

Antolin Interiors Pension Scheme

Purpose

This Implementation Statement provides information on how, and the extent to which, the Trustees of the Antolin Interiors Pension Scheme (“the Scheme”) have followed the policies documented in their Statement of Investment Principles (“SIP”) during the year ended 5 April 2021 (“the reporting year”). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

Latest review of the Statement of Investment Principles

Following new requirements in relation to Environmental, Social and Governance (“ESG”) and voting issues, the Trustees have documented their policies in a revised Statement of Investment Principles (“SIP”) dated September 2020. The new policies are as follows:

Updated policy in relation to the exercise of rights (including voting rights) attaching to investments and undertaking engagement activities in respect of the investments:

As the Scheme invests in pooled funds, the Trustees acknowledge that they cannot directly influence the policies and practices of the companies in which the pooled funds invest. They have therefore delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme’s investments to the Investment Managers. The Trustees encourage them to engage with investee companies and vote whenever it is practical to do so on financially material matters such as strategy, capital structure, conflicts of interest policies, risks, social and environmental impact and corporate governance as part of their decision-making processes. The Trustees require the Investment Managers to report on significant votes made on behalf of the Trustees.

If the Trustees become aware of an Investment Manager engaging with the underlying issuers of debt or equity in ways that they deem inadequate or that the results of such engagement are mis-aligned with the Trustees’ expectation, then the Trustees may consider terminating the relationship with that Investment Manager.

New policy in relation to incentives to align investment managers’ investment strategy and decisions with the trustees’ policies:

The Trustees consider the arrangements with the Investment Managers to be aligned with the Scheme’s overall strategic objectives. Details of each specific mandate are set out in guidelines, agreements and pooled fund documentation with each Investment Manager. The amounts allocated to any individual category or security will be influenced by the overall benchmark and objectives, varied through the Investment Managers’ tactical asset allocation preferences at any time, within any scope given to them through any asset allocation parameters set by the Trustees or governing the pooled funds in which the Scheme is invested.

The Trustees will ensure that the Scheme’s assets are predominantly invested in regulated markets to maximise their security.

Investment Managers are incentivised to perform in line with expectations for their specific mandate as their continued involvement as Investment Managers as part of the Scheme’s investment strategy – and hence the fees they receive – are dependent upon them doing so. They are therefore subject to performance monitoring and reviews based on a number of factors linked to the Trustees’ expectations, including their selection / deselection criteria set out in the SIP.

Updated policy in relation to incentives for the investment manager to make decisions based on assessments about medium to long-term financial and nonfinancial 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:

The Trustees encourage Investment Managers to make decisions in the long-term interests of the Scheme. The Trustees expect engagement with management of the underlying issuers of debt or equity and the exercising of voting rights. This expectation is based on the belief that such engagement can be expected to help Investment Managers to mitigate risk

and improve long term returns. The Trustees also require the Investment Managers to take ESG factors and climate change risks into consideration within their decision-making as the Trustees believe these factors could have a material financial impact in the long-term. The Trustees therefore make decisions about the retention of Investment Managers, accordingly.

New policy in relation to 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 Trustees' policies:

The Trustees receive quarterly performance monitoring reports from the Investment Manager. If there are concerns, the Trustees may carry out a more in-depth review of a particular Investment Manager. Investment Managers will also attend meetings of the Trustees as requested.

Fund manager remuneration is considered as part of the manager selection process. It is also monitored regularly with the help of the Investment Consultant to ensure it is in line with the Trustees' policies and with fee levels deemed by the Investment Consultant to be appropriate for the particular asset class and fund type.

New policy in relation to how the trustees monitor portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range:

The Trustees require the Investment Managers to report on actual portfolio turnover at least annually, including details of the costs associated with turnover, how turnover compares with the range that the Investment Manager expects and the reasons for any divergence.

New policy in relation to the duration of the arrangement with the asset manager:

Appointments of Investment Managers are expected to be long-term, but the Trustees will review the appointment of the Investment Managers in accordance with their responsibilities.

The previous version of the SIP had been in existence since September 2019, meaning each version of the SIP was relevant during different parts of the reporting year.>

Investment-related activity during the reporting year

Trustee training

Over the course of the reporting year, the Trustees received training on the following investment topics:

- An update on the UK Stewardship code 2020.
- New policies and wording required in the Statement of Investment Principles by 1 October 2020.
- New policies surrounding the disclosure requirements and Implementation Statement.

CMA Objectives

In line with the 10 June 2019 CMA Order which required trustees to set objectives for existing and new investment consultant appointments, the Trustees have previously set investment objectives for XPS Investment Limited. The Trustees submitted confirmation to the CMA that they were compliant with the order for the period ending 10 December 2020.

Asset allocation/fund reviews

In understanding that asset allocation plays an important role in achieving investment objectives and good member outcomes, the Trustees regularly monitor the asset allocation of the Scheme to ensure that this is in line with their current investment objectives.

The Trustees are required to review the strategy of the default investment arrangements at least every three years or immediately following any significant change in investment policy or in the Trust's member profile. The last formal review was carried out in May 2018.

The Trustees' investment policies

The Trustees' investment policies applicable to the Scheme during the reporting year were as follows:

Policy	How the policy was followed ¹	The extent to which the policy was followed ²
<p>Kinds of investments to be held</p> <p>The Trustees' policy is to provide members with investment vehicles encompassing both real and monetary assets.</p>	<p>The range of investment options available incorporates both real and monetary assets.</p>	<p>The Trustees are satisfied that they followed the policy in over the reporting period.</p>
<p>Balance between different investments</p> <p>The amounts allocated to any individual asset class will be influenced by the choices made by the members.</p> <p>The Trustees' policy is to offer a range of investment funds with different risk-reward characteristics.</p>	<p>Members are able to make their own investment choice from the range of options determined by the Trustees.</p> <p>The options available to members include equities (UK and overseas), bonds, cash and multi asset funds.</p>	<p>The Trustees are satisfied that they followed the policy in over the reporting period.</p>
<p>Choosing investments</p> <p>The Trustees' policy is to regularly review the investments over which they retain control and to obtain written advice about them when necessary.</p>	<p>No changes were made over the period.</p>	<p>The Trustees are satisfied that they followed this policy in full during the year.</p>
<p>Risks (measurement and management)</p> <p>The Trustees have a number of policies in respect of risk management and measurement.</p>	<p>The Trustees receive regular reporting from their investment manager on the performance of the Scheme's investments and from XPS on the administration of the fund.</p>	<p>The Trustees are satisfied that appropriate reporting is in place.</p>
<p>Expected return</p> <p>The Trustees' policy is to make available a range of investment funds with different risk-reward characteristics that will allow members to maintain the real value of their fund whilst at the same time providing them with the opportunity to invest in assets which are closely aligned to the way in which it is anticipated they will convert their fund at retirement.</p>	<p>The Trustees have made available a range of investment funds with different risk-reward characteristics..</p>	<p>The Trustees are satisfied that they followed the policy in over the reporting period.</p>
<p>Realisation of investments</p> <p>The Trustees' policy is to monitor closely the extent to which any</p>	<p>The investment manager provides quarterly reports and any updates on the</p>	

assets not readily realisable are held by the Investment Managers.	funds to the Trustees which allows them to monitor if any assets are not readily realisable.	The Trustees are satisfied that they followed the policy in over the reporting period.
ESG The Trustees' policy is to delegate the ongoing monitoring and management of ESG risks and those related to climate change to the investment manager. Further details are set out elsewhere in this statement.	The investment manager has responsibility for the ongoing monitoring and management of ESG risks and those related to climate change.	The Trustees are satisfied that they followed the policy in full over the reporting period.
Non-financial matters The Trustees' policy is to act in the best interests of the beneficiaries of the Scheme when selecting, retaining or realising investments. They have neither sought nor taken into account the beneficiaries' views on risks including (but not limited to) ethical, social and environmental issues.	The Trustees seek professional advice in relation to the management of the assets of the Scheme to ensure any decisions they make are in the best interests of Scheme beneficiaries.	The Trustees are satisfied that they followed the policy in full over the period.
Voting rights The Trustees have delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme's investments to the investment managers. Further details are set out elsewhere in this statement.	The underlying investment managers vote in accordance with their internal voting policies.	The Trustees are satisfied that they followed the policy in full over the reporting period
Stewardship/relationship with managers The Trustees have established various policies in relation to the stewardship of assets and the ongoing relationship with the investment manager as set out elsewhere in this statement.	The Trustees are yet to engage in any meaningful way with the investment managers.	The Trustees acknowledge that the policy has not been followed during the reporting year but they are looking to engage with the investment managers over the next twelve months.

Voting

The Trustees have delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme's investments to the investment managers and their policy is to encourage them to engage with investee companies and vote whenever it is practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments.

The main asset class where the investment managers will have voting rights is equities. The Scheme has specific allocations to both public equities in UK and overseas markets, and investments in equities will also form part of the strategy for both the Mixed Asset Fund (through a holding in the LGIM World Equity Index Fund) and the LGIM Diversified Fund. A summary of the voting behaviour and most significant votes cast by each of the investment manager organisations for the relevant funds is shown below. Based on this summary, the Trustees conclude that the investment managers have exercised their delegated voting rights on behalf of the Trustees in a way that aligns with the Trustees' relevant policies in this regard. Note that the information provided below is for the 12 months to 31 March 2021.

Legal and General Investments

Voting Information
Legal and General Investment Management Global Equity 70:30 Index Fund
The manager voted on 99.87% of resolutions of which they were eligible out of 79697 eligible votes.
Investment Manager Client Consultation Policy on Voting
<p>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.</p> <p>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.</p>
Investment Manager Process to determine how to Vote
<p>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.</p>
How does this manager determine what constitutes a 'Significant' Vote?
<p>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.</p>

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. If you have any additional questions on specific votes, please note that LGIM publicly discloses its vote instructions on our website at: <https://vds.issgovernance.com/vds/#/MjU2NQ==/>

Does the manager utilise a Proxy Voting System? If so, please detail

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.

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
Qantas Airways Limited	Resolution 3 Approve participation of Alan Joyce in the Long-Term Incentive Plan	LGIM voted against resolution 3 and supported resolution 4.	About 90% of shareholders supported resolution 3 and 91% supported resolution 4.

	Resolution 4 Approve Remuneration Report.		The meeting results highlight LGIM's stronger stance on the topic of executive remuneration, in our view.
We will continue our engagement with the company.			
Whitehaven Coal	Resolution 6 Approve capital protection. Shareholders are asking the company for a report on the potential wind-down of the company's coal operations, with the potential to return increasing amounts of capital to shareholders.	LGIM voted for the resolution.	The resolution did not pass, as a relatively small amount of shareholders (4%) voted in favour. However, the environmental profile of the company continues to remain in the spotlight: in late 2020 the company pleaded guilty to 19 charges for breaching mining laws that resulted in 'significant environmental harm'. As the company is on LGIM's Future World Protection List of exclusions, many of our ESG-focused funds – and select exchange-traded funds – were not invested in the company.
LGIM will continue to monitor this company.			
International Consolidated Airlines Group	Resolution 8: Approve Remuneration Report' was proposed at the company's annual shareholder meeting held on 7 September 2020.	We voted against the resolution.	28.4% of shareholders opposed the remuneration report.
LGIM will continue to engage closely with the renewed board.			
Lagardère	Shareholder resolutions A to P. Activist Amber Capital, which owned 16% of the share capital at the time of engagement, proposed 8 new directors to the Supervisory Board (SB) of Lagardère, as well as to remove all the incumbent directors (apart from two 2019 appointments).	LGIM voted in favour of five of the Amber-proposed candidates (resolutions H,J,K,L,M) and voted off five of the incumbent Lagardère SB directors (resolutions B,C,E,F,G).	Even though shareholders did not give majority support to Amber's candidates, its proposed resolutions received approx. between 30-40% support, a clear indication that many shareholders have concerns with the board. (Source: ISS data)

<p>LGIM will continue to engage with the company to understand its future strategy and how it will add value to shareholders over the long term, as well as to keep the structure of SB under review.</p>			
<p>Imperial Brands plc</p>	<p>Resolutions 2 and 3, respectively, Approve Remuneration Report and Approve Remuneration Policy.</p>	<p>LGIM voted against both resolutions.</p>	<p>Resolution 2 (Approve Remuneration Report) received 40.26% votes against, and 59.73% votes of support. Resolution 3 (Approve Remuneration Policy) received 4.71% of votes against, and 95.28% support.</p>
<p>LGIM continues to engage with companies on remuneration both directly and via IVIS, the corporate governance research arm of The Investment Association. LGIM annually publishes remuneration guidelines for UK listed companies.</p>			

Voting Information

Legal and General Investment Management Diversified Fund

The manager voted on 98.98% of resolutions of which they were eligible out of 115604 eligible votes.

Investment Manager Client Consultation Policy on 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.

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.

Investment Manager Process to determine 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.

How does this manager determine what constitutes a 'Significant' Vote?

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. If you have any additional questions on specific votes, please note that LGIM publicly discloses its vote instructions on our website at: <https://vds.issgovernance.com/vds/#/MjU2NQ==/>

Does the manager utilise a Proxy Voting System? If so, please detail

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.

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
Qantas Airways Limited			

	<p>Resolution 3 Approve participation of Alan Joyce in the Long-Term Incentive Plan</p> <p>Resolution 4 Approve Remuneration Report.</p>	<p>LGIM voted against resolution 3 and supported resolution 4.</p>	<p>About 90% of shareholders supported resolution 3 and 91% supported resolution 4. The meeting results highlight LGIM's stronger stance on the topic of executive remuneration, in our view.</p>
<p>We will continue our engagement with the company.</p>			
<p>Whitehaven Coal</p>	<p>Resolution 6 Approve capital protection. Shareholders are asking the company for a report on the potential wind-down of the company's coal operations, with the potential to return increasing amounts of capital to shareholders.</p>	<p>LGIM voted for the resolution.</p>	<p>The resolution did not pass, as a relatively small amount of shareholders (4%) voted in favour. However, the environmental profile of the company continues to remain in the spotlight: in late 2020 the company pleaded guilty to 19 charges for breaching mining laws that resulted in 'significant environmental harm'. As the company is on LGIM's Future World Protection List of exclusions, many of our ESG-focused funds – and select exchange-traded funds – were not invested in the company.</p>
<p>LGIM will continue to monitor this company.</p>			
<p>International Consolidated Airlines Group</p>	<p>Resolution 8: Approve Remuneration Report' was proposed at the company's annual shareholder meeting held on 7 September 2020.</p>	<p>We voted against the resolution.</p>	<p>28.4% of shareholders opposed the remuneration report.</p>
<p>LGIM will continue to engage closely with the renewed board.</p>			
<p>Lagardère</p>	<p>Shareholder resolutions A to P. Activist Amber Capital, which owned 16% of the share capital at the time of engagement, proposed 8 new directors to the Supervisory Board (SB) of Lagardère, as well as to remove all the incumbent directors (apart from two 2019 appointments).</p>	<p>LGIM voted in favour of five of the Amber-proposed candidates (resolutions H,J,K,L,M) and voted off five of the incumbent Lagardère SB directors (resolutions B,C,E,F,G).</p>	<p>Even though shareholders did not give majority support to Amber's candidates, its proposed resolutions received approx. between 30-40% support, a clear indication that many</p>

			shareholders have concerns with the board. (Source: ISS data)
LGIM will continue to engage with the company to understand its future strategy and how it will add value to shareholders over the long term, as well as to keep the structure of SB under review.			
Imperial Brands plc	Resolutions 2 and 3, respectively, Approve Remuneration Report and Approve Remuneration Policy.	LGIM voted against both resolutions.	Resolution 2 (Approve Remuneration Report) received 40.26% votes against, and 59.73% votes of support. Resolution 3 (Approve Remuneration Policy) received 4.71% of votes against, and 95.28% support.
LGIM continues to engage with companies on remuneration both directly and via IVIS, the corporate governance research arm of The Investment Association. LGIM annually publishes remuneration guidelines for UK listed companies.			

Voting Information

Legal and General Investment Management World Equity Index Fund

The manager voted on 99.84% of resolutions of which they were eligible out of 40987 eligible votes.

Investment Manager Client Consultation Policy on 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.

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.

Investment Manager Process to determine 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.

How does this manager determine what constitutes a 'Significant' Vote?

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. If you have any additional questions on specific votes, please note that LGIM publicly discloses its vote instructions on our website at: <https://vds.issgovernance.com/vds/#/MjU2NQ==/>

Does the manager utilise a Proxy Voting System? If so, please detail

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.

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
---------	----------------	--------------------------------------	--------

Qantas Airways Limited	Resolution 3 Approve participation of Alan Joyce in the Long-Term Incentive Plan Resolution 4 Approve Remuneration Report.	LGIM voted against resolution 3 and supported resolution 4.	About 90% of shareholders supported resolution 3 and 91% supported resolution 4. The meeting results highlight LGIM's stronger stance on the topic of executive remuneration, in our view.
We will continue our engagement with the company.			
Whitehaven Coal	Resolution 6 Approve capital protection. Shareholders are asking the company for a report on the potential wind-down of the company's coal operations, with the potential to return increasing amounts of capital to shareholders.	LGIM voted for the resolution.	The resolution did not pass, as a relatively small amount of shareholders (4%) voted in favour. However, the environmental profile of the company continues to remain in the spotlight: in late 2020 the company pleaded guilty to 19 charges for breaching mining laws that resulted in 'significant environmental harm'. As the company is on LGIM's Future World Protection List of exclusions, many of our ESG-focused funds – and select exchange-traded funds – were not invested in the company.
LGIM will continue to monitor this company.			
International Consolidated Airlines Group	Resolution 8: Approve Remuneration Report' was proposed at the company's annual shareholder meeting held on 7 September 2020.	We voted against the resolution.	28.4% of shareholders opposed the remuneration report.
LGIM will continue to engage closely with the renewed board.			
Lagardère	Shareholder resolutions A to P. Activist Amber Capital, which owned 16% of the share capital at the time of engagement, proposed 8 new directors to the Supervisory Board (SB) of Lagardère, as well as to remove all the incumbent directors (apart from two 2019 appointments).	LGIM voted in favour of five of the Amber-proposed candidates (resolutions H,J,K,L,M) and voted off five of the incumbent Lagardère SB directors (resolutions B,C,E,F,G).	Even though shareholders did not give majority support to Amber's candidates, its proposed resolutions received approx. between 30-40% support, a clear indication that many

			shareholders have concerns with the board. (Source: ISS data)
LGIM will continue to engage with the company to understand its future strategy and how it will add value to shareholders over the long term, as well as to keep the structure of SB under review.			
Imperial Brands plc	Resolutions 2 and 3, respectively, Approve Remuneration Report and Approve Remuneration Policy.	LGIM voted against both resolutions.	Resolution 2 (Approve Remuneration Report) received 40.26% votes against, and 59.73% votes of support. Resolution 3 (Approve Remuneration Policy) received 4.71% of votes against, and 95.28% support.
LGIM continues to engage with companies on remuneration both directly and via IVIS, the corporate governance research arm of The Investment Association. LGIM annually publishes remuneration guidelines for UK listed companies.			