

Implementation Statement for the Hochtief (UK) Construction Limited Retirement Benefits Scheme

Covering 1 October 2019 to 30 September 2020

1. Background

The Trustees of the Hochtief (UK) Construction Limited Retirement Benefits Scheme (the “Scheme”) are required to produce a yearly statement to set out how, and the extent to which, the Trustees have followed the Scheme’s Statement of Investment Principles (“SIP”) during the previous Scheme year. This statement also includes the details of any reviews of the SIP during the year, any changes that were made and reasons for the changes. This is the first implementation statement produced by the Trustees.

A description of the voting behaviour during the year, either by or on behalf of the Trustees, or if a proxy voter was used, also needs to be included within this statement.

This statement should be read in conjunction with the SIP and has been produced in accordance with **The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018** and the subsequent amendment in **The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019**.

A copy of the most recent SIP can be found at:

<https://hochtief.co.uk/benefit-pension-scheme-investments-principles/>

2. Investment Objectives and Activity

The objective of the Scheme is to achieve, over the long term, a return on the Scheme’s assets which is sufficient in conjunction with the Scheme’s existing assets and contributions paid by both members and the employer to pay all members’ benefits in full.

During the year, progress was reviewed on a quarterly basis as part of the formal quarterly monitoring report. During Q4 2019, the Trustees had agreed to transfer their assets from the Old Mutual Wealth (“OMW”) platform onto the Legal and General Investment Management (“LGIM”) platform. The Trustees also agreed to change their investment strategy during this project, this is set out in the Scheme’s SIP. There were also some disinvestments made to meet cash flow requirements.

The SIP was fully reviewed and updated during the period to allow for the completion of the de-risking mechanism, and to incorporate the Trustees’ policy on Environmental, Social and Governance (“ESG”) factors, stewardship and climate change, as required under new regulations.

3. ESG, Stewardship and Climate Change

The Scheme’s SIP includes the Trustees’ policy on Environmental, Social and Governance (“ESG”) factors, stewardship and climate change. This policy sets out the Trustees’ beliefs on ESG and climate change, and the processes followed by the Trustees in relation to voting rights and stewardship.

The Trustees will review these policies further in the next Scheme year and provide information in the next implementation statement. The Trustees also intend to review the managers' ESG policies including the application of voting rights in the next Scheme year.

4. Voting and Engagement

The Trustees are keen that their managers are signatories to the UK Stewardship Code, which they are.

The Trustees have elected to invest in pooled funds and cannot, therefore, directly influence the ESG policies, including the day-to-day application of voting rights, of the funds in which they invest. However, the Trustees will consider these policies in all future selections and will deepen their understanding of their existing managers' policies. The Scheme held the following funds at some point over the period 1 October 2019 to 30 September 2020:

- Schroder Life Intermediated Diversified Growth Fund
- Aberdeen Standard Investments Global Absolute Return Strategies Fund
- LGIM Diversified Fund
- LGIM World Emerging Markets Equity Index Fund
- LGIM All World Equity Index Fund
- BNY Mellon Global Dynamic Bond Fund
- LGIM Active Corporate Bond – Over 10 Year – Fund
- LGIM All Stocks Index Linked Gilts Fund
- LGIM Emerging Market Passive Local Currency Government Bond Fund
- LGIM Matching Core Real Long Fund
- LGIM Matching Core Real Short Fund
- LGIM Matching Core Fixed Long Fund
- LGIM Matching Core Fixed Short Fund

The Trustees were unable to include voting data for the underlined funds as they are predominantly fixed income and do not hold physical equities.

5. Description of investment manager's voting processes

a. LGIM

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. Their voting policies are reviewed annually and take into account feedback from their 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.

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.

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 they do not outsource any part of the strategic decisions. Their use of ISS recommendations is purely to augment their 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 they receive from ISS for UK companies when making specific voting decisions

To ensure their proxy provider votes in accordance with their 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 they consider are minimum best practice standards which they believe all companies globally should observe, irrespective of local regulation or practice.

They retain the ability in all markets to override any vote decisions, which are based on their 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 them to apply a qualitative overlay to their voting judgement. They have strict monitoring controls to ensure their votes are fully and effectively executed in accordance with their voting policies by their service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform them of rejected votes which require further action.

It is vital that the proxy voting service are regularly monitored and LGIM do this through quarterly due diligence meetings with ISS. Representatives from a range of departments attend these meetings, including the client relationship manager, research manager and custom voting manager. The meetings have a standing agenda, which includes setting out our expectations, an analysis of any issues we have experienced when voting during the previous quarter, the quality of the ISS research delivered, general service level, personnel changes, the management of any potential conflicts of interest and a review of the effectiveness of the monitoring process and voting statistics. The meetings will also review any action points arising from the previous quarterly meeting.

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

b. Schroder Life

Schroder Life evaluates voting issues arising at their investee companies and, where they have the authority to do so, votes on them in line with our fiduciary responsibilities in what they deem to be the interests of their clients. Schroder Life utilises company engagement, internal research, investor views and governance expertise to confirm their intention.

They receive research from both ISS and the Investment Association's Institutional Voting Information Services (IVIS) for upcoming general meetings, however this is only one component that feeds into their voting decisions. In addition to relying on their policies they will also be informed by company reporting, company engagements, country specific policies, engagements with stakeholders and the views of portfolio managers and analysts.

It is important to stress that their own research is also integral to their final voting decision; this will be conducted by both their financial and ESG analysts. For contentious issues, their Corporate Governance specialists will be in deep dialogue with the relevant analysts and portfolio managers to seek their view and better understand the corporate context.

They continue to review their voting practices and policies during their ongoing dialogue with their portfolio managers. This has led them to raise the bar on what they consider 'good governance practice.'

c. Aberdeen Standard

Aberdeen Standard describe their voting process as follows:

"In instances where there is a segregated / separate account and the client feels very strongly about voting their own proxies (and for which they have the platform in place to do so), then we do make allowances on this front. But we strongly urge the client to allow us to vote on their behalf, since these decisions are an active part of our engagement and investment decision making process.

ASI has in place a stable process by which the proxy voting team collects general meeting notifications and research and allocates the voting decision through a pre-defined framework to the analyst responsible for making the voting decision for the company in question. The analysts selected will be a member of the ESG Investment or the equity desk analyst responsible for the sector in which the company sits.

The selected ASI analyst will assess the resolutions at general meetings in our active investment portfolios. This analysis will be based on our knowledge of the company, but will also make use of the custom policy recommendations and recommendations provided by ISS as described above. The product of this analysis will be a final voting decision instructed through ISS and applied to all funds for which ASI have been appointed to vote.

We employ ISS as a service provider to deliver our voting decisions efficiently to companies. ISS provides voting recommendations based on our own customised voting policy which reflects ASI's guidelines and expectations. We remain conscious always that all voting decisions are our own on behalf of our clients. We consider ISS's recommendations and those based on our custom policy as input to our voting decisions. In addition to the ISS service for UK company general meetings we also use research provided by the Institutional Voting Information Service (IVIS) which uses the guidelines of the Investment Association (IA) as the basis of their research.

From time to time, we face conflicts of interest in relation to our stewardship work. However, our simple approach is that we will always seek to act in our clients' best interests. More formally, global regulation requires the boards of directors at asset management firms to establish effective frameworks to identify control and regularly review conflicts of interest. As required by regulators, including the Financial Conduct Authority in the UK and the Securities and Exchange Commission in the US, we have in place a documented process for the identification and management of conflicts of interest.

The process is designed to:

- ensure that conflicts between the interests of the firm and its clients, or between clients of different types, are managed appropriately
- ensure that conflicts resulting from the personal activities of our people outside of the firm (e.g. business ventures, outside appointments, involvement in public affairs, personal political donations) are managed appropriately.

We disclose stewardship-specific conflicts, and associated systems & controls, to clients. We also keep a current record of circumstances in which a potential conflict may arise, or has arisen, as a result of the activities carried out by us.

The firm votes on securities where we have a potential conflict of interest, including:

- an investee company that is also a significant client
- an investee company where an executive director or officer of our company is also a director of that company
- an investee company where an employee is a director of that company
- an investee company with which we have a strategic relationship
- a significant distributor of our products
- a significant supplier
- any other companies which may be relevant from time to time.

One specific conflict relates to investment in the shares of our parent company. In order to manage this conflict, the firm does not, as a matter of policy, vote any holdings in our parent company shares.

Systems and controls

- The Stewardship & ESG Investment team have access to senior executives and non-executives who are independent of both our fund management and global client servicing teams
- Rationale for voting in a particular direction is recorded
- Sensitive investee companies are highlighted and proxy voting records outline where possible conflicts have been considered
- The firm reports on voting for these stocks to Risk and Compliance (USA)
- Executive directors or officers of the firm notify the company secretariat about outside appointments
- Investment employees record their outside appointments on the internal compliance system.

The firm's process for the management of conflicts includes the definition of a Conflicts of Interest Policy and the maintenance of a Conflicts of Interest register. The policy and register are reviewed annually."

If you would like more information, please see the policy on their website.

6. Summary of voting behaviour over the year

a. LGIM

A summary of Insight's voting behaviour over the period is provided in the table below:

	Summary Info
Manager name	Legal & General Investment Management
Fund name	All World Equity Index
Approximate value of trustees' assets	c.£6.6m as at 30 September 2020
Number of meetings eligible to vote	3895
Number of resolutions eligible to vote	43648
% of resolutions voted	99.04%
% of resolutions voted with management	81.68%
% of resolutions voted against management	17.91%
% of resolutions abstained	0.41%
% of meetings voted at least once against management?	68.35%
% of resolutions voted contrary to the recommendation of your proxy adviser?	11.67%
	Summary Info
Manager name	Legal & General Investment Management
Fund name	World Emerging Markets Equity Index
Approximate value of trustees' assets	c.£1.3m as at 30 September 2020
Number of meetings eligible to vote	1535
Number of resolutions eligible to vote	13479
% of resolutions voted	98.03%
% of resolutions voted with management	82.85%
% of resolutions voted against management	16.09%
% of resolutions abstained	1.07%
% of meetings voted at least once against management?	56.33%
% of resolutions voted contrary to the recommendation of your proxy adviser?	8.70%
	Summary Info
Manager name	Legal & General Investment Management
Fund name	Diversified Fund
Approximate value of trustees' assets	c.£6.4m as at 30 September 2020
Number of meetings eligible to vote	8069
Number of resolutions eligible to vote	85465
% of resolutions voted	99.04%
% of resolutions voted with management	80.87%
% of resolutions voted against management	18.85%
% of resolutions abstained	0.28%
% of meetings voted at least once against management?	70.98%
% of resolutions voted contrary to the recommendation of your proxy adviser?	12.38%

b. Schroder Life

Schroder Life has published voting records for many years and these are publicly available on their website however at the moment, the new PLSA voting template requires detailed bespoke fund-level voting data that goes beyond their existing disclosures. At this point in time, they are reviewing the information they provide and are considering the best way to communicate this to their clients.

The Trustees were unable to include a summary of Schroder Life's voting behaviour however they will continue to work with their advisers and Schroder Life with the aim of providing more information in future statements.

c. Aberdeen Standard

	Summary Info
Manager name	Aberdeen Standard Investments
Fund name	Global Absolute Return Strategy
Approximate value of trustees' assets	c.£0m as at 30 September 2020 (sold out of fund 26 November 2019)
Number of meetings eligible to vote	10
Number of resolutions eligible to vote	164
% of resolutions voted	100.00%
% of resolutions voted with management	90.24%
% of resolutions voted against management	9.76%
% of resolutions abstained	0.00%
% of meetings voted at least once against management?	60.00%*
% of resolutions voted contrary to the recommendation of your proxy adviser?	1.22%

- 60.00% *This number shows Number of meetings with at least 1 vote Against, Withhold or Abstain

7. Most significant votes over the year

a. LGIM

Commentary on the most significant votes over the period is set out below.

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

Most significant votes for the LGIM All World Equity Index Fund

Vote 1

Company name	BARCLAYS
Date of vote	07/05/2020
Summary of the resolution	Resolution 29 - Approve Barclays' Commitment in Tackling Climate Change Resolution 30 - Approve ShareAction Requisitioned Resolution
How you voted	LGIM voted for resolution 29, proposed by Barclays and for resolution 30, proposed by ShareAction.
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	The resolution proposed by Barclays sets out its long-term plans and has the backing of ShareAction and co-filers. We are particularly grateful to the Investor Forum for the significant role it played in coordinating this outcome.
Outcome of the vote	Resolution 29 - supported by 99.9% of shareholders Resolution30 - supported by 23.9% of shareholders (source: Company website)
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	The hard work is just beginning. Our focus will now be to help Barclays on the detail of their plans and targets, more detail of which is to be published this year. We plan to continue to work closely with the Barclays board and management team in the development of their plans and will continue to liaise with ShareAction, Investor Forum, and other large investors, to ensure a consistency of messaging and to continue to drive positive change.
On which criteria (as explained in the cover email) have you assessed this vote to be "significant"?	Since the beginning of the year there has been significant client interest in our voting intentions and engagement activities in relation to the 2020 Barclays AGM. We thank our clients for their patience and understanding while we undertook sensitive discussions and negotiations in private. We consider the outcome to be extremely positive for all parties: Barclays, ShareAction and long-term asset owners such as our clients.

Vote 2

Company name	AMAZON
Date of vote	27/05/2020
Summary of the resolution	Shareholder resolutions 5 to 16
How you voted	Of 12 shareholder proposals, we voted to support 10. We looked into the individual merits of each individual proposal, and there are two main areas which drove our decision-making: disclosure to encourage a better understanding of process and performance of material issues (resolutions 5, 6, 7, 8, 10, 13, 15 and 16) and governance structures that benefit long-term shareholders (resolutions 9 and 14).
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

<p>Rationale for the voting decision</p>	<p>In addition to facing a full slate of proxy proposals, in the two months leading up to the annual meeting, Amazon was on the front lines of a pandemic response. The company was already on the back foot owing to the harsh workplace practices alleged by the author of a seminal article in the New York Times published in 2015, which depicted a bruising culture. The news of a string of workers catching COVID-19, the company's response, and subsequent details, have all become major news and an important topic for our engagements leading up to the proxy vote. Our team has had multiple engagements with Amazon over the past 12 months. The topics of our engagements touched most aspects of ESG, with an emphasis on social topics:</p> <ul style="list-style-type: none"> • Governance: Separation of CEO and board chair roles, plus the desire for directors to participate in engagement meetings • Environment: Details about the data transparency committed to in their 'Climate Pledge' • Social: Establishment of workplace culture, employee health and safety <p>The allegations from current and former employees are worrying. Amazon employees have consistently reported not feeling safe at work, that paid sick leave is not adequate, and that the company only provides an incentive of \$2 per hour to work during the pandemic. Also cited is an ongoing culture of retaliation, censorship, and fear. We discussed with Amazon the lengths the company is going to in adapting their working environment, with claims of industry leading safety protocols, increased pay, and adjusted absentee policies. However, some of their responses seemed to have backfired. For example, a policy to inform all workers in a facility if COVID-19 is detected has definitely caused increased media attention.</p>
<p>Outcome of the vote</p>	<p>Resolution 5 to 8, and 14 to 16 each received approx. 30% support from shareholders. Resolutions 9 and 10 received respectively 16.7 and 15.3% support. Resolution 11 received 6.1% support. Resolution 12 received 1.5 % support. Resolution 13 received 12.2% support. (Source: ISS data)</p>
<p>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</p>	<p>Despite shareholders not giving majority support to the raft of shareholder proposals, the sheer number and focus on these continues to dominate the landscape for the company. Our engagement with the company continues as we push it to disclose more and to ensure it is adequately managing its broader stakeholders, and most importantly, its human capital.</p>
<p>On which criteria (as explained in the cover email) have you assessed this vote to be "significant"?</p>	<p>The market attention was significant leading up to the AGM, with:</p> <ul style="list-style-type: none"> •12 shareholder proposals on the table – the largest number of any major US company this proxy season •Diverse investor coalitions submitting and rallying behind the proposals, including global, different types of investors and first time co-filers/engagers •Substantial press coverage – with largely negative sentiment related to the company's governance profile and its initial management of COVID-19 •Multiple state treasurers speaking out and even holding an online targeted pre-annual meeting investor forum entitled 'Workplace & Investor Risks in Amazon.com, Inc.'s COVID-19 Response' <p>Anecdotally, the Stewardship team received more inquiries related to Amazon than any other company this season.</p>

Vote 3

Company name	EXXONMOBIL
Date of vote	27/05/2020
Summary of the resolution	Resolution 1.10 - Elect Director Darren W. Woods
How you voted	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	In June 2019, under our annual 'Climate Impact Pledge' ranking of corporate climate leaders and laggards, we announced that we will be removing ExxonMobil from our Future World fund range, and will be voting against the chair of the board. Ahead of the company's annual general meeting in May 2020, we also announced we will be supporting shareholder proposals for an independent chair and a report on the company's political lobbying. Due to recurring shareholder concerns, our voting policy also sanctioned the reappointment of the directors responsible for nominations and remuneration.
Outcome of the vote	93.2% of shareholders supported the re-election of the combined chair and CEO Darren Woods. Approximately 30% of shareholders supported the proposals for independence and lobbying. (Source: ISS data)
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	We believe this sends an important signal, and will continue to engage, both individually and in collaboration with other investors, to push for change at the company. Our voting intentions were the subject of over 40 articles in major news outlets across the world, including Reuters, Bloomberg, Les Échos and Nikkei, with a number of asset owners in Europe and North America also declaring their intentions to vote against the company.
On which criteria (as explained in the cover email) have you assessed this vote to be "significant"?	We voted against the chair of the board as part of LGIM's 'Climate Impact Pledge' escalation sanction.

Vote 4

Company name	PEARSON
Date of vote	18/09/2020
Summary of the resolution	'Resolution 1: Amend remuneration policy' was proposed at the company's special shareholder meeting, held on 18 September 2020.
How you voted	We voted against the amendment to the remuneration policy.
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Pearson issued a series of profit warnings under its previous CEO. Yet shareholders have been continuously supportive of the company, believing that there is much value to be gained from new leadership and a fresh approach to their strategy. However, the company decided to put forward an all-or-nothing proposal in the form of an amendment to the company's remuneration policy. This resolution at the extraordinary general meeting

	<p>(EGM) was seeking shareholder approval for the grant of a co-investment award, an unusual step for a UK company, yet if this resolution was not passed the company confirmed that the proposed new CEO would not take up the CEO role.</p> <p>This is an unusual approach and many shareholders felt backed into a corner, whereby they were keen for the company to appoint a new CEO, but were not happy with the plan being proposed. However, shareholders were not able to vote separately on the two distinctly different items, and felt forced to accept a less-than-ideal remuneration structure for the new CEO.</p> <p>LGIM spoke with the chair of the board earlier this year, on the board's succession plans and progress for the new CEO. We also discussed the shortcomings of the company's current remuneration policy.</p> <p>We also spoke with the chair directly before the EGM, and relayed our concerns that the performance conditions were weak and should be revisited, to strengthen the financial underpinning of the new CEO's award. We also asked that the post-exit shareholding requirements were reviewed to be brought into line with our expectations for UK companies. In the absence of any changes, LGIM took the decision to vote against the amendment to the remuneration policy.</p>
Outcome of the vote	At the EGM, 33% of shareholders voted against the co-investment plan and therefore, by default, the appointment of the new CEO.
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	Such significant dissent clearly demonstrates the scale of investor concern with the company's approach. It is important that the company has a new CEO, a crucial step in the journey to recover value; but key governance questions remain which will now need to be addressed through continuous engagement.
On which criteria (as explained in the cover email) have you assessed this vote to be "significant"?	Pearson has had strategy difficulties in recent years and is a large and well-known UK company. Given the unusual approach taken by the company and our outstanding concerns, we deem this vote to be significant.

Vote 5

Company name	OLYMPUS CORPORATION
Date of vote	30/07/2020
Summary of the resolution	'Resolution 3.1: Elect Director Takeuchi, Yasuo' at the company's annual shareholder meeting held on 30 July 2020.
How you voted	We voted against the resolution.
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Japanese companies in general have trailed behind European and US companies, as well as companies in other countries, in ensuring more women are appointed to their boards. The lack of women is also a concern below board level. LGIM have for many years promoted and supported an increase of women on boards, at the executive level and below. On a global level we consider that every board should have at least one female director. We deem this a de minimis standard. Globally, we aspire to all boards comprising 30% women. Last year in February we sent letters to the largest companies in the MSCI Japan which did not have any women on their boards or at executive level, indicating that we expect to see at least one woman on the board. One of the companies targeted was Olympus Corporation.

	<p>In the beginning of 2020, we announced that we would commence voting against the chair of the nomination committee or the most senior board member (depending on the type of board structure in place) for those companies included in the TOPIX100.</p> <p>We opposed the election of this director in his capacity as a member of the nomination committee and the most senior member of the board, in order to signal that the company needed to take action on this issue.</p>
Outcome of the vote	94.90% of shareholders supported the election of the director
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with and require increased diversity on all Japanese company boards.
On which criteria (as explained in the cover email) have you assessed this vote to be "significant"?	This vote is deemed significant as LGIM considers it imperative that the boards of Japanese companies increase their diversity.

Most significant votes for the LGIM World Emerging Market Equity Index

LGIM have not disclosed any significant votes for this fund over the period.

Most significant votes for the LGIM Diversified Fund

Vote 1

Company name	BARCLAYS
Date of vote	07/05/2020
Summary of the resolution	Resolution 29 - Approve Barclays' Commitment in Tackling Climate Change Resolution 30 - Approve ShareAction Requisitioned Resolution
How you voted	LGIM voted for resolution 29, proposed by Barclays and for resolution 30, proposed by ShareAction.
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	The resolution proposed by Barclays sets out its long-term plans and has the backing of ShareAction and co-filers. We are particularly grateful to the Investor Forum for the significant role it played in coordinating this outcome.
Outcome of the vote	Resolution 29 - supported by 99.9% of shareholders Resolution30 - supported by 23.9% of shareholders (source: Company website)
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	The hard work is just beginning. Our focus will now be to help Barclays on the detail of their plans and targets, more detail of which is to be published this year. We plan to continue to work closely with the Barclays board and management team in the development of their plans and will continue to liaise with ShareAction, Investor Forum, and other large investors, to ensure a consistency of messaging and to continue to drive positive change.
On which criteria (as explained in the cover email) have you assessed this vote to be "significant"?	Since the beginning of the year there has been significant client interest in our voting intentions and engagement activities in relation to the 2020 Barclays AGM. We thank our clients for their patience and understanding while we undertook sensitive discussions and negotiations in private. We consider the outcome to be extremely positive for all parties: Barclays, ShareAction and long-term asset owners such as our clients.

Vote 2

Company name	AMAZON
Date of vote	27/05/2020
Summary of the resolution	Shareholder resolutions 5 to 16
How you voted	Of 12 shareholder proposals, we voted to support 10. We looked into the individual merits of each individual proposal, and there are two main areas which drove our decision-making: disclosure to encourage a better understanding of process and performance of material issues (resolutions 5, 6, 7, 8, 10, 13, 15 and 16) and governance structures that benefit long-term shareholders (resolutions 9 and 14).

<p>Where you voted against management, did you communicate your intent to the company ahead of the vote?</p>	<p>LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.</p>
<p>Rationale for the voting decision</p>	<p>In addition to facing a full slate of proxy proposals, in the two months leading up to the annual meeting, Amazon was on the front lines of a pandemic response. The company was already on the back foot owing to the harsh workplace practices alleged by the author of a seminal article in the New York Times published in 2015, which depicted a bruising culture. The news of a string of workers catching COVID-19, the company's response, and subsequent details, have all become major news and an important topic for our engagements leading up to the proxy vote. Our team has had multiple engagements with Amazon over the past 12 months. The topics of our engagements touched most aspects of ESG, with an emphasis on social topics:</p> <ul style="list-style-type: none"> • Governance: Separation of CEO and board chair roles, plus the desire for directors to participate in engagement meetings • Environment: Details about the data transparency committed to in their 'Climate Pledge' • Social: Establishment of workplace culture, employee health and safety <p>The allegations from current and former employees are worrying. Amazon employees have consistently reported not feeling safe at work, that paid sick leave is not adequate, and that the company only provides an incentive of \$2 per hour to work during the pandemic. Also cited is an ongoing culture of retaliation, censorship, and fear. We discussed with Amazon the lengths the company is going to in adapting their working environment, with claims of industry leading safety protocols, increased pay, and adjusted absentee policies. However, some of their responses seemed to have backfired. For example, a policy to inform all workers in a facility if COVID-19 is detected has definitely caused increased media attention.</p>
<p>Outcome of the vote</p>	<p>Resolution 5 to 8, and 14 to 16 each received approx. 30% support from shareholders. Resolutions 9 and 10 received respectively 16.7 and 15.3% support. Resolution 11 received 6.1% support. Resolution 12 received 1.5 % support. Resolution 13 received 12.2% support. (Source: ISS data)</p>
<p>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</p>	<p>Despite shareholders not giving majority support to the raft of shareholder proposals, the sheer number and focus on these continues to dominate the landscape for the company. Our engagement with the company continues as we push it to disclose more and to ensure it is adequately managing its broader stakeholders, and most importantly, its human capital.</p>
<p>On which criteria (as explained in the cover email) have you assessed this vote to be "significant"?</p>	<p>The market attention was significant leading up to the AGM, with:</p> <ul style="list-style-type: none"> •12 shareholder proposals on the table – the largest number of any major US company this proxy season •Diverse investor coalitions submitting and rallying behind the proposals, including global, different types of investors and first time co-filers/engagers •Substantial press coverage – with largely negative sentiment related to the company's governance profile and its initial management of COVID-19 •Multiple state treasurers speaking out and even holding an online targeted pre-annual meeting investor forum entitled 'Workplace & Investor Risks in Amazon.com, Inc.'s COVID-19 Response' <p>Anecdotally, the Stewardship team received more inquiries related to Amazon than any other company this season.</p>

Vote 3

Company name	EXXONMOBIL
Date of vote	27/05/2020
Summary of the resolution	Resolution 1.10 - Elect Director Darren W. Woods
How you voted	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	In June 2019, under our annual 'Climate Impact Pledge' ranking of corporate climate leaders and laggards, we announced that we will be removing ExxonMobil from our Future World fund range, and will be voting against the chair of the board. Ahead of the company's annual general meeting in May 2020, we also announced we will be supporting shareholder proposals for an independent chair and a report on the company's political lobbying. Due to recurring shareholder concerns, our voting policy also sanctioned the reappointment of the directors responsible for nominations and remuneration.
Outcome of the vote	93.2% of shareholders supported the re-election of the combined chair and CEO Darren Woods. Approximately 30% of shareholders supported the proposals for independence and lobbying. (Source: ISS data)
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	We believe this sends an important signal, and will continue to engage, both individually and in collaboration with other investors, to push for change at the company. Our voting intentions were the subject of over 40 articles in major news outlets across the world, including Reuters, Bloomberg, Les Échos and Nikkei, with a number of asset owners in Europe and North America also declaring their intentions to vote against the company.
On which criteria (as explained in the cover email) have you assessed this vote to be "significant"?	We voted against the chair of the board as part of LGIM's 'Climate Impact Pledge' escalation sanction.

Vote 4

Company name	OLYMPUS CORPORATION
Date of vote	30/07/2020
Summary of the resolution	'Resolution 3.1: Elect Director Takeuchi, Yasuo' at the company's annual shareholder meeting held on 30 July 2020.
How you voted	We voted against the resolution.
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Japanese companies in general have trailed behind European and US companies, as well as companies in other countries, in ensuring more women are appointed to their boards. The lack of women is also a concern below board level. LGIM have for many years promoted and supported an increase of women on boards, at the executive level and below. On a

	<p>global level we consider that every board should have at least one female director. We deem this a de minimis standard. Globally, we aspire to all boards comprising 30% women. Last year in February we sent letters to the largest companies in the MSCI Japan which did not have any women on their boards or at executive level, indicating that we expect to see at least one woman on the board. One of the companies targeted was Olympus Corporation.</p> <p>In the beginning of 2020, we announced that we would commence voting against the chair of the nomination committee or the most senior board member (depending on the type of board structure in place) for those companies included in the TOPIX100.</p> <p>We opposed the election of this director in his capacity as a member of the nomination committee and the most senior member of the board, in order to signal that the company needed to take action on this issue.</p>
Outcome of the vote	94.90% of shareholders supported the election of the director
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with and require increased diversity on all Japanese company boards.
On which criteria (as explained in the cover email) have you assessed this vote to be "significant"?	This vote is deemed significant as LGIM considers it imperative that the boards of Japanese companies increase their diversity.

b. Schroder Life

Schroder Life consider "most significant" votes as those against company management.

They are not afraid to oppose management if they believe that doing so is in the best interests of shareholders and their clients. For example, if they believe a proposal diminishes shareholder rights or if remuneration incentives are not aligned with the company's long-term performance and creation of shareholder value. Such votes against will typically follow an engagement and they will inform the company of their intention to vote against before the meeting, along with their rationale. Where there have been ongoing and significant areas of concern with a company's performance they may choose to vote against individuals on the board.

However, as active fund managers they usually look to support the management of the companies that they invest in. Where they do not do this, they classify the vote as significant and will disclose the reason behind this to the company and the public.

The Trustees were unable to include specifics regarding the most significant votes cast within the Schroder Life Intermediated Diversified Growth Fund, however they will continue to work with their advisers and Schroder Life with the aim of providing more information in future statements.

c. Aberdeen Standard

"At Aberdeen Standard Investment we view all votes as significant and vote all shares globally for which we have voting authority, therefore we are unable to respond directly to this part of the request.

Instead we believe we go beyond guidelines and endeavour to disclose all our voting decisions for all of our active and passive equity holdings. We provide full transparency of our voting activity on our publicly available website and fund specific voting reports on request.

Each individual scheme will have their own views about which are the most significant votes - influenced by their sponsor, industry, membership and many other factors. If there are any voting themes, categories or specific company votes which your scheme is particularly interested in, please contact your relationship team who would be happy to provide more information. "

In addition, their voting policy can also be found on their website:

https://vds.issgovernance.com/repo/2024/policies/Listed_Company_Stewardship_Guidelines.pdf