manager shall maintain a record of how Fund voting rights have been exercised and shall, no less frequently than annually, affirm to the Trustee that they have complied with their voting rights policy. Where the Manager has voted in a manner different from their voting rights policy, the Manager shall provide the Trustee with an explanation regarding the rationale for departing from said policy.
- The Trustee takes account of financially material risks and opportunities in consultation with its advisers. All risks and opportunities are considered for materiality and impact within a risk management framework, which takes account of the Plan's (and for the DC Section, the members') investment time horizons and objectives. The Trustee considers sustainable investment factors, such as (but not limited to) those arising from Environmental, Social and Governance (ESG) considerations, including climate change, in the context of this broader risk management framework. The Trustee recognises the risk that if companies or governments in which the Plan (or members) invests fail to appropriately manage environmental, social and governance risks this may harm long term returns.
- The Trustee policy is that day-to-day decisions relating to the selection, retention, and realisation of the Plan's assets is left to the discretion of the investment managers. This includes consideration of all financially material factors, including ESG-related issues where relevant. The Trustee explores these issues with its advisers to understand how the investment managers exercise these duties in practice.
- Given the size of the Plan and its use of mainly passive management, the Trustee believes that shareholder engagement is the most effective approach through which it can best effect positive change and enhance long-term financial performance to the benefit of members. The Trustee has delegated responsibility for active shareholder engagement to the Plan's investment managers. The Trustee will review the investment managers' approach to shareholder engagement and voting records as part of their overall investment monitoring.

The Trustee invests in pooled investment funds and as set out in the SIP, the Trustee's policy is to delegate the day to day ESG integration and stewardship activities (including voting and engagement) to the investment managers.

The Plan's investment funds cover a range of asset classes; however, this section focuses on the equity investments managed by Legal & General Investment Management (LGIM) which have voting rights attached. LGIM has their own voting policies which determine their approach to voting, and the principles they follow when voting on investors' behalf. LGIM's voting policy can be seen in appendix 1.

The Plan's investment managers are signed up to the UK FRC Stewardship Code and the Trustee monitors the Plan's investment manager's adherence to the Code. The latest statements of compliance for LGIM can be found via the link below:

www.lgim.com/uk/en/capabilities/investment-stewardship

Summary of voting over the year to 31 March 2024

The tables below set out the voting activities of the Plan's Diversified Fund investment manager (LGIM do not produce voting data for cash and fixed income funds) held in the current portfolio over the year, including details of the investment manager's use of proxy voting.

Note that the Plan year-end is 5 April 2024, but voting records are to 31 March 2024, in line with the reporting schedule of the investment manager. Following the transfer out of the DC section relatively early in the period, voting information for previously held DC assets is not included

DB Section

Manager and strategy ¹	Number of meetings at which the manager was eligible to vote	Number of resolutions on which manager was eligible to vote	Percentage of eligible votes cast	Percentage of votes with management	Percentage of votes against management	Percentage of votes abstained from	Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management	Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser
LGIM Diversified Fund	8,997	93,090	99.79%	76.58%	23.13%	0.29%	73.61%	14.47%

¹ Percentage of votes total may not sum exactly to 100% due to interim rounding.

Significant votes

The following table demonstrates a sample of significant votes cast on behalf of the Plan over the year to 31 March 2024 and LGIM’s rationale for their approach towards each vote, which the Trustee has considered and believes to be reasonable. All votes are relevant to the LGIM Diversified Fund.

Significant votes cast
<p><u>Company: Toyota Motor Corp.</u></p> <p><u>Meeting date: 14 June 2023</u></p> <p>Resolution: Resolution 4 – Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement</p> <p>Summary: LGIM views climate lobbying as a crucial part of enabling the transition to a net zero economy. A vote for this proposal is 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. We acknowledge the progress that Toyota Motor Corp has made in relation to its climate lobbying disclosure in recent years. However, we 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. Furthermore, we expect Toyota Motor Corp to improve its governance structure to oversee this climate lobbying review. We believe the company must also explain more clearly how its multi-pathway electrification strategy translates into meeting its decarbonisation targets, and how its climate lobbying practices are in keeping with this.</p> <p>How the manager voted: For (against management recommendation)</p> <p>Rationale for being considered a significant vote: 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, we expect companies to be transparent in their disclosures of their lobbying activities and internal review processes involved.</p> <p>Outcome of the vote: Resolution received 15.1% support, i.e. it failed to pass.</p>
<p><u>Company: Amazon.com, Inc.</u></p> <p><u>Meeting date: 24 May 2023</u></p> <p>Resolution: Resolution 13 – Report on Median and Adjusted Gender/Racial Pay Gaps</p> <p>Summary: 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 we 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.</p> <p>How the manager voted: For (against management recommendation)</p> <p>Rationale for being considered a significant vote: 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.</p> <p>Outcome of the vote: Resolutions received 29% support, i.e. it failed to pass</p>

Significant votes cast

Company: Mizuho Financial Group, Inc.

Meeting date: 23 June 2023

Resolution: Resolution 2 - To amend the articles of incorporation to publish a transition plan to align lending and investment portfolios with the Paris Agreement

Summary: We 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 we have found that these proposals and the ensuing shareholder dialogue has helped drive improved disclosures and tighter policies at the companies. Therefore, 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. We believe that the drafting of the resolution text is sufficiently general as not to be overly prescriptive on management given the binding nature of amending the articles of incorporation.

How the manager voted: For (Against Management Recommendation)

Rationale for being considered a significant vote: Pre-declaration and Thematic – Climate: LGIM considers this vote to be significant as we pre-declared our intention to support. We 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.

Outcome of the vote: Resolution received 19% shareholder support, i.e. it failed to pass.

Company: Glencore Plc

Meeting date: 26 May 2023

Resolution: Resolution 19: Shareholder resolution “Resolution in Respect of the Next Climate Action Transition Plan”

Summary: 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 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 our multi-year discussions with the company since 2016 on its approach to the energy transition.

How the manager voted: For (Against Management Recommendation)

Rationale for being considered a significant vote: Pre-declaration and Engagement: LGIM considers this vote to be significant as LGIM co-filed this shareholder resolution as an escalation of our engagement activity, targeting some of the world’s largest companies on their strategic management of climate change.

Outcome of the vote: Resolution received 29.2% shareholder support, i.e. it failed to pass.

Significant votes cast

Company: Intermediate Capital Group Plc

Meeting date: 20 July 2023

Resolution: Resolution 7: Elect William Rucker as Director

Summary: Board mandates: A vote in favour of this proposal is applied. This decision takes into account that, in addition to his role as board chairman at Intermediate Capital Group, Mr Rucker is currently also Chairman at Marston's and holds an executive role (below-board) at Lazard Ltd. Following engagement with the Company, we are comfortable that Mr Rucker has sufficient time to work effectively in his role as Chairman of the Company, and support for his election is therefore warranted.

How the manager voted: For

Rationale for being considered a significant vote: 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 (escalation of engagement by vote).

Outcome of the vote: Resolution received 94.48% shareholder support, i.e. it passed.

Company: Travel + Leisure Co.

Meeting date: 17 May 2023

Resolution: Resolution 1.5 - Elect Director Stephen P. Holmes

Summary: Deforestation Policy: A vote against is applied as the company is deemed to not meet minimum standards with regard to LGIM's deforestation policy. 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.

How the manager voted: Withhold (against management recommendation)

Rationale for being considered a significant vote: Thematic - Nature: LGIM considers this vote to be significant as it is applied under our engagement program on deforestation, targeting companies in high-risk sectors.

Outcome of the vote: Resolution received 96.9% shareholder support, i.e. it passed.

Significant votes cast

Company: Woodside Energy Group Ltd.

Meeting date: 28 April 2023

Resolution: Resolution 2.a – to re-elect Mr Ian Macfarlane as a director

Summary: The rationale for our intention to vote against the most senior director up for re-election, Mr Ian Macfarlane, reflects our 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. Additionally, following the completion of the BHP petroleum assets merger in 2022, we are looking to get more clarity on the decarbonisation targets of the combined group, and note a number of gaps in the company's disclosure, primarily around the overreliance on offsets for achieving climate goals. In 2023, we have met with the company (investor relations) and with the chair of the board. However, we still feel that actions taken are insufficient to restore investor confidence and that there is a lack of urgency around better aligning the company with the Paris objectives.

How the manager voted: Against (Against Management Recommendation)

Rationale for being considered a significant vote: Pre-declaration and Thematic – Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement program targeting some of the world's largest companies on their strategic management of climate change.

Outcome of the vote: Resolution received 65.2% shareholder support, i.e. it passed.

Company: JPMorgan Chase & Co.

Meeting date: 16 May 2023

Resolution: Resolution 9 - Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets

Summary: We generally support resolutions that seek additional disclosures on how they aim to manage their financing activities in line with their published targets. We believe detailed information on how a company intends to achieve the 2030 targets they have set and published to the market (the 'how' rather than the 'what', including activities and timelines) can further focus the board's attention on the steps and timeframe involved and provides assurance to stakeholders. The onus remains on the board to determine the activities and policies required to fulfil their own ambitions, rather than investors imposing restrictions on the company.

How the manager voted: For (Against Management Recommendation)

Rationale for being considered a significant vote: Pre-declaration and Thematic – Climate: LGIM considers this vote to be significant as we pre-declared our intention to support. We 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.

Outcome of the vote: Resolution received 34.8% shareholder support, i.e. it failed to pass.

Significant votes cast

Company: Kimco Realty Corporation

Meeting date: 25 April 2023

Resolution: Resolution 1f – Elect Director Mary Hogan Preusse

Summary: 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. Diversity: A vote against is applied due to the lack of gender diversity at executive officer level. LGIM expects executives' officers to include at least 1 female.

How the manager voted: Against (against management recommendation)

Rationale for being considered a significant vote: Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

Outcome of the vote: Resolution received 81.7% shareholder support, i.e. it passed.

Company: Treasury Wine Estates Limited

Meeting date: 16 October 2023

Resolution: Resolution 3 - Approve Remuneration Report

Summary: Remuneration: Performance conditions: A vote against is applied as the level of disclosures in respect of performance conditions does not allow shareholders to make a fully informed assessment of remuneration. Remuneration - Discretion: A vote against is applied as the company has applied discretion to enable an award to vest that would have lapsed due to not meeting the performance conditions that were previously set. LGIM does not consider the rationale for the discretion to be sufficiently robust. A vote against the remuneration report is warranted given the following corporate governance concerns:- Medium level of concern in quantitative pay for performance analysis, suggesting that pay is not well aligned with performance and shareholder returns. Upward discretion was exercised by the board to adjust the ROCE outcome to 92 percent of maximum, despite disclosure indicating that the threshold hurdle was not achieved. Inferior and absent disclosure of quantified and specific performance targets and outcomes in the STI. The individual performance multiplier continues to be utilised, which appears to be based on discretionary assessment of core 'day job' responsibilities of executives. The Chair and directors continue to receive increases in fees despite their fees being above the median of similar sized companies by market capitalisation and industry peers.

How the manager voted: Against

Rationale for being considered a significant vote: 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.

Outcome of the vote: Resolution received 53.7% shareholder support, i.e. it passed.

Significant votes cast

Company: Chubu Electric Power Co., Inc.

Meeting date: 28 June 2023

Resolution: Resolution 3.1: Elect Director Katsuno, Satoru

Summary: As part of LGIMs Climate Impact Pledge, LGIM sets out a number of minimum expectations (known as red lines) of companies that are the minimum requirement to transition to a net-zero world by 2050. LGIM had reached out to Chubu to discuss areas where they were not meeting these red lines. These areas included having targets for phasing out of unabated coal by 2030; a target to reduce material scope 3 emissions and disclosure of climate-related lobbying activities. Despite the engagement, LGIM was still cautious around the lack of target for the sale of gas, the conservative time-frame commitment to phasing out thermal coal, and the intention - but not action - on disclosing information on its' climate lobbying activities. In line with LGIM's voting sanction under the Climate Impact Pledge, LGIM voted against the re-election of the chair whilst continuing engagement to improve these areas in the future.

How the manager voted: Against (against management recommendation)

Rationale for being considered a significant vote: Pre-declaration and Thematic – Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement program targeting some of the world's largest companies on their strategic management of climate change.

Outcome of the vote: Resolution received 96.2% shareholder support, i.e. it passed.

Significant votes cast

Company: Pearson Plc

Meeting date: 28 April 2023

Resolution: Resolution 12 – To approve the remuneration policy

Summary: At LGIM, we continue to review and strengthen our executive pay principles to improve pay practices and help companies better align pay with long-term performance. The company consulted with LGIM in advance of the publication of their remuneration policy to propose some changes to executive pay. The changes centred around the fact that their CEO is based in the US and should therefore be compensated in line with US peers. Thus, there was a higher proposed annual bonus opportunity and long-term incentive award. Our main concern was that although the company wants to align the CEO's salary with US peers, they have elected to use UK practices when it comes to his pension. This would result in a pension provision of 16% of salary, which is more than his US peers typically receive. We plan to vote against the policy because we feel the company should not pick and choose the regions (UK/US) to set executive pay based on which region offers the highest opportunity.

How the manager voted: Against (Against Management Recommendation)

Rationale for being considered a significant vote: Pre-declaration Engagement: LGIM considers this vote to be significant as it is in application of an escalation of our engagement activity. LGIM has had reason to vote against pay for more than one year.

Outcome of the vote: Resolution received 53.6% shareholder support, i.e. it passed.

Company: Activision Blizzard, Inc.

Meeting date: 21 June 2023

Resolution: Resolution 5 - Submit Severance Agreement (Change-in-Control) to Shareholder Vote

Summary: Shareholder Resolution - Shareholder rights: A vote for this proposal is warranted. The proposal is not an outright ban on the acceleration of awards or other severance arrangements; rather, future agreements that exceed the severance basis would likely require shareholder ratification. Further, the proposal only applies to future severance arrangements and therefore would not impact all severance programs that are currently in place.

How the manager voted: For (against management recommendation)

Rationale for being considered a significant vote: High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.

Outcome of the vote: Resolution received 38.7% shareholder support, i.e. it failed to pass.

Section 5: Appendix 1 – Manager voting policies

LGIM's voting policy is provided below

“Policy on consulting clients:

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

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

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

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

We retain the ability in all markets to override any vote decisions, which are based on our custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows us to apply a qualitative overlay to our voting judgement. We have strict monitoring controls to ensure our

votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action.

For more information on how we use the services of proxy providers, please refer to the following document available on our website: <https://www.lgim.com/landg-assets/lgim/document-library/capabilities/how-lgim-uses-proxy-voting-services.pdf>

Process for determining the “most significant” votes:

As regulation on vote reporting has recently evolved with the introduction of the concept of ‘significant vote’ by the EU Shareholder Rights Directive II, LGIM wants to ensure we continue to help our clients in fulfilling their reporting obligations. We also believe public transparency of our vote activity is critical for our clients and interested parties to hold us to account.

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

In determining significant votes, LGIM’s Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (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.

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

The vote information is updated on a daily basis and with a lag of one day after a shareholder meeting is held. We also provide the rationale for all votes cast against management, including votes of support to shareholder resolutions.

Additional comments relevant to 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 our expectations, an analysis of any issues we have experienced when voting during the previous quarter, the quality of the ISS research delivered, general service level, personnel changes, the management of any potential conflicts of interest and a review of the effectiveness of the monitoring process and voting statistics. The meetings will also review any action points arising from the previous quarterly meeting.

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