Weidmuller UK Group Pension Plan Engagement Policy Implementation Statement for the year ending 31 December 2023

Introduction

The Trustee of the Weidmuller UK Group Pension Plan (the 'Plan') has a fiduciary duty to consider its approach to the stewardship of the investments, to maximise financial returns for the benefit of members and beneficiaries over the long term. The Trustee can promote an investment's long-term success through monitoring, engagement and/or voting, either directly or through its investment managers.

This statement sets out how, and the extent to which, in the opinion of the Trustee, the policies (set out in the Statement of Investment Principles) on the exercise of rights (including voting rights) attaching to the investments, and engagement activities have been followed during the year ending 31 December 2023. This statement also describes the voting behaviour by, or on behalf of, the Trustee including the most significant votes cast during the year, and whether a proxy voter has been used.

The Trustee, in conjunction with its investment consultant, appoint its investment managers and chooses the specific pooled funds to use in order to meet specific Plan policies. The Trustee expects that its investment managers make decisions based on assessments about the financial characteristics of underlying investments (including environmental, social and governance (ESG) factors, and that they engage with issuers of debt or equity to improve their performance (and thereby the Plan's performance) over an appropriate time horizon.

The Trustee has decided not to take non-financial matters into account when considering its policy objectives.

Stewardship - monitoring and engagement

The Trustee recognises that investment managers' ability to influence the companies in which they invest will depend on the nature of the investment.

The Trustee acknowledge that the concept of stewardship may be less applicable to some of their assets, particularly for short-term money market instruments, gilt and liability-driven investments. As such the Plan's investments in these asset classes are not covered by this engagement policy implementation statement.

The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights. The investment managers are expected to provide regular reports for the Trustee detailing their voting activity.

The Trustee also delegates responsibility for engaging and monitoring investee companies to the investment managers and expects the investment managers to use their discretion to maximise financial returns for members and others over the long term.

The Trustee seeks to appoint managers that have strong stewardship policies and processes and are supportive of their investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020. Details of the signatory status of each investment manager is shown below:

Investment manager	UN PRI Signatory	UK Stewardship Code Signatory
LGIM	Yes	Yes
Insight	Yes	Yes

The Trustee reviews each investment manager prior to appointment and monitor them on an ongoing basis through the regular review of the manager's voting and engagement policies, their investment consultant's ESG rating, and a review of each manager's voting and engagement behaviour.

The Trustee will seek to appoint investment managers that take a responsible and sustainable investment approach to investment and have identified priorities for monitoring and engagement with each investment manager, such as climate change and labour conditions including gender equality.

The Trustee believes that monitoring and engaging on these stewardship priorities will result in better long term returns for the Plan and better outcomes for Plan members.

Investment manager engagement policies

The Plan's investment managers are expected to have developed and publicly disclosed an engagement policy. These policies, amongst other things, provide the Trustee with information on how the investment managers engage in dialogue with the companies they invest in and how they exercise voting rights. They also provide details on the investment approach taken by the investment managers when considering relevant factors of the investee companies, such as strategy, financial and non-financial performance and risk, and applicable social, environmental and corporate governance aspects.

Links to each investment manager's engagement policy or suitable alternative is provided in the Appendix.

The latest available information provided by the investment managers (with mandates that contain equities) is as follows:

Engagement					
	LGIM UK Equity Index	LGIM North America Equity Index	LGIM Europe (ex UK) Equity Index	LGIM Japan Equity Index	LGIM Asia Pacific (ex Japan) Developed Equity Index
Period	01/01/2023 – 31/12/2023	01/01/2023 – 31/12/2023	01/01/2023 – 31/12/2023	01/01/2023 – 31/12/2023	01/01/2023 – 31/12/2023
Number of companies	211	181	63	45	78

engaged with over the year					
Number of engagements over the year	370	269	94	65	114
Top two engagement topics	Remuneration Ethnic Diversity	Climate Impact Pledge Remuneration	Climate Change Climate Impact Pledge	Climate Impact Pledge & Deforestation Climate Change	Climate Impact Pledge Climate change
Most significant company engagement over the year (based on holding size within fund)	Shell Plc	Apple Inc	Novo Nordisk A/S	Toyota Motor Corp	Samsung Electronics Co Ltd

Engagement	LGIM World Emerging Markets Equity Index	Insight Buy & Maintain Credit 2021-2025	Insight Buy & Maintain Credit 2026-2030	Insight Buy & Maintain Credit 2046-2050
Period	01/01/2023 – 31/12/2023	01/01/2023 – 31/12/2023	01/01/2023 – 31/12/2023	01/01/2023 – 31/12/2023
Number of companies engaged with over the year	194	40	59	33
Number of engagements over the year	235	87	128	62
Top two engagement topics	Climate Impact Pledge Deforestation	Strategy, Financial and Reporting -Strategy/purpose and financial performance		
Most significant company engagement over the year (based on holding size within fund)	Tencent Holdings Ltd	Not provided		

Exercising rights and responsibilities

The Trustee recognises that different investment managers should not be expected to exercise stewardship in an identical way, or to the same intensity.

The investment managers are expected to disclose annually a general description of their voting behaviour, an explanation of the most significant votes cast and report on the use of proxy voting advisers.

The Trustee has been provided with details of what each investment manager considers to be the most significant votes. The Trustee has not influenced the managers' definitions of significant votes but have reviewed these and are satisfied that they are all reasonable and appropriate.

The Trustee has selected the three votes affecting the largest asset holdings for inclusion in this statement. The Trustee did not communicate with the managers in advance about the votes they considered to be the most significant.

The investment managers publish online the overall voting records of the firm on a regular basis.

The investment managers use proxy advisers for the purposes of providing research, advice or voting recommendations that relate to the exercise of voting rights.

The Trustee does not carry out a detailed review of the votes cast by or on behalf of its investment managers but relies on the requirement for its investment managers to provide a high-level analysis of their voting behaviour.

The Trustee considers the proportion of votes cast, and the proportion of votes against management to be an important (but not the only) consideration of investor behaviour.

The latest available information provided by the investment managers with listed equity voting rights is as follows:

Voting behaviour					
	LGIM UK Equity Index Fund	**LGIM North America Equity Index**	**LGIM Europe (ex UK) Equity Index**	**LGIM Japan Equity Index**	**LGIM Asia Pacific (ex Japan) Developed Equity Index**
Period	01/01/2023 – 31/12/2023	01/01/2023 – 31/12/2023	01/01/2023 – 31/12/2023	01/01/2023 – 31/12/2023	01/01/2023 – 31/12/2023
Number of meetings eligible to vote at	680	648	567	513	479
Number of resolutions eligible to vote on	10,517	8,760	9,955	6,098	3,283
Proportion of votes cast	99.8%	99.7%	99.9%	100.0%	100.0%
Proportion of votes for management	94.2 %	65.5%	80.3%	88.1%	73.7%
Proportion of votes against management	5.8 %	34.5%	19.3%	12.0%	26.3%

Proportion of resolutions abstained from voting on	0.0%	0.0%	0.4%	0.0%	0.0%

Voting behaviour	LGIM World Emerging Markets Equity Index
Period	01/01/2023 – 31/12/2023
Number of meetings eligible to vote at	4,196
Number of resolutions eligible to vote on	34,029
Proportion of votes cast	99.9%
Proportion of votes for management	80.5%
Proportion of votes against management	18.6%
Proportion of resolutions abstained from voting on	0.9%

Trustee's assessment

The Trustee has, in their opinion, followed the Plan's voting and engagement policies during the year, by continuing to delegate to each investment manager, the exercise of rights and engagement activities in relation to investments, as well as seeking to appoint managers that have strong stewardship policies and processes.

The Trustee has undertaken a review of each investment manager's engagement policy including their policies in relation to financially material considerations and have found them to be acceptable at the current time.

The Trustee has considered the environmental, social and governance rating for each fund/investment manager provided by the investment consultant, which includes consideration of voting and/or engagement activities. This also includes those funds that do not hold listed equities.

Where an investment manager has received a relatively low rating from the investment consultant or from other external rating providers, the Trustee will consider whether and how to engage with the investment manager.

The Trustee reviews the significant voting and engagement behaviour of each investment manager from time to time and believes that these are broadly in line with each investment manager's stated policy and have not diverged significantly from any independent stewardship priorities identified for the Plan. The Trustee recognises that engagement and voting policies, practices and reporting will continue to evolve over time and is supportive of its investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020.

Appendix

Links to the engagement policies for each of the investment managers can be found here:

Investment manager	Engagement policy
Legal & General Investment Management	https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-engagement-policy.pdf
Insight	https://www.insightinvestment.com/globalassets/documents/responsible-investment/responsible-investment-reports/responsible-investment-policy.pdf
Columbia Threadneedle	https://www.columbiathreadneedle.co.uk/en/intm/about-us/responsible-investment/
JP Morgan	https://am.jpmorgan.com/gb/en/asset-management/gim/per/about-us/corporate-governance

Information on the most significant votes for each of the funds containing equities is shown in the tables below.

LGIM UK Equity Index Fund	Vote 1	Vote 2	Vote 3
Company name	Shell Plc	BP Plc	Glencore Plc
Date of Vote	23/05/2023	27/04/2023	26/05/2023
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	7.0 %	3.8 %	2.4 %
Summary of the resolution	Resolution 25 - Approve the Shell Energy Transition Progress	Resolution 4 - Re-elect Helge Lund as Director	Resolution 19: Shareholder resolution "Resolution in Respect of the Next Climate Action Transition Plan"
How the fund manager voted	Against (against management recommendation)	Against (against management recommendation)	For (Against Management Recommendation)
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	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 their policy not to engage with investee companies in the three weeks prior to an AGM as LGIM's 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 their policy not to engage with investee companies in the three weeks prior to an AGM as LGIM's 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.

Rationale for the voting decision	Climate change: A vote against is 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 pursuing low carbon products. However, they 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.	Governance: A vote against is 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 amended climate transition strategy at the 2023 AGM. Additionally, LGIM note concerns around the governance processes leading to the decision to implement such amendments.	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 LGIM's multi-year discussions with the company since 2016 on its approach to the energy transition.
Outcome of the vote	80% (Pass)	N/A	29.2% (Fail)
Implications of the outcome	LGIM continues to undertake extensive engagement with Shell on its climate transition plans	LGIM will continue to engage with the company and monitor progress.	LGIM will continue to engage with the company and monitor progress.
Criteria on which the vote is assessed to be "most significant"	Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. LGIM expect transition	High Profile Meeting and Engagement: LGIM consider this vote to be significant given their long-standing	Pre-declaration and Engagement: LGIM considers this vote to be significant as LGIM co-filed this

	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.	engagement with the company on the issue of climate.	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.

LGIM North America Equity Index	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Microsoft Corporation	Amazon.com, Inc.	NVIDIA Corporation
Date of Vote	07/12/2023	24/05/2023	22/06/2023
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	6.9 %	2.5 %	2.3 %
Summary of the resolution	Resolution 1.06 - Elect Director Satya Nadella	Resolution 13 – Report on Median and Adjusted Gender/Racial Pay Gaps	Resolution 1i - Elect Director Stephen C. Neal
How the fund manager voted	Against	For (Against Management Recommendation)	Against (against management recommendation)
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with investee companies in the	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

	three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics		investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.	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.	Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board. Average board tenure: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.
Outcome of the vote	N/A	29% (Fail)	N/A
Implications of the outcome	LGIM will continue to engage with LGIM's 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.	LGIM will continue to engage with their investee companies, publicly advocate LGIM's position on this issue and monitor company and market-level progress.

Criteria on which the vote is assessed to be "most significant"	Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of LGIM's vote policy on the topic of the combination of the board chair and CEO.	Pre-declaration and Thematic – Diversity: LGIM views gender diversity as a financially material issue for LGIM's clients, with implications for the assets they manage on their behalf.	Thematic - Diversity: LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.

LGIM Europe (ex UK) Equity Index	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Novartis AG	TotalEnergies SE	Sanofi
Date of Vote	07/03/2023	26/05/2023	25/05/2023
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.0 %	1.7 %	1.4 %
Summary of the resolution	Resolution 8.1 - Reelect Joerg Reinhardt as Director and Board Chair	Resolution 14 - Approve the Company's Sustainable Development and Energy Transition Plan	Resolution 4 - Elect Frederic Oudea as Director
How the fund manager voted	Against	Against (against management recommendation)	Against (against management recommendation)
Where the fund manager voted against management, did they communicate	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale

their intent to the company ahead of the vote	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.	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.	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.
Rationale for the voting decision	Diversity: A vote against is 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.	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, 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.	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.
Outcome of the vote	N/A	N/A	N/A
Implications of the outcome	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 LGIM's position on this issue and monitor company and market-level progress.
Criteria on which the vote is assessed to be "most significant"	Thematic - Diversity: LGIM views gender diversity as a financially material issue for LGIM's clients, with	Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. They expect transition	Thematic - Diversity: LGIM views gender diversity as a financially material issue for their clients, with

	implications for the assets they manage on their behalf.	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.	implications for the assets LGIM manage on their behalf.

LGIM Japan Equity Index	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Toyota Motor Corp.	Mitsubishi UFJ Financial Group, Inc.	Daiichi Sankyo Co., Ltd.
Date of Vote	14/06/2023	29/06/2023	19/06/2023
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	4.2 %	2.0 %	1.6 %
Summary of the resolution	Resolution 4 – Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement	Resolution 3 - To amend the articles of incorporation to publish a transition plan to align lending and investment portfolios with the Paris Agreement	Resolution 2.1 - Elect Director Manabe, Sunao
How the fund manager voted	For (Against Management Recommendation)	For (Against Management Recommendation)	Against (against management recommendation)
Where the fund manager voted against management, did they communicate	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale

their intent to the company ahead of the vote	set to the company ahead of the meeting.	set to the company ahead of the meeting.	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.
Rationale for the voting decision	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. 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. Furthermore, LGIM expect Toyota Motor Corp to improve its governance structure to oversee this climate lobbying review. LGIM believe the company must also explain more clearly how its multi-pathway electrification strategy translates into meeting its decarbonisation targets,	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 LGIM 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. LGIM believe that the drafting of the resolution text is sufficiently general as not to be overly prescriptive on management given the binding nature	Diversity: A vote against is applied due to the lack of meaningful diversity on the board.

	and how its climate lobbying practices are in keeping with this.	of amending the articles of incorporation.	
Outcome of the vote	15.1% (Fail)	N/A (Results not disclosed)	N/a
Implications of the outcome	LGIM will continue to engage with the company and monitor progress.	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.
Criteria on which the vote is assessed to be "most significant"	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 Asia Pacific (ex Japan) Developed Equity Index	**Vote 1**	**Vote 2**	**Vote 3**
Company name	National Australia Bank Limited	Westpac Banking Corp.	Woodside Energy Group Ltd.

Date of Vote	15/12/2023	14/12/2023	28/04/2023
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.1 %	1.8 %	1.5 %
Summary of the resolution	Resolution 5b - Approve Transition Plan Assessments	Resolution 5 - Approve Westpac Climate Change Position Statement and Action Plan	Resolution 2.a – to re-elect Mr Ian Macfarlane as a director
How the fund manager voted	For	Against	Against (Against Management Recommendation)
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM'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 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.
Rationale for the voting decision	Shareholder Resolution - Climate change: A vote in favour is 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	Climate change: A vote AGAINST this proposal is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. While LGIM positively note the company's net-zero commitments and welcome the opportunity to voice LGIM's opinion on the bank's climate	The rationale for LGIM's intention to vote against the most senior director up for re-election, Mr Ian Macfarlane, reflects LGIM's 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.

	practice and any timelines associated with this in light of the Company's existing commitments is considered beneficial to shareholders.	transition plan, LGIM highlight some concerns with the scope of targets and disclosures. In particular, the bank has not committed to establish science-based targets; and 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.	Additionally, following the completion of the BHP petroleum assets merger in 2022, LGIM 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, LGIM have met with the company (investor relations) and with the chair of the board. However, LGIM 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
Outcome of the vote	Withdrawn	Pass	65.2% (Pass)
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate LGIM's position on this issue and monitor company and market-level progress.	LGIM will continue to engage with their investee companies, publicly advocate LGIM's position on this issue and monitor company and market-level progress.	LGIM will continue to engage with the company and monitor progress.
Criteria on which the vote is assessed to be "most significant"	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	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

		when LGIM votes against the transition plan.	on their strategic management of climate change.

LGIM World Emerging Markets Equity Index	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Tencent Holdings Limited	Reliance Industries Ltd.	China Construction Bank Corporation
Date of Vote	17/05/2023	28/08/2023	29/06/2023
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	4.2 %	1.6 %	1.0 %
Summary of the resolution	Resolution 3a - Elect Jacobus Petrus (Koos) Bekker as Director	Resolution 5: Approve Reappointment and Remuneration of Mukesh D. Ambani as Managing Director	Resolution 7 - Elect Tian Guoli as Director
How the fund manager voted	Against (against management recommendation)	Against	Against (against management recommendation)
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	Climate Impact Pledge: A vote against is applied as the company is deemed to not	Joint Chair/CEO: A vote against is applied as LGIM expects the roles of Board Chair	Climate Impact Pledge: A vote against is 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.	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.	meet minimum standards with regard to climate risk management.
Outcome of the vote	88.4% (Pass)	N/A	N/A
Implications of the outcome	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.
Criteria on which the vote is assessed to be “most significant”	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. More information on LGIM's Climate Impact Pledge can be found here: https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/	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. More information on LGIM's Climate Impact Pledge can be found here: https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/

*N/A not applicable

Information on the most significant engagement case studies for each of the funds containing public equities or bonds is shown below.

LGIM - Firm-level	**Case Study 1**	**Case Study 2**	**Case Study 3**
Name of entity engaged with	Aegon Ltd	Sainsbury's	Exxon Mobil
Topic	Governance	Social: Income inequality - living wage (diversity, equity and inclusion)	Environment: Climate change (Climate Impact Pledge)
Rationale	“Following the disposal of Aegon Netherlands to ASR, Aegon no longer had insurance activities in the Netherlands. This transaction had transformed Aegon into an international insurance and asset management company. Since now over 99.5% of Aegon’s insurance businesses are not located in jurisdictions where Solvency II is the governing capital framework. Aegon made the decision to redomicile in Bermuda under the supervision of the Bermuda Supervision Authority (BMA). This required a vote by shareholders at an Extraordinary General Meeting on 30 September. While the business rationale was sound, the main concerns with this proposal for LGIM were that the new regulatory framework would adversely impacted shareholders rights, and potentially its capital position. The key issues included: 1) No pre-emptive rights for existing shareholders on the	"With over 600 supermarkets, more than 800 convenience stores, and nearly 190,000 employees, Sainsbury’s is the second largest supermarket in the UK. Although Sainsbury’s is currently paying higher wages than many other listed supermarkets, the company has been selected because it is more likely than many of its peers to be able to meet the requirements to become living-wage accredited. Ensuring companies take account of the ‘employee voice’ and that they are treating employees fairly in terms of pay and diversity and inclusion is an important aspect of our stewardship activities. As the cost of living ratchets up in the wake of the pandemic and amid soaring inflation in many parts of the world, our work on income inequality and our expectations of companies regarding the living wage have acquired a new level of urgency.	"As one of the world's largest public oil and gas companies, we believe that Exxon Mobil's climate policies, actions, disclosures and net zero transition plans have the potential for significant influence across the industry as a whole, and particularly in the US. At LGIM, we believe that company engagement is a crucial part of transitioning to a net zero economy by 2050. Under our Climate Impact Pledge, we publish our minimum expectations for companies in 20 climate-critical sectors. We select roughly 100 companies for 'in-depth' engagement - these companies are influential in their sectors, but in our view are not yet leaders on sustainability; by virtue of their influence, their improvements would be likely to have a knock-on effect on other companies within the sector, and in supply chains. Our in-depth engagement is focused on helping

issuance of common shares; (2) No shareholder approval would be required for share buybacks; and (3) No shareholder approval would be required for annual final dividend payments, amongst other issues.

Consequently, LGIM decided to engage with Aegon management team ahead of the EGM in order to highlight our concerns on the weakening of shareholder rights under the proposed redomicile and amendments to the Company's Articles of Incorporation. Given concerns amongst investors and third-party service providers, such as ISS, LGIM sought to lend our voice to influence the proposals and push for enhanced shareholders rights ahead of the vote. Additionally, LGIM wanted to better understand the impact of the new supervisory environment on the business to ensure that it would not adversely impact both creditors and shareholders."

As a responsible investor, LGIM advocates that all companies should ensure that they are paying their employees a living wage and that this requirement should also be extended to all firms with whom they do business across their Tier 1 and ideally Tier 2, supply chains.

We expect the company board to challenge decisions to pay employees less than the living wage.

We ask the remuneration committee, when considering remuneration for executive directors, to consider the remuneration policy adopted for all employees.

In the midst of the pandemic, we went a step further by tightening our criteria of bonus payments to executives at companies where COVID-19 had resulted in mass employee lay-offs and the company had claimed financial assistance (such as participating in government-supported furlough schemes) in order to remain a going concern.

UN SDG 1: No poverty and SDG 8: Decent work and economic growth"

companies meet these minimum expectations, and understanding the hurdles they must overcome. For in-depth engagement companies, those which continue to lag our minimum expectations may be subject to voting sanctions and/ or divestment (from LGIM funds which apply the Climate Impact Pledge exclusions).

Our Climate Impact Pledge 'red lines' for the oil & gas sector are:

- Has the company committed to net-zero operational emissions?

- Does the company have time-bound methane reduction/zero flaring targets?

- Does the company disclose its climate-related lobbying activities, including trade association memberships, and explain the action it will take if these are not aligned with a 1.5°C scenario?

UN SDG 13: Climate action"

What the investment manager has done	"We were in touch with Aegon's Investor Relations team in early September ahead of a planned meeting with the CEO and management team at a roadshow in the US. We noted our initial concerns with some of the proposed changes to the Company's Articles of Incorporation following the redomicile to a lower shareholder rights jurisdiction. This concern was also picked up by the main proxy advisory firms, ISS and Glass Lewis, who recommended negatively in respect of the proposed move. Following engagement on 14 September, Aegon announced amended proposals on 15 September, that now provided for enhanced shareholder rights to more closely align with provisions previously in place, especially around capital management authorities. We also met with Aegon's CEO on 18 September. Given the importance of the vote on the Company's business performance, but potential negative effects on shareholder and creditor rights, the meeting was attended by the investment stewardship team as well as credit analysts both in London and the US. There was another follow-up meeting with the CEO only two days later, where changes to the proposals were discussed."	"LGIM engaged initially with the company's [then] CEO in 2016 about this issue and by 2021, Sainsbury's was paying a real living wage to all employees, except those in outer London. We joined forces with ShareAction to try to encourage the company to change its policy for outer London workers. As these engagements failed to deliver change, we then joined ShareAction in co-filing a shareholder resolution in Q1 2022, asking the company to becoming a living wage accredited employer. This escalation succeeded insofar as, in April 2022, Sainsbury's moved all its London-based employees to the real living wage. We welcomed this development as it demonstrates Sainsbury's values as a responsible employer. However, the shareholder resolution was not withdrawn and remained on the 2022 AGM agenda because, despite this expansion of the real living wage to more employees, contractors, i.e. cleaners and security guards, operating within Sainsbury's operations were excluded from the uplift. In the previous four years we have held eight company meetings with Sainsburys, with the continued main focus on social inequality, whilst also	"We have been engaging with Exxon Mobil since 2016 and they have, over time, participated willingly in our discussions and meetings. Under our Climate Impact Pledge, we identified a number of initial areas for concern, namely: lack of Scope 3 emissions disclosures (embedded in sold products); lack if integration or a comprehensive net zero commitment; lack of ambition in operational reductions targets and; lack of disclosure of climate lobbying activities. Levels of individual typically engaged with include the Head of Sustainability, Lead Independent Director, the Company Secretary and Investors Relations. Our regular engagements with Exxon Mobil have focused on our expectations under the Climate Impact Pledge, as well as several other material issues for the company, including capital allocation and business resiliency. The improvements made have not so far been sufficient in our opinion, which has resulted in escalations. The first escalation was to vote against the re-election of the Chair, from 2019, in line with our Climate Impact Pledge sanctions. Subsequently, in the absence of further improvements, we placed Exxon Mobil

covering broader topics such as capital management and biodiversity. We met with the CEO as well as the Chairman.

In 2023, LGIM led its own campaign on income inequality where we targeted the largest global food retailers. Sainsbury's is one of the 15 companies we are targeting. The campaign has as a consequence, a vote against the Chairman if our minimum requirements are not met by the time of their AGM in 2025."

on our Climate Impact Pledge divestment list (for applicable LGIM funds) in 2021, as we considered the steps taken by the company so far to be insufficient for a firm of its scale and stature. Nevertheless, our engagement with the company continues. In terms of further voting activity, in 2022 we supported two climate-related shareholder resolutions (i.e. voted against management recommendation) at Exxon's AGM, reflecting our continued wish for the company to take sufficient action on climate change in line with our minimum expectations.

Further escalating our engagement, LGIMA and CBIS co-filed a shareholder resolution at Exxon’s 2023 AGM, requesting the company to disclose the quantitative impact of the IEA NZ scenario on all asset retirement obligations (AROs). The proposal was centred around disclosure and seeking greater insight into the potential costs associated with the decommissioning of Exxon’s assets in the event of an accelerated energy transition. We believe this is a fundamental level of information for the company’s shareholders, in light of growing investor concerns about asset retirement obligations (AROs) in a carbon constrained future, and that it is

			financially material information. The proposal received over 16% support from shareholders which, although lower than we would have liked, demonstrates an increasing recognition of the importance of this issue for investors."
Outcomes and next steps	"With pressure applied on the Company by both investors and proxy advisers, we were able to push for improved shareholder rights and amended terms ahead of the vote taking place at the EGM. Both ISS and Glass Lewis changed their vote recommendations on the proposal upon the announcement on 15 September by the Company of changed terms and commitments, and LGIM felt comfortable to support all resolutions at the EGM. The redomicile of Aegon was overwhelmingly approved by shareholders with 98.7% of shares voted in favour."	"Since we co-filed the shareholder resolution in 2022, Sainsbury's has made three further pay increases to its directly employed workers, harmonising inner and outer London pay and is now paying the real living wage to its employees, as well as extending free food to workers well into 2023. We welcome these actions which demonstrate the value the board places on its workforce. We continue to engage with Sainsburys and have asked the board to collaborate with other key industry stakeholders to bring about a living wage for contracted staff. While the company may have been in the process of raising salaries, our campaigned engagement and shareholder resolution would have fast tracked the end result. It has also made the company aware of how important this topic is to their investors.	"Since 2021, we have seen notable improvements from Exxon Mobil regarding our key engagement requests, including disclosure of Scope 3 emissions, a 'net zero by 2050' commitment (for Scopes 1 and 2 emissions), the setting of interim operational emissions reduction targets, improved disclosure of lobbying activities and more recently, the commitment made by the company to join the leading global partnership on methane, OGMP 2.0. However, there are still key areas where we require further improvements, including inclusion of Scope 3 emissions targets, further quantifiable disclosure of business resiliency and asset retirement obligations across relevant scenarios, capital allocation , and improving the level of ambition regarding interim targets. We are also seeking further transparency on their lobbying activities.

We are continuing to engage with Sainsbury's, both individually and collaboratively with the ShareAction Good Work Coalition, and have met with them a number of times during 2023 as part of our living wage campaign, directed at 15 large global supermarkets. In addition to setting objectives regarding the living wage for these companies' own operations, we also expect them to take certain actions regarding their Tier 1 and ideally Tier 2 supply chains.

We have been engaging with the Chairman, the Chief Executive and investor relations in relation to our expectations.

The milestones set under this campaign relate to expectations that, should they be achieved, they would not only improve wages for significant numbers of low-paid workers around the world but also, given these companies' influence in their respective countries and supply chains, we would expect there to be a knock-on impact as competitors and smaller peers would then be compelled to follow suit. We would hope that this would improve the livelihood of thousands of workers and their families and also boost GDP.

The company remains on our divestment list (for relevant funds), but our engagement with them continues. In terms of our next steps, we will continue our direct engagements with the company under our Climate Impact Pledge and separately, to better understand challenge Exxon on their approach to the energy transition, where financial material issues such as disclosure the potential costs to retire their long-lived assets and decarbonisation levers being some of the key discussion points. We will also be engaging with proxy advisors and fellow investors to better understand their voting rationale.

We were pleased to see progress from the company in terms of joining the Oil and Gas Methane Partnership (‘OGMP’) 2.0 – the flagship oil and gas reporting and mitigation programme on methane, of which many global oil and gas companies, including BP and Shell, are already members. We have been working closely and collaboratively with EDF to raise awareness of the issue (letters, meetings, public statements) and applying pressure on oil and gas companies to join the OGMP initiative since 2021 – Exxon being one of them, through our direct engagements with the company under our Climate Impact

		We may consider co-filing some shareholder resolutions in 2024 at some of the companies targeted under this campaign. "	Pledge. Exxon had demonstrated reluctance, previously, to sign up to the OGMP and LGIM voted in favour of a shareholder resolution tabled at its 2023 AGM, requesting that the company produce a report on methane emission disclosure reliability, which received 36.4% support from shareholders. Public and shareholder pressure, growing membership of the OGMP and Exxon's recent acquisition of OGMP member Pioneer Natural Resources appear to have swayed the company towards greater transparency. Greater transparency is crucial in terms of enabling markets and investors to accurately price climate-related risks and opportunities which, in turn, is an incentive for companies to make the changes we are seeking. "

Insight - Firm-level	**Case Study 1**	**Case Study 2**	**Case Study 3**
Name of entity engaged with	Haleon plc	Rolls-Royce Holdings plc	Medtronic plc
Topic	Strategy, Financial and Reporting – Reporting (e.g., audit, accounting, sustainability reporting)	Environment - Climate change	Social - Human capital management (e.g. inclusion and diversity, employee terms, safety)

Rationale	"Haleon plc is a British multinational consumer healthcare company offering personal and over-the-counter (OTC) healthcare products. Haleon was previously the Consumer Healthcare business within GSK plc and was spun off in July 2022. This engagement was a follow up to earlier engagements to address their relatively poor ESG scores following their spin off from their parent. This engagement is aligned to SDG 3 Good Health and Well-Being, SDG 12 Responsible Consumption and Production and SDG 13 Climate Action. "	"Rolls-Royce (RR) is a leading global manufacturer of aero-engines, gas turbines and reciprocating engines. This engagement was a follow up to discuss historic bribery issues and carbon emissions progress but also to engage on new topics around labour management and policy and lobbying. This engagement is aligned to SDG 8 Decent Work and Economic Growth, SDG 9 Industry, Innovation and Infrastructure and SDG 13 Climate Action. "	"Medtronic plc (MDT) is one of the global leaders in the medical device industry, participating in several high tech segments of the market from cardiovascular, medical surgical, diabetes to neuroscience. This engagement was an ESG deep dive into product safety and quality concerns that has contributed to their Prime ESG rating falling to a 5 towards the beginning of the quarter. This engagement is aligned to SDG 3 Good Health and Well-Being and SDG 12 Responsible Consumption and Production."
What the investment manager has done	"Haleon views itself as the first 100% consumer healthcare company and is not directly comparable to peers in the consumer product nor pharmaceuticals sectors. It sees itself as being penalised on its ESG scores by external rating agencies as it does not fit neatly into pre-existing sectoral classifications. Haleon has cited engagement with external ESG rating agencies to be difficult but has been dedicating significant resource towards documenting regulations and requirements inherited from their parent	"RR has shown progress where it relates to legacy business ethics/ bribery cases but concerns around labour management due to headcount reductions as a result of COVID and planned efficiencies in coming years warrant this 1:1 engagement that was conducted in collaboration with Climate Action 100+. RR's activity levels have increased and headcount is starting to grow again but new management have outlined plans to boost profitability by reducing headcount by 2-2.5k out of a total workforce of 40k, whilst avoiding	"Insight has had previous engagements with MDT but was approached by MDT's investor relations team and ESG analyst for a private meeting to discuss issues relating to quality and safety and supply chain management. MDT was rated an ESG 5 for weak scores relating to product safety and quality owing to product recalls that MSCI flagged as severe controversies. MDT reiterated that quality-related metrics are embedded in their employee incentive plans all way to their CEO. They prioritise quality and

	and re-documenting existing policies to be in line with rating agencies' required formats. Haleon's proactive engagement with rating agencies is a strong case study for corporate engagement with rating agencies. Haleon agreed to focus on measurement and disclose scope 3 emissions by sources and track by core product lines; and identify any key drivers and initiatives to improve emissions relating to key emitting lines. Haleon has established ESG KPIs linked to executive remuneration via their performance share plan relating to carbon scope 1 and 2 reductions (-48% from 2020 levels by November 2025); >80% recycle-ready packaging by June 2025; >45% females in leadership roles by 2025."	compulsory redundancy by actively engaging with unions. RR is also continuing with programmes to boost diversity across their ranks. RR has set a long term net zero target but acknowledges the lack of short term targets but flag that climate metrics are baked into executive remuneration, where plans include establishing RR as an climate enabler with their fleet being compatible with sustainable aviation fuel with increased R&D spend to support this. Concerns were also raised with regards to their trade/ lobbying group associations and their associated climate objectives. "	patient safety, with the goal of zero product recalls but given the nature of their products and devices, this is not very aspirational given the business they operate in, but they have been investing in this area by bringing in new leadership over recent years that have strengthened their enterprise quality strategy and enhanced system standardisation (product development lifecycle, complaint tracking, manufacturer quality, supply chain transformation) in their view. Product recall profiles started to improve in 2021 but Insight expects that continued improvements will take time to materialise through reduction in warning letters, recalls and eventually third party rating agencies, with whom they are maintaining engagement with but do not necessarily agree on methodology. "
Outcomes and next steps	"Haleon's MSCI rating has improved from BB to BBB between October 2022 and August 2023. Insight is looking forward to seeing Haleon's ESG report when it is due to be published in April 2024 and expect it to cover policy, targets, progress.	"RR conducted an extensive review of their trade / lobbying group associations, which they found to be broadly aligned with their climate objectives. Given the sensitive nature of some of the end markets, trade body activity can be opaque. Insight had encouraged greater disclosure around membership so third-party verification of alignment with climate objectives can	"Insight will continue to monitor the structural changes MDT is implementing around their product research and development programme, as well as their supply chain. Insight does not expect material results in the short term, particularly not around any downstream reflection in

	On carbon footprint, Haleon will look to improve disclosure (e.g., on scope 3 validation), their fleet and upstream purchases to bring down scope 3 emissions (e.g., low impact toothpaste inputs and reduction of virgin plastic)."	be undertaken. Insight will continue to monitor and advocate for more transparency. They also evidenced controls that have since been put in place to guard against historic bribery issuers reoccurring that Insight was broadly satisfied with reducing the risk associated with this issue from a credit quality perspective at present. "	external rating agencies' ESG scores, which emphasizes the importance of ongoing engagement to form a house-view on the issuer's credit and ESG profile. The changes the MDT are implementing will take time to take hold and translate into improvements to their ESG profile, which would be aligned to the investment time horizon of those adopting buy-and-maintain strategies. The Prime ESG downgrade to 5 translated to a 'sell' recommendation for certain funds during the quarter. However, towards the end of the quarter, MDT's ESG score since recovered to a 4, which made it eligible to be included in the investable universe of most funds again. Fundamentally, MDT continues to perform well and Insight does not have concerns about their credit quality for now. "